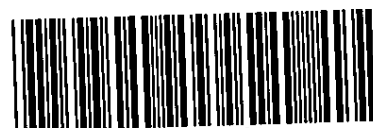


Company Registration No 1873287 (England and Wales)

**FLOWERS & PLANTS ASSOCIATION**  
**(COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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# FLOWERS & PLANTS ASSOCIATION (COMPANY LIMITED BY GUARANTEE) CONTENTS

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# **ANNUAL REPORT 2007**

## **THE FLOWERS & PLANTS ASSOCIATION**

**(a company limited by guarantee)**

### **DIRECTORS' REPORT**

The Directors have pleasure in presenting their report and audited financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to encourage and promote the sales of fresh cut flowers and indoor pot plants

#### **INCORPORATION AND LIABILITY OF MEMBERS**

The Flowers & Plants Association was incorporated on 19 December 1984 as a company limited by guarantee. The Members have undertaken to contribute to the assets of the company in the event of the company being wound up. Any such contribution is limited to a maximum of £10 per Member.

#### **RESPONSIBILITIES OF THE DIRECTORS**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The directors are required by company law to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company at the end of the financial year 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,
- 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.

#### **STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

#### **REVIEW OF THE BUSINESS AND TRADING RESULTS**

The results for the year showed a loss after taxation of £39,625 (2006 loss £22,686).

#### **AUDITORS**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Dunbar & Co (Corporate Services) Limited be re-appointed as auditors of the Association will be put to the members at the Annual General Meeting.

## DIRECTORS' REPORT

The Directors wish to report that during 2007, the twenty-third year of the Association's existence

- The advertising agencies Cheetham Bell JWT (CB/JWT) and Mediacom North continued with the new advertising campaign, *So Simple So Try It*, which ran nationwide on satellite TV stations, on internet websites and in the women's press. The microsite for the campaign, [tryflowers.org.uk](http://tryflowers.org.uk), created by CB/JWT and the Association to support the advertising activity, continued to attract visitors
- The in-house PR Office again reached an increased audience through a variety of promotional activities. The Information Service continued to be used extensively by press, public and trade alike. The F&PA's main website continues to grow its audience, and editorial articles on other websites increased
- *Total income from all sources for the year, came to £744,923, a decrease of 26% (2006 £1,009,672). The drop in income was principally due to a smaller contribution to advertising from the Flower Council of Holland*

### The Work of the Association

The aim of the F&PA is to increase sales of cut flowers and indoor plants, by raising discretionary spending on them and positioning them as a frequent and everyday purchase, targeting particularly women aged 35 and over. Consumer data was again gathered through an omnibus survey (TNS UK Ltd's Omnimas) during 2007. This survey estimated the values of retail sales of flowers at £2.2 million (static) and of plants £472 million (-7%). The per capita spend on flowers for 2007 was £33, (+10%) and for indoor plants £9 (static) according to Flower Council of Holland figures. These figures do not reflect changes in how many products are sold, merely the amount of disposable income the UK allocates to them.

The multiples' share of cut flowers sales dominates. TNS Omnimas survey shows the percentage of expenditure for the year attributed to multiples at 68% (+4%) and florists at 14% (-1%) though their average purchase value is £17.30 (+9%), compared with a total market average of £7.50 (+3.5%). In home usage of flowers is static at 56%. For pot plants, the percentage of expenditure through the do-it-yourself companies and the multiples together was 53% (+1%), with garden centres at 19% (static). The home usage of plants is 69% (+3%).

#### The work of the Association encompassed

- 1 Above the line Advertising campaign
- 2 Below the line PR/ promotions/ exhibition campaign/ websites
- 3 Membership support services

#### 1. Advertising Campaign

- The new advertising campaign developed by Cheetham Bell/JWT under the strapline "So Simple So Try It" was fully launched, in conjunction with its dedicated microsite [tryflowers.org.uk](http://tryflowers.org.uk). The campaign runs across digital and terrestrial television, online, email, and press. The TV broadcasts are within the North region (Granada, Tyne Tees and Yorkshire) to make most effective use of the budget, all other media are nationwide.
- The television advertising schedule for the first phase 2007 is attached, and the online advertising schedule for the same period, plus a sample week's broadcast. Copies of all the new advertisements, including moving image files (mpegs) of the 5 commercials are on the website [www.tryflowers.org.uk](http://www.tryflowers.org.uk) [Figures 1a, 1b, 1c]
- Tracking research for the new campaign was conducted using an internet survey through Millward Brown. Using a representative sample they conducted a pre-wave end May-beginning June just prior to the start of the campaign and a post-wave mid-October immediately following the campaign. 80% of ABC1 women in the relevant regions had the opportunity to see the television adverts 5 times on average. The prompted awareness of the TV campaign was 56%. The understanding of the message was very clear, 50% said the adverts showed it was "easy to make attractive arrangements", with 28% agreeing flowers are "simple/easy to arrange". 91% said the adverts were believable (the advertising norm is 65%), 85% said they contained different information to other adverts (the norm is 40%), and 61% said it would make them more likely to buy.

flowers (the norm for advertising is 37%) The complete results are enclosed, along with the comparison to the previous successful campaign Why Wait Buy Your Own [Figures 1d, 1e, 1f] This research was funded by Productschap Tuinbouw

- *Spending on advertising appears under Distribution in the Profit & Loss Account (page 11) and amounted to £450,824 (2006 £656,688) The remaining administrative/PR expenses of £333,667 (2006 £374,500) covers all advertorials, consumer research, data purchases, PR and other activities carried out by the Association*

## **2. Public Relations & Promotions**

In its seventeenth year, the in-house PR Office continued to provide reliable information, inspirational images, interviews and products for photoshoots in response to requests from press, broadcast and internet media This work covers fashion trends for flowers and plants, advertorials and editorials, an increasingly popular website and editorials and competitions on other websites, press releases and factsheets, media enquiries and assistance, television and radio appearances, informative printed material, exhibitions and events, surveys and questionnaires, co-operations with other companies' promotions and, finally, answering public enquiries

### **2a. Fashion Trends Campaign**

The generic campaign on seasonal fashion trends for flowers, on behalf of the Flower Council of Holland, continued to be very popular with journalists and researchers Emails and website downloads incorporating high and medium resolution images and thumbnails for reference purposes, together with text, were used to communicate with the press as increasing numbers of media titles will not take printed material

The fashion trend campaign for plants was also continued, with stylish images of plants provided for editorial articles and advertorials and the health benefits and instant style messages reached a wider audience A new plants booklet *Welcome Wellbeing* was distributed at exhibitions and to members

Journalists, freelancers and broadcast producers now rely on the Association for fashion and lifestyle stories and the supply of flowers and plants for special features all through the year

### **2b. Press and Broadcast Media Liaison**

- **Trade press releases** were distributed during the year on the following subjects  
Spring Florist Event, Valentine's day media coverage, consumer journalists' trip to Plantenbeurs Rotterdam, Woman & Home readers' event, F&PA's new Chief Executive, popularity of the job vacancies page on flowers.org.uk, the Chief Executive's favourite houseplant, retailing in multiples and convenience stores, F&PA's decoration of Food & Travel magazine anniversary party, F&PA floristry competitions run on consumer websites, the Chief Executive presentations at the AIPH conference, rising interest in UK-grown product, and chrysanthemums at London Fashion Weekend
- **The consumer press campaign** covered a wide range of topics in addition to seasonal trends, including hyacinths for spring, Valentine's Day, Mother's Day, fashion chrysanthemums at London Fashion Weekend event, bathroom houseplants, bromeliads, Hampton Court Flower Show, the effectiveness of our webchats in reaching a wide audience, plants for children, poinsettias and other winter flowering plants
- **432 media enquiries** were handled by the press office This was a 15% increase on 2006 (375 enquiries) Staff provided interviewees on radio and TV, the peaks of St Valentine's, Mother's Day and Christmas bring extra requests, but items are scheduled regularly
- **291 journalists** registered for passwords to the Press Only Picture Library on the website, introduced at the end of 2003, giving them 24-hour access to images and reducing the workload of the Press Office This was a 45% increase on 2006 (201 registered)
- **378 items** were published in UK newspapers and magazines, reaching an audited circulation of 42 million (estimated readership of 146 million), down 45% on 2006 (449 items, 92.8 million circulation) This reflects changes in the UK media landscape, including the sale of a major publishing house Details are attached [Figure 2a]
- **41 items** were published in trade magazines, an increase of 20% on 2006 (34 items)
- **76 items** were broadcast on radio or television for a total of 11 hours 19 minutes, reaching 43 million people, up an

amazing 358% in reach on 2006 (59 items reaching 12 million) Radio broadcasts were undertaken throughout the year, interviews with other spokespersons in the trade organised and information provided for media journalists Several whole days of radio from dedicated studios with ISDN lines were carried out, featuring both flower and plant trends Details are attached [Figure 2b]

- The Association provided flowers and plants to magazines where the articles were totally focused on these products, and also supplied bespoke text and articles where appropriate

## 2c. Exhibitions and Events

- **Trade** In January, the Association took a stand at the trade exhibition, Spring Florist Event [SFE] (International Convention Centre, Birmingham), where new members were recruited and a design competition was staged for member Colleges The stand was decorated in the style of the spring trend, NATURAL WORSHIP, using spring flowers including cut hyacinths
- **Consumer** Several consumer exhibitions were also attended Mini hydrangeas were displayed on the tables for the Woman & Home Readers' Day at the Savoy Hotel in London (June) The demonstration theatre was again run at the Hampton Court Flower Show (July), with a different designer member demonstrating the summer trend GARDEN OF DELIGHT on each day of the show In addition identification stands showed arrangements of all the flowers and plants used and labelled them clearly The stand was awarded a Silver medal (our 13<sup>th</sup> medal at this show) despite not being entered for judging The F&PA and Flower Council of Holland took a joint stand at London Fashion Weekend (September) to promote chrysanthemums, sponsored by Dutch chrysanthemum growers, through the means of flower fashion jewellery All of these events were publicised whenever possible, both in the press and online

## 2d. Information Service

- **Enquiries** 648 extremely varied enquiries from the public, students and the trade were answered, many having being passed on by other trade bodies This was a 31% reduction from 2006 (850) showing that enquirers are increasingly finding what they want on the website There are also many membership enquiries, particularly on business-to-business matters The F&PA is often the first port of call for information and it is seen as an unbiased voice, representing the whole of the cut flower and pot plant industry The range of topics is enclosed as a chart [Figure 2c]
- **Website** The website flowers.org.uk is now the major tool for the Association's information service It is updated very regularly, usually weekly Since its re-launch in 2002, the number of visitors to the site has continued to rise, encouraged by publicising the website name as often as possible in advertisements, editorials, advertorials and on radio and TV It is also high on many of the internet search engines for flowers, including the BBC's site The visitor numbers averaged 255,600 a month in 2007, peaking at 345,300 in May (2006 236,000 per month, peaking at 289,000 in March) There are now more than 4,800 items of information on the site The Association continued to provide information and images for other websites Competitions and editorial items were placed on well-visited consumer sites such as GMTV's own site, Tiscali, Supanet and so on, with 56 items reaching 47.5 million people (2006 151 separate items reaching 240 million people)
- **The live video webchats**, introduced the previous year, were continued in 2007, covering flowers and plants trends for each season These consist of televised programmes produced with an F&PA member of staff being interviewed in a studio by a professional interviewer She produces various simple arrangements and also gives information on particular flowers or plants Emailed enquiries are answered during the programme if it is produced in the studio and the whole programme is sold in to high-traffic lifestyle websites such as Tiscali, Supanet and GMTV and appear live on the day but then remain available to view often for up to a month The latest video webchats can be seen on [www.flowers.org.uk](http://www.flowers.org.uk) by clicking on the links on the homepage
- **Four colour printed newsletters** were issued during the year Members also continued to receive monthly mailings, sent out by email Many membership queries were also answered
- The Equivalent Commercial Value of the PR and administration for the year was £2.63 million
- *The total expenditure on PR and administration for the year, excluding research, was £307,228 (2006 £345,802)*

The Association continually seeks to update its information technology provision and to use new software and hardware wherever it is beneficial to the work being carried out. Protection against viruses on all machines is updated very regularly and a firewall is in place.

### **3. Membership Services**

A range of support services are given to members of the Association, including access to image libraries, information files and reports from shows and exhibitions. Members are able to demonstrate at shows at which the F&PA exhibits, and to connect with other members through F&PA mailings.

#### **3a. Research**

- The F&PA continued to subscribe, jointly with the Dutch Productschap Tuinbouw, to TNS data during 2007. There are now two separate surveys: Worldpanel, which measures bar-coded purchases through multiples and other retail outlets, based on a sample of 25,000 households, and Omnimas, an omnibus survey measuring the whole market by questioning a random sample of 2,000 consumers using a lap-top questionnaire. One wave is carried out per month measuring purchasing for the preceding fortnight. They occur immediately following peak periods so that measurements of these are as accurate as possible. This was the first year in which the full value of both surveys was paid for, as previous contractual arrangements allowed for pilots and co-operation to code the data correctly. All these figures are valuable not only for journalists, but also to companies in the industry. Members paying over £1,000 per annum are designated as Research Members and regularly receive at least one of the TNS data reports, and special reports, as well as other figures compiled by the Association. A presentation to Research Members was given by representatives of TNS on 29 November 2007.
- The Association is usually the only source of user-friendly statistical information available to the media.
- F&PA members of staff are often asked to give presentations and talks at seminars, conferences and to colleges.
- *Expenditure on research for the year amounted to £26,441 (2006: £28,698)*

### **Membership**

The total number of Members at the end of 2007 was 185. A total of 39 new members was offset by 47 resignations. The number of individual companies supporting the Association is, of course, many times greater than the actual membership number, since several Members are themselves composite organisations e.g. Flower Council of Holland, Interflora, and so on.

### **Financial Results**

*The results for the year showed a pre-tax loss of £39,872 (2006: loss £21,820). The tax adjustment in the profit and loss account for the year was £247, as analysed in Note 4 in the Notes to the Accounts on page 13 of this report (2006: £(866)). The total loss after tax was £39,625 (2006: loss £22,686). The accumulated surplus in the Balance Sheet was £103,787 (2006: £143,412).*

The loss for 2007 leaves the Association a prudent level of reserve for all foreseeable eventualities. The F&PA's aim is to use as much funding as possible on promotion and advertising, while maintaining a healthy cashflow and a strong balance sheet.

## **Outlook For 2008**

Thanks to financial support from the Flower Council of Holland, the Association will continue with above-the-line advertising activity during 2008, with increasing support from interactive mechanisms such as email and websites

The number of F&PA website visitors continues to increase. Around 66% of the UK population are now "online", with 90% of those using broadband, many are viewing TV via the internet, and increasingly using it for social networking over email or telephone. Women are now the main shoppers through the internet. Both [flowers.org.uk](http://flowers.org.uk) and [tryflowers.org.uk](http://tryflowers.org.uk) websites are to undergo extensive revision during 2008 to maintain their currency and appeal.

In spite of continued downward pressure on Bank Rate and an unprecedented injection of liquidity, credit remains stubbornly expensive – and scarce. This had had an immediate impact on the housing market and at a time of rising costs of both fuel and food, it is now affecting both suppliers' costs and retail spending. The strength of the Euro is also taking its toll and several established high street names left our industry in 2007. Competition from other sectors for the consumers' purse is like to intensify, the vigorous promotion of flowers and plants has historically been effective at times of economic uncertainty as buyers limit their expenditure on low cost non-essentials.

## **Acknowledgements**

The Directors warmly thank all Members for their support, without which the Association would be unable to carry out its valuable work on behalf of the industry. They are grateful to all who provide funds, products, time and skills - and hope that more companies and organisations will be persuaded to support the campaigns in the future.

Many thanks are due to both Chief Executives and the members of staff who have supported them very efficiently during 2007.

The Directors of the Association at 31 December 2007 are listed on the next page. The F&PA wishes to thank them most sincerely for their service to the Association.

During the year the Association had three full-time employees, and a further one regular part-time staff member. Others were employed on an ad-hoc or consultancy basis. Once again the Association benefitted from the voluntary services of its committee members, directors and other volunteers. These contributions are gratefully acknowledged.



## COMPANY INFORMATION

### DIRECTORS AND TRUSTEES

The Directors of the company at 31 December 2007 were

M Slocock [Chairman]	M Hendriks (appointed 28 11 06)	R Schooling
M Panter [Deputy Chairman]	C Marshall-Foster (appointed 29 3 07)	J Stephen (appointed 29 3 07)
D van Wonderen [Treasurer]	M Powell (appointed 29 3 07)	D Winn (appointed 29 3 07)
G Eilat (appointed 27 9 07)	H Quinn	G Westwood
J Hackett		

Directors serving during part of the year were

R Coats (resigned 27 9 07)	B Marshall (resigned 29 3 07)
K Foufas (resigned 4 12 07)	Y Reichmann (resigned 19 6 07)

### CHIEF EXECUTIVE

V R Richardson to 30 June 2007, A Caldecourt from 1 July 2007

### REGISTERED OFFICE

266-270 Flower Market, New Covent Garden Market, London SW8 5NB

### COMPANY REGISTRATION NUMBER

1873287

### BANKERS

HSBC plc, 20 Albert Embankment, London SE1 7SY

### AUDITORS

Dunbar & Co (Corporate Services) Ltd, 70 South Lambeth Road, London SW8 1RL

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the Board



M SLOCOCK, CHAIRMAN

17 June 2008



A CALDECOURT, CHIEF EXECUTIVE

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE FLOWERS & PLANTS ASSOCIATION

We have audited the financial statements of The Flowers & Plants Association for the year ended 31 December 2007, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the Director's Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

#### 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 by 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, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Annual Report is consistent with the financial statements.



DUNBAR & CO (CORPORATE SERVICES) LTD  
Registered Auditor



Date: .....

70 South Lambeth Road  
London SW8 1RL

**FLOWERS & PLANTS ASSOCIATION**  
**(Company Limited by Guarantee)**

**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

		<b>2007</b>		<b>2006</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover			738,633		1,000,051
Distribution costs		(450,824)		(656,688)	
Administrative/PR expenses		<u>(333,667)</u>		<u>(374,500)</u>	
			<u>(784,491)</u>		<u>(1,031,188)</u>
			(45,858)		(31,137)
Other operating income			150		250
<b>OPERATING LOSS</b>	<b>2</b>		<u>(45,708)</u>		<u>(30,887)</u>
Interest receivable			6,140		9,370
Interest payable and similar charges			<u>(304)</u>		<u>(304)</u>
<b>LOSS ON ORDINARY</b>					
<b>ACTIVITIES BEFORE TAXATION</b>			<u>(39,872)</u>		<u>(21,820)</u>
Taxation	<b>3</b>		<u>247</u>		<u>(866)</u>
<b>LOSS AFTER TAXATION</b>					
<b>FOR THE FINANCIAL YEAR</b>	<b>10</b>		<u><u>(39,625)</u></u>		<u><u>(22,686)</u></u>

The notes on pages 12 to 14 form part of these financial statements

# FLOWERS & PLANTS ASSOCIATION (Company Limited by Guarantee)

## BALANCE SHEET AS AT 31 DECEMBER 2007

		2007		2006	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		4,074		4,599
<b>CURRENT ASSETS</b>					
Debtors	6	94,663		75,096	
Cash at Bank		54,403		105,046	
		<u>149,066</u>		<u>180,142</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(48,836)</u>		<u>(39,840)</u>	
<b>NET CURRENT ASSETS</b>			<u>100,230</u>		<u>140,302</u>
<b>Total Assets less current liabilities</b>			<u>104,304</u>		<u>144,901</u>
<b>CREDITORS: amounts falling due after more than one year</b>	8		(477)		(1,432)
<b>Provisions</b>	9		<u>(40)</u>		<u>(57)</u>
			<u>103,787</u>		<u>143,412</u>
<b>RESERVES</b>					
Profit and loss account	10		<u>103,787</u>		<u>143,412</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The accounts were approved by a subcommittee appointed by the Board which met on 17 June 2008 and were signed on its behalf by



M SLOCOCK - Chairman

The notes on pages 12 to 14 form part of these financial statements

# FLOWERS & PLANTS ASSOCIATION

## (Company Limited by Guarantee)

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 1 ACCOUNTING POLICIES

##### 1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

##### 1.2 Turnover

Turnover represents subscriptions, goods and services received or receivable net of Value Added Tax and trade discounts in respect of the year ended 31 December 2007

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings and equipment 20% per annum on a straight line basis

##### 1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

2 OPERATING (LOSS)/PROFIT	2007	2006
	£	£
The operating loss is stated after charging		
Depreciation of fixed assets	2,112	2,106
Auditor's remuneration	2,790	2,435
	<u>2,112</u>	<u>2,106</u>
3 INVESTMENT INCOME	2007	2006
	£	£
Bank interest	6,140	9,371
	<u>6,140</u>	<u>9,371</u>
4 TAXATION	2007	2006
	£	£
UK current year taxation	-	915
UK corporation tax	-	915
Prior years	-	-
UK corporation tax adjustment	(230)	-
	<u>(230)</u>	<u>915</u>
Deferred taxation	-	-
Deferred taxation (credit)/charge current year	(17)	(49)
	<u>(247)</u>	<u>866</u>

**FLOWERS & PLANTS ASSOCIATION**  
**(Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**5 TANGIBLE FIXED ASSETS**

	Plant and machinery
<b>Cost</b>	<b>£</b>
At 1 January 2007	30,411
Additions	1,587
Disposals	<u>(6,224)</u>
At 31 December 2007	<u>25,774</u>
 <b>Depreciation</b>	
At 1 January 2007	25,812
Disposals	<u>(6,224)</u>
Charge for the year	2,112
At 31 December 2007	<u>21,700</u>
 <b>Net book value</b>	
At 31 December 2007	<u>4,074</u>
 At 31 December 2006	<u>4,599</u>

The net book value of tangible fixed assets includes £956 (2006 £1,911) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £956 (2006 £956) for the year.

**6 DEBTORS**

	2007	2006
	<b>£</b>	<b>£</b>
Trade debtors	93,408	72,523
Other debtors	<u>1,255</u>	<u>2,573</u>
	<u>94,663</u>	<u>75,096</u>

**7 CREDITORS. amounts falling due within one year**

	2007	2006
	<b>£</b>	<b>£</b>
Net obligations under finance leases	956	956
Trade creditors	36,833	23,455
Taxation and social security	2,659	3,759
Other creditors	<u>8,388</u>	<u>11,670</u>
	<u>48,836</u>	<u>39,840</u>

# FLOWERS & PLANTS ASSOCIATION

## (Company Limited by Guarantee)

### NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

<b>8</b>	<b>CREDITORS: amounts falling due after more than one year</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Net obligations under finance leases	<u>477</u>	<u>1,432</u>
<b>9</b>	<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<b>Deferred taxation</b>
			<b>£</b>
	Balance at 1 January 2007		57
	Profit and loss account		(17)
	Balance at 31 December 2007		<u>40</u>
	Deferred taxation provided in the financial statements is as follows.	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Accelerated capital allowances	<u>40</u>	<u>57</u>
<b>10</b>	<b>STATEMENT OF MOVEMENTS ON PROFIT &amp; LOSS ACCOUNT</b>		<b>Profit and loss account</b>
			<b>£</b>
	Balance at 1 January 2007		143,412
	Loss for the year		(39,625)
	Balance at 31 December 2007		<u>103,787</u>
<b>11</b>	<b>RELATED PARTY TRANSACTIONS</b>		
	Subscriptions paid by FCH to F&PA during the year amounted to £455,806 (2006 £705,953) Other contributions paid from FCH to F&PA amounted to £167,810 (2006 £169,180)		
<b>12</b>	<b>REVENUE COMMITMENTS</b>		
	The Rent Review on 31 March 2006, in respect of the offices and storage space, resulted in the rents remaining at £18,303 per annum until the same date in 2010		