

**CLIFTON NURSERIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2001**

***Saffery Champness***

CHARTERED ACCOUNTANTS



A30  
COMPANIES HOUSE

\*ADPTID00\*

0563  
02/08/02

# **CLIFTON NURSERIES LIMITED**

## **COMPANY INFORMATION**

---

**Directors** Lord Rothschild (Chairman)  
M D Miller  
P E James  
P J C Troughton

**Secretary** A W Ringshall

**Registered office** 5a Clifton Villas  
Warwick Avenue  
London W9 2PH

**Registered auditors** Saffery Champness  
Chartered Accountants  
Lion House  
Red Lion Street  
London  
WC1R 4GB

**Bankers** Lloyds Bank Plc  
39 Maida Vale  
London W9 1TR

**Company number** 697600

# **CLIFTON NURSERIES LIMITED**

## **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

---

The directors submit their report and the financial statements for the year ended 31 December 2001.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Results and dividends**

The trading profit for the year, after taxation, was £128,522 (2000: £74,628). After deducting a final dividend of £100,000 (2000: £100,000), there is a balance of £593,778 (2000: £565,256) to be carried forward.

### **Review of the business and future developments**

The company's principal activities during the year were the operation of a retail garden centre offering a wide range of garden services, garden antiques and statuary together with garden landscape and design services.

The directors consider that the current level of trading is satisfactory and anticipate that profitability can be maintained at least at the same level in the foreseeable future.

**CLIFTON NURSERIES LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2001**

---

**Directors and their interests**

The directors who served throughout the year were:

Lord Rothschild  
M D Miller  
P E James

M D Miller retires by rotation and, being eligible, offers himself for re-election.

P J C Troughton was appointed a director on 1 January 2002.

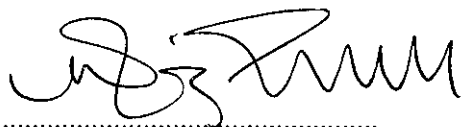
Lord Rothschild has a beneficial interest in 600,775 (2000: 600,775) ordinary shares in the parent company.

The other directors had no interest in the share capital of the company or any other group company during the current or preceding year. There were no schemes to benefit the directors by enabling them to buy shares in the company or any other group company.

**Auditors**

In accordance with the provisions of the Companies Act, 1985 a resolution will be proposed at the Annual General Meeting to re-appoint Saffery Champness as auditors and to authorise the directors to fix their remuneration.

By order of the board



.....  
A W Ringshall  
Secretary

16/7 2002

# CLIFTON NURSERIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2001

---

We have audited the statements on pages 5 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have received all the information and explanations we require for our audit, or information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

### **Basis of audit opinion**

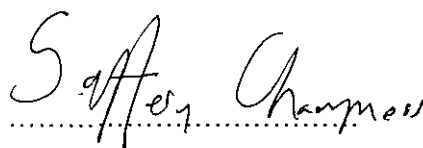
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Saffery Champness**



Chartered Accountants  
**Registered Auditors**

Lion House  
Red Lion Street  
London  
WC1R 4GB

16/7 2002

**CLIFTON NURSERIES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
<b>Turnover</b>	<b>1</b>	5,475,314	5,318,861
Cost of sales		(3,288,551)	(3,255,756)
<b>Gross profit</b>		2,186,763	2,063,105
Other operating expenses (net)	<b>2</b>	(2,009,253)	(1,930,468)
<b>Operating profit</b>		177,510	132,637
Investment income	<b>3</b>	-	5,319
		177,510	137,956
Interest payable	<b>4</b>	(1,992)	(873)
<b>Profit for the ordinary activities before taxation</b>	<b>5</b>	175,518	137,083
Taxation	<b>7</b>	(46,996)	(62,455)
<b>Profit for the financial year after taxation</b>		128,522	74,628
Final dividend £1,000 per share (2000: £1,000)		(100,000)	(100,000)
<b>Retained profit/(loss) for the financial year</b>	<b>16</b>	28,522	(25,372)

The company had no recognised gains or losses other than the profit/(loss) for these two financial years.

The notes on pages 9 to 15 form part of these financial statements.


**CLIFTON NURSERIES LIMITED**


**BALANCE SHEET**  
**31 DECEMBER 2001**

	Notes	2001		2000	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		419,035		437,560
<b>Current assets</b>					
Stock	9	497,400		424,977	
Debtors	10	1,141,054		1,486,628	
Cash at bank and in hand		145,589		406,106	
		<u>1,784,043</u>		<u>2,317,711</u>	
<b>Current liabilities</b>					
<b>Creditors: Amounts falling due</b>					
within one year	11	(1,609,200)		(2,189,915)	
<b>Net current assets</b>			<u>174,843</u>		<u>127,796</u>
			<u>593,878</u>		<u>565,356</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Profit and loss account	16		593,778		565,256
<b>Equity shareholders' funds</b>	17		<u>593,878</u>		<u>565,356</u>

Approved by the board on

16/7 2002

  
.....  
Lord Rothschild  
Director

  
.....  
M D Miller  
Director

The notes on pages 9 to 15 form part of these financial statements.

**CLIFTON NURSERIES LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>65,916</b>	<b>200,880</b>
<b>Return on investments and servicing of financing</b>			
Interest received		-	5,319
Interest paid on overdraft		(1,992)	(873)
<b>Net cash (outflow)/inflow from servicing of finance</b>		<b>(1,992)</b>	<b>4,446</b>
<b>Taxation</b>			
Corporation tax paid		(52,562)	(75,623)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(77,765)	(128,902)
Receipts from sale of tangible fixed assets		5,886	-
<b>Net cash (outflow) from investing activities</b>		<b>(71,879)</b>	<b>(128,902)</b>
		<b>(60,517)</b>	<b>801</b>
<b>Equity dividends paid</b>		<b>(200,000)</b>	<b>-</b>
<b>(Decrease)/increase in cash</b>	<b>2</b>	<b>(260,517)</b>	<b>801</b>
<b>Reconciliation of net cashflow to movement in net funds</b>			
<b>(Decrease)/increase in net funds</b>	<b>3</b>	<b>(260,517)</b>	<b>801</b>



**CLIFTON NURSERIES LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2001**

<b>1</b>	<b>Reconciliation of operating profit to net cashflow from operating activities</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Operating profit	177,510	132,637
	Depreciation charges	89,899	78,202
	Loss on sale of tangible fixed assets	505	-
	(Increase) in stocks and work in progress	(72,423)	(130,344)
	Decrease in debtors	345,574	98,068
	(Decrease)/increase in creditors	(475,149)	22,317
	<b>Net cash inflow from operating activities</b>	<b>65,916</b>	<b>200,880</b>
<b>2</b>	<b>Analysis of changes in cash during the year</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2001	406,106	405,305
	Net cash (outflow)/inflow	(260,517)	801
	<b>Balance at 31 December 2001</b>	<b>145,589</b>	<b>406,106</b>
<b>3</b>	<b>Analysis of changes in net funds</b>		
		<b>At 1 January</b>	<b>At December</b>
		<b>2001</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Cash at bank and in hand	406,106	145,589
		<b>(260,517)</b>	

## CLIFTON NURSERIES LIMITED

### ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2001

---

**A Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**B Fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets other than freehold land, at annual rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life. The rates are as follows:

Freehold buildings	2% on original cost;
Short leaseholds	over the term of the lease;
French fixtures and equipment	over the term of the lease;
Fixtures and equipment	15% to 25% on the written down values; and
Motor vehicles	33% on the written down values.

**C Stocks**

Stocks are valued at the lower of cost and net realisable value.

**D Turnover**

Turnover represents the invoiced amount of goods sold and services supplied net of value added tax.

**E Pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The costs of these contributions are charged annually in the profit and loss account.

**F Leased assets and obligations**

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on the relevant assets is charged in the profit and loss account.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account using the annuity method.

All other leases are "operating leases", and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

**CLIFTON NURSERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2001****1 Turnover**

The analysis of turnover by geographical market and the analysis of turnover and profit before taxation by class of business has not been given. The whole of the company's results relate to continuing operations.

<b>2 Other operating expenses (net)</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Selling and distribution costs	526,511	496,049
Administrative expenses	1,492,583	1,447,909
Financial expenses	27,676	23,672
	<u>2,046,770</u>	<u>1,967,630</u>
Other operating income	(37,517)	(37,162)
	<u>2,009,253</u>	<u>1,930,468</u>
<b>3 Investment income</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Interest receivable	-	5,319
<b>4 Interest payable</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	1,992	873
<b>5 Profit on ordinary activities before taxation</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
The profit on ordinary activities before Taxation is stated after charging:		
Depreciation charge for the year	89,899	78,202
Operating lease rentals:		
- Hire of plant and machinery	75,713	31,547
- Rental of properties	83,234	68,728
Auditors' remuneration	12,358	10,956

**CLIFTON NURSERIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2001****6 Employees**

Staff costs during the year were:	2001 £	2000 £
Wages and salaries	1,409,735	1,364,468
Social security costs	175,619	134,697
Other pension costs	7,875	5,554
	<u>1,593,229</u>	<u>1,504,719</u>

The average number of persons, including executive  
Directors, employed during the year was:

	Number	Number
Office and management	14	15
Selling and distribution and landscaping	73	67
	<u>87</u>	<u>82</u>

**Directors' remuneration**

	2001 £	2000 £
Emoluments	<u>14,876</u>	<u>19,067</u>

**7 Taxation**

	2001 £	2000 £
Corporation tax at 30 % (2000: 30%) on the result for the year	50,500	49,066
(Over)/under provision in respect of prior years	(3,504)	13,389
	<u>46,996</u>	<u>62,455</u>

# CLIFTON NURSERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

### 8 Tangible fixed assets

	Freehold property £	Short leaseholds £	Fixtures and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
1 January 2001	138,364	850,407	247,288	166,070	1,402,129
Additions	-	6,946	59,705	11,114	77,765
Disposals	-	-	(22,175)	(12,721)	(34,896)
<b>31 December 2001</b>	<b>138,364</b>	<b>857,353</b>	<b>284,818</b>	<b>164,463</b>	<b>1,444,998</b>
<b>Depreciation</b>					
1 January 2001	26,896	668,992	188,071	80,610	964,569
Charge for the year	1,607	43,354	18,498	26,440	89,899
Disposals	-	-	(22,175)	(6,330)	(28,505)
<b>31 December 2001</b>	<b>28,503</b>	<b>712,346</b>	<b>184,394</b>	<b>100,720</b>	<b>1,025,963</b>
<b>Net book value</b>					
<b>31 December 2001</b>	<b>109,861</b>	<b>145,007</b>	<b>100,424</b>	<b>63,743</b>	<b>419,035</b>
<b>31 December 2000</b>	<b>111,468</b>	<b>181,415</b>	<b>59,217</b>	<b>85,460</b>	<b>437,560</b>

The cost of fixtures and equipment includes an amount of £Nil (2000: £26,477) which is fully depreciated. Included in Freehold Property is land stated at a cost of £58,014 (2000: £58,014) which is not depreciated.

Capital expenditure contracted for but not provided for in the financial statements amounted to £30,000.

### 9 Stocks

	2001 £	2000 £
Stocks of plant and garden materials	440,050	367,783
Garden antiques and statuary for resale	57,350	57,194
	<b>497,400</b>	<b>424,977</b>

### 10 Debtors

	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	930,167	772,029
Amount owed by fellow subsidiary undertakings	16,097	610,563
Other debtors	94,236	50,976
Prepayments and accrued income	100,554	53,060
	<b>1,141,054</b>	<b>1,486,628</b>

# CLIFTON NURSERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

11 Creditors	2001 £	2000 £
Amounts falling due within one year:		
Trade creditors	221,702	222,067
Amount owed to immediate parent undertaking	1,017,385	1,639,099
Corporation tax	13,500	19,066
Other taxation and social security	280,658	198,023
Other creditors	2,761	19,048
Accruals	73,194	92,612
	<u>1,609,200</u>	<u>2,189,915</u>

12 Share capital	2001 £	2000 £
Authorised, allotted, called up and fully paid Equity:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 13 Parent company

The immediate parent company is Clifton Nurseries (Holdings) Limited, a company registered in England and Wales. The Clifton Nurseries (Holdings) Group has not prepared group financial statements for the year as it qualifies as a medium sized group under the Companies Act 1985. The financial statements of that company are available at the registered office.

### 14 Commitments under operating leases

	Land and buildings		Other assets	
	2001 £	2000 £	2001 £	2000 £
At 31 December the company had the following annual commitments under non-cancellable operating leases as follows:				
Expiring within one year	12,000	12,000	7,933	1,551
Expiring between two and five years		-	25,329	49,810
Expiring in five years or more	29,992	24,992	-	-
	<u>41,992</u>	<u>36,992</u>	<u>33,262</u>	<u>51,361</u>

# CLIFTON NURSERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

### 15 Contingent liabilities

The company is party to a group overdraft facility of £250,000. At 31 December 2001, there was no group indebtedness to the bank.

At 31 December 2001, the company has given a limited guarantee to Lloyds Bank Plc for £200,000 and £500,000 in respect of the bank borrowings of Waddesdon Gardens Limited and Clifton Nurseries (Holdings) Limited respectively. At the year end, both Waddesdon Gardens Limited and Clifton Nurseries (Holdings) Limited had no indebtedness to the bank.

16 Reserves	2001 £	2000 £
Profit and loss account:		
At 1 January 2001	565,256	590,628
Retained profit/(loss) for the financial year	28,522	(25,372)
<b>At 31 December 2001</b>	<b>593,778</b>	<b>565,256</b>

The balance on profit and loss account includes goodwill of £62,000 written off directly to reserves in 1997.

17 Reconciliation of movements on shareholders funds	2001 £	2000 £
Profit for the financial year	128,522	74,628
Dividend	(100,000)	(100,000)
Net addition to/(reduction in) shareholder's funds	28,522	(25,372)
<b>Shareholders funds at 1 January 2001</b>	<b>565,356</b>	<b>590,728</b>
<b>Shareholder's funds at 31 December 2001</b>	<b>593,878</b>	<b>565,356</b>

### 18 Related party transactions

The company has been controlled throughout the year by its ultimate parent undertaking, The Trustees of the Emily & Amelia Trust.

The company, together with Clifton Nurseries (Holdings) Limited and Waddesdon Gardens Limited, are all managed by the same management team and as such, they have purchased goods and services from third parties on each others behalf. The cost of purchases are fully re-charged between the relevant related parties and no profits are made on these transactions.

Clifton Nurseries (Holdings) Limited charged the company £465,436 (2000: £460,012) for management fees based on normal commercial terms and at arm's length.

The Trustees of the Emily & Amelia Trust have charged the company £25,000 (2000: £20,000) for rent based on normal commercial terms and at arm's length.

# CLIFTON NURSERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

---

### 18 Related party transactions (continued)

Current account balances with related parties were interest free. At the year end, the balances with related parties were:

	Due from/(to)	
	2001	2000
	£	£
Clifton Nurseries (Holdings) Limited	(1,017,385)	(1,639,099)
Waddesdon Gardens Limited	-	594,060
Clifton Little Venice Limited	5,802	5,802
Clifton Landscape and Design Limited	10,298	10,298
Clifton Nurseries Employment Limited	-	406
	<hr/>	<hr/>