

R. Delamore Limited

Abbreviated financial statements
for the year ended 31 March 1998
together with directors' and auditors' reports

Registered number: 2466472

RE-SCAN



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Directors' report

For the year ended 31 March 1998

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 March 1998.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Principal activity and business review

The company's principal activity is the production of cuttings and young plants.

The profit for the financial year of the company was £636,559 (1997 - £659,633).

The directors expect the company to remain profitable.

Results and dividends

Results and dividends (paid and proposed) are as follows:

	£
Retained profit at 31 March 1997	1,038,105
Profit for the financial year	636,559
Ordinary 'A' dividends - interim paid	(9,900)
- proposed	(97,732)
Ordinary dividends - proposed	(131,550)
Retained profit at 31 March 1998	<u>1,435,482</u>

Directors' report (continued)

Directors and their interests

The directors who served during the year are as shown below and they had the following interests in the shares of the company:

	50p Ordinary shares	
	1998	1997
	Number	Number
P J Wood - Chairman	100,200	100,200
D R Payne	-	-

Close company status

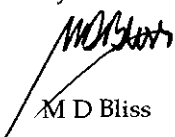
The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Sutton Road
Wisbech
Cambridgeshire
PE13 5DR

By order of the Board


M D Bliss
Secretary

21 January 1999

Auditors' report

Cambridge

To the Directors of R Delamore Limited pursuant to Section 247B of the Companies Act 1985:

We have examined the abbreviated financial statements on pages 4 to 13 together with the full financial statements of the company for the year ended 31 March 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

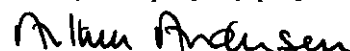
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered have been properly prepared in accordance with this relevant provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 1998, and the abbreviated accounts on pages 4 to 13 having been properly prepared in accordance with this provision.


Arthur Andersen

Chartered Accountants and Registered Auditors

Betjeman House
104 Hills Road
Cambridge
CB2 1LH

21 January 1999

Abbreviated profit and loss account

For the year ended 31 March 1998

	Notes	1998 £	1997 £
Gross profit		1,492,091	1,510,849
Other operating expenses (net)	2	(660,450)	(501,581)
Operating profit		831,641	1,009,268
Interest receivable and similar income	3	40,804	31,820
Interest payable and similar charges	4	(4,484)	(8,671)
Profit on ordinary activities before taxation	5	867,961	1,032,417
Tax on profit on ordinary activities	7	(231,402)	(372,784)
Profit on ordinary activities after taxation		636,559	659,633
Dividends paid and proposed	8	(239,182)	(284,744)
Retained profit for the year	16	397,377	374,889
Retained profit brought forward	16	1,038,105	663,216
Retained profit carried forward	16	1,435,482	1,038,105

All results are derived from continuing activities.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 March 1998

	Notes	1998 £	1997 £
Fixed assets			
Intangible assets	9	346,272	375,132
Tangible assets	10	1,137,494	773,944
		<u>1,483,766</u>	<u>1,149,076</u>
Current assets			
Stocks	11	414,935	412,512
Debtors	12	1,329,619	1,225,001
		<u>1,744,554</u>	<u>1,637,513</u>
Creditors: Amounts falling due within one year	13	<u>(1,627,651)</u>	<u>(1,563,248)</u>
Net current assets		<u>116,903</u>	<u>74,265</u>
Total assets less current liabilities		<u>1,600,669</u>	<u>1,223,341</u>
Creditors: Amounts falling due after more than one year	14	<u>(10,050)</u>	<u>(30,099)</u>
Net assets		<u>1,590,619</u>	<u>1,193,242</u>
Capital and reserves			
Called-up share capital	15	100,000	100,000
Share premium account	16	55,137	55,137
Profit and loss account	16	1,435,482	1,038,105
Total shareholders' funds - all equity	17	<u>1,590,619</u>	<u>1,193,242</u>

Signed on behalf of the Board

P J Wood



Director

21 January 1999

The accompanying notes are an integral part of this balance sheet.

Notes to abbreviated financial statements

31 March 1998

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

a) Basis of accounting

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

b) Intangible fixed assets

Purchased goodwill is capitalised and amortised on a straight-line basis over 20 years. Goodwill is the difference between the amounts paid on the acquisition of the business and the aggregate fair value of its separable net assets. It is being written off in equal instalments over its estimated economic life for 20 years.

c) Tangible fixed assets

Tangible fixed assets are shown at original historical cost less depreciation and provision for permanent diminutions in value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset other than freehold land on a straight-line basis over its expected useful life, as follows:

Greenhouses	-	8 years
Plant and machinery	-	4 years
Motor vehicles	-	4 years

d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on purchase cost on a first-in, first-out basis, plus a reasonable proportion of propagation overheads based on normal levels of activity, where applicable.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

e) Taxation

Corporation tax is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for in the year is written off, except when recoverability against corporation tax payable is considered to be reasonably assured.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred taxation is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred taxation is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

Notes to abbreviated financial statements (continued)

1 Accounting policies (continued)

f) Leases

Assets held under hire purchase contracts are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over its useful economic life. Finance costs are allocated to accounting periods over the period of the contract to produce a constant rate of charge on the outstanding balance.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

g) Government Grants

Grants received as a contribution towards expenditure on fixed assets are treated as deferred income which is credited to the profit and loss account by instalments over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

2 Other operating expenses (net)

	1998 £	1997 £
Distribution costs	174,618	130,158
Administrative expenses	456,972	342,563
Amortisation of goodwill	28,860	28,860
	<u>660,450</u>	<u>501,581</u>

3 Interest receivable and similar income

	1998 £	1997 £
Interest charged on overdue debtor accounts	26,799	20,024
Bank interest	14,005	11,796
	<u>40,804</u>	<u>31,820</u>

4 Interest payable and similar charges

	1998 £	1997 £
Hire purchase interest	4,484	5,660
Interest of bank overdraft	-	3,011
	<u>4,484</u>	<u>8,671</u>

Notes to abbreviated financial statements (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting:

	1998 £	1997 £
Amortisation of government grants	<u>1,104</u>	<u>2,938</u>
and after charging:		
Amortisation of goodwill	28,860	28,860
Depreciation and amounts written off tangible fixed assets		
- owned	347,843	262,425
- held under hire purchase contracts	25,618	37,953
Operating leases - land	82,400	80,000
Auditors' remuneration - audit fees	5,700	5,500
- non audit fees	<u>2,943</u>	<u>2,159</u>

6 Employee costs

Particulars of employees (including executive directors) are shown below:

	1998 £	1997 £
Employee costs during the year amounted to:		
Wages and salaries	797,057	664,813
Social security costs	<u>50,697</u>	<u>48,037</u>
	<u>847,754</u>	<u>712,850</u>

The average monthly number of persons employed by the company during the year was as follows:

	1998 Number	1997 Number
Production	62	51
Sales	1	1
Administration	<u>5</u>	<u>5</u>
	<u>68</u>	<u>57</u>

Notes to abbreviated financial statements (continued)

6 Employee costs (continued)

Directors' remuneration in respect of directors of the company was as follows:

	1998 £	1997 £
Emoluments	128,364	125,000
Fees paid in respect of director's services	<u>6,300</u>	<u>6,000</u>

7 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	1998 £	1997 £
Corporation tax at the current rate	231,160	367,217
Adjustment of current taxation in respect of prior year	<u>242</u>	<u>5,567</u>
	<u>231,402</u>	<u>372,784</u>

8 Dividends paid and proposed

	1998 £	1997 £
Ordinary 'A'		
- interim paid of 11p per share (1997 - 12.93p per share)	9,900	11,637
- final proposed of 108.59p per share (1997 - 130.50p per share)	<u>97,732</u>	<u>117,453</u>
	107,632	129,090
Ordinary		
- final proposed of 119.59p per share (1997 - 141.50p per share)	<u>131,550</u>	<u>155,654</u>
	<u>239,182</u>	<u>284,744</u>

Notes to abbreviated financial statements (continued)

9 Intangible fixed assets

	Purchased goodwill £
Cost	
Beginning and end of year	560,500
Amounts written off	
Beginning of year	185,368
Amortisation	28,860
End of year	214,228
Net book value	
Beginning of year	375,132
End of year	346,272

10 Tangible fixed assets

The movement in the year was as follows:

	Land £	Greenhouses £	Plant and machinery £	Motor vehicles £	Total £
Cost					
Beginning of year	-	768,394	803,732	64,262	1,636,388
Additions	170,677	273,615	266,742	35,569	746,603
Disposals	-	-	(12,001)	(8,815)	(20,816)
End of year	170,677	1,042,009	1,058,473	91,016	2,362,175
Depreciation					
Beginning of year	-	357,244	473,067	32,133	862,444
Charge for the year	-	137,228	213,477	22,756	373,461
Disposals	-	-	(4,612)	(6,612)	(11,224)
End of year	-	494,472	681,932	48,277	1,224,681
Net book value					
Beginning of year	-	411,150	330,665	32,129	773,944
End of year	170,677	547,537	376,541	42,739	1,137,494

Included in the above under plant and machinery and motor vehicles are assets held under hire purchase contracts with a net book value of £40,142 (1997 - £65,760).

11 Stocks

Notes to abbreviated financial statements (continued)

	1998 £	1997 £
Finished goods, raw materials and consumables	<u>414,935</u>	<u>412,512</u>

There is no material difference between stated cost and replacement cost

12 Debtors

	1998 £	1997 £
Amounts falling due within one year:		
Trade debtors	1,239,528	1,144,143
Prepayments and accrued income	<u>32,770</u>	<u>12,581</u>
	1,272,298	1,156,724
Amounts falling due after more than one year:		
ACT on proposed dividends	<u>57,321</u>	<u>68,277</u>
	<u>1,329,619</u>	<u>1,225,001</u>

13 Creditors: Amounts falling due within one year:

	1998 £	1997 £
Obligations under hire purchase contracts	20,048	26,896
Bank overdraft	96,474	11,530
Trade creditors	640,352	456,159
UK corporation tax payable	260,410	326,658
ACT on paid and proposed dividends	63,515	108,836
Taxation on social security	185,274	198,372
Accruals and deferred income	132,296	161,690
Proposed dividends	<u>229,282</u>	<u>273,107</u>
	<u>1,627,651</u>	<u>1,563,248</u>

The bank overdraft is secured by fixed and floating charges over the assets of the company.

Notes to abbreviated financial statements (continued)

14 Creditors: Amounts falling due after more than one year

	1998 £	1997 £
Obligations under hire-purchase contracts	<u>10,050</u>	<u>30,099</u>

15 Called-up share capital

	1998 £	1997 £
<i>Authorised, allotted, called-up and fully-paid</i>		
110,000 Ordinary shares of 50p each	55,000	55,000
90,000 Ordinary 'A' shares of 50p each	<u>45,000</u>	<u>45,000</u>
	<u>100,000</u>	<u>100,000</u>

16 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	1998 £	1997 £
Distributable:		
- profit and loss account	1,435,482	1,038,105
Non-distributable:		
- share premium account	<u>55,137</u>	<u>55,137</u>
Total reserves	<u>1,490,619</u>	<u>1,093,242</u>

The movement for the year was as follows:

	Share premium account £	Profit and loss account £	Total £
Beginning of year	55,137	1,038,105	1,093,242
Retained profit for the year	-	<u>397,377</u>	<u>397,377</u>
End of year	<u>55,137</u>	<u>1,435,482</u>	<u>1,490,619</u>

Notes to abbreviated financial statements (continued)

17 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	636,559	659,633
Dividends paid and proposed	(239,182)	(284,744)
Net addition to shareholders' funds	397,377	374,889
Opening shareholders' funds	1,193,242	818,353
Closing shareholders' funds	1,590,619	1,193,242

18 Guarantees and other financial commitments

a) *Capital commitments*

There were no capital commitments outstanding at the year end (1997: £nil).

b) *Lease commitments*

The company leases land on a long-term operating lease.

The minimum annual rental under the foregoing lease is as follows:

	1998 £	1997 £
Operating leases which expire:		
- after 5 years	82,400	80,000