

## R. Delamore Limited

Abbreviated financial statements  
for the year ended 31 March 1997  
together with directors' and auditors' reports

Registered number: 2466472



## Directors' report

For the year ended 31 March 1997

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 1997.

### 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 £659,633 (1996 - £386,958), an increase of 70% over 1996.

The company is expected to remain profitable and the directors anticipate increased sales in the forthcoming year.

### Results and dividends

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

	£
Retained profit at 31 March 1996	663,216
Profit for the financial year	659,633
Ordinary 'A' dividends - interim paid	(11,637)
- proposed	(117,453)
Ordinary dividends - proposed	(155,654)
Retained profit at 31 March 1997	<u>1,038,105</u>

## Directors' report (continued)

### Directors and their interests

The directors who served during the year are as shown below. At 31 March 1997 they had the following interests in the shares of the company:

	50p Ordinary shares	
	1997	1996
	Number	Number
P J Wood - Chairman	100,200	100,200
C R Delamore (resigned 4 April 1996)	-	-
D R Payne	-	-

### Close company status

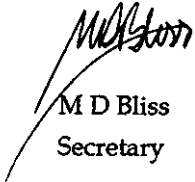
The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### 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

27 January 1998

## Auditors' report

---

Cambridge

**To the Directors of R Delamore Limited pursuant to paragraph 8 of Schedule 8 to the Companies Act 1985:**

We have examined the abbreviated financial statements on pages 5 to 15 together with the full financial statements of R Delamore Limited for the year ended 31 March 1997. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part II of Schedule 8 to that Act in respect of the year ended 31 March 1997 and the abbreviated accounts on pages 5 to 15 have been properly prepared in accordance with that Schedule.

On 27 January 1998 we reported, as auditors of R Delamore Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1997 and our audit report was as follows:

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

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

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with 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 circumstances of the company, 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.

## Auditors' report (continued)

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Betjeman House  
104 Hills Road  
Cambridge  
CB2 1LH

27 January 1998

## Abbreviated profit and loss account

For the year ended 31 March 1997

	Notes	1997 £	1996 £
Gross profit		1,510,849	1,057,692
Other operating expenses (net)	2	(501,581)	(466,864)
Operating profit		1,009,268	590,828
Interest receivable and similar income	3	31,820	1,189
Interest payable and similar charges	4	(8,671)	(19,359)
Profit on ordinary activities before taxation	5	1,032,417	572,658
Tax on profit on ordinary activities	7	(372,784)	(185,700)
Profit on ordinary activities after taxation		659,633	386,958
Dividends paid and proposed	8	(284,744)	(160,500)
Retained profit for the year		374,889	226,458
Retained profit brought forward		663,216	436,758
Retained profit carried forward		1,038,105	663,216

All results are derived from continuing activities.

A statement of movements on reserves is given in note 16.

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

# Balance sheet

31 March 1997

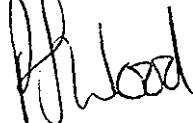
	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Intangible assets	9	375,132	403,992
Tangible assets	10	773,944	572,741
		<u>1,149,076</u>	<u>976,733</u>
<b>Current assets</b>			
Stocks	11	412,512	333,813
Debtors	12	1,225,001	810,596
		<u>1,637,513</u>	<u>1,144,409</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(1,563,248)</u>	<u>(1,196,107)</u>
<b>Net current assets (liabilities)</b>		<u>74,265</u>	<u>(51,698)</u>
<b>Total assets less current liabilities</b>		<u>1,223,341</u>	<u>925,035</u>
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(30,099)</u>	<u>(106,682)</u>
<b>Net assets</b>		<u>1,193,242</u>	<u>818,353</u>
<b>Capital and reserves</b>			
Called-up share capital	15	100,000	100,000
Share premium account	16	55,137	55,137
Profit and loss account	16	1,038,105	663,216
<b>Total shareholders' funds - all equity</b>	17	<u>1,193,242</u>	<u>818,353</u>

These financial statements have been abbreviated in accordance with the Companies Act 1985. In so doing we have relied upon Sections 246 and 247 of the Act as entitling us to deliver abbreviated financial statements, on the grounds that the company is entitled to the benefit of those sections as a medium-sized company.

Signed on behalf of the Board

P J Wood

Director



27 January 1998

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

# Notes to abbreviated financial statements

31 March 1997

## 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.

### 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 on a straight-line basis over its expected useful life, as follows:

Greenhouses	-	12.5% per annum
Plant and machinery	-	25% per annum
Motor vehicles	-	25% per annum

### 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

The company enters into operating leases and hire purchase contracts.

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 are apportioned between finance costs and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate.

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. Further information on charges in the year and future commitments are given in notes 5 and 18 respectively.

#### 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)

	1997 £	1996 £
Distribution costs	130,158	111,118
Administrative expenses	342,563	326,886
Amortisation of goodwill	28,860	28,860
	<u>501,581</u>	<u>466,864</u>

### 3 Interest receivable and similar income

	1997 £	1996 £
Interest charged on overdue debtor accounts	20,024	1,189
Bank interest	11,796	-
	<u>31,820</u>	<u>1,189</u>

## Notes to abbreviated financial statements (continued)

### 4 Interest payable and similar charges

	1997 £	1996 £
On bank loans, overdrafts and other loans		
- repayable within five years, by instalments	5,660	5,564
- repayable within five years, not by instalments	3,011	13,795
	<u>8,671</u>	<u>19,359</u>

Included in the above is the interest element of charges payable under hire purchase contracts amounting to £5,660 (1996 - £5,564).

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting:

	1997 £	1996 £
Amortisation of government grants	<u>2,938</u>	<u>6,987</u>
and after charging:		
Amortisation of goodwill	28,860	28,860
Depreciation and amounts written off tangible fixed assets		
- owned	262,425	160,524
- held under hire purchase contracts	37,953	30,402
Lease of land	80,000	2,000
Auditors' remuneration - audit fees	6,000	5,500
Employee costs (see note 6)	<u>712,850</u>	<u>567,046</u>

## Notes to abbreviated financial statements (continued)

### 6 Employee costs

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

	1997 £	1996 £
Employee costs during the year amounted to:		
Wages and salaries	664,813	530,087
Social security costs	48,037	36,959
	<u>712,850</u>	<u>567,046</u>

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

	1997 Number	1996 Number
Production	51	46
Sales	1	1
Administration	5	5
	<u>57</u>	<u>52</u>

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

	1997 £	1996 £
Emoluments	131,000	80,302
Fees to third party in respect of director's services	-	77,013
Total remuneration	<u>131,000</u>	<u>157,315</u>

## Notes to abbreviated financial statements (continued)

### 7 Tax on profit on ordinary activities

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

	1997 £	1996 £
Corporation tax at the current rate	367,217	185,657
Adjustment of current taxation in respect of prior years	5,567	43
	<u>372,784</u>	<u>185,700</u>

### 8 Dividends paid and proposed

	1997 £	1996 £
Ordinary 'A'		
- interim paid of 12.93p per share (1996 - 11p per share)	11,637	9,900
- final proposed of 130.50 per share (1996 - 69.25p per share)	117,453	62,325
	<u>129,090</u>	<u>72,225</u>
Ordinary		
- final proposed of 141.50p per share (1996 - 80.25p per share)	155,654	88,275
	<u>284,744</u>	<u>160,500</u>

### 9 Intangible fixed assets

The movement in the year was as follows:

	Purchased goodwill £
Cost	
Beginning and end of year	<u>560,500</u>
Amounts written off	
Beginning of year	156,508
Amortisation	<u>28,860</u>
End of year	<u>185,368</u>
Net book value	
Beginning of year	<u>403,992</u>
End of year	<u>375,132</u>

Purchased goodwill is amortised over 20 years, which the directors estimate to be the period over which benefits may reasonably be expected to accrue from the acquisition of the business.

## Notes to abbreviated financial statements (continued)

### 10 Tangible fixed assets

The movement in the year was as follows:

	Greenhouses £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
Beginning of year	599,753	523,346	64,262	1,187,361
Additions	201,127	377,809	-	578,936
Disposals	(32,486)	(97,423)	-	(129,909)
End of year	<u>768,394</u>	<u>803,732</u>	<u>64,262</u>	<u>1,636,388</u>
<b>Depreciation</b>				
Beginning of year	282,056	316,499	16,065	614,620
Charge	96,048	188,262	16,068	300,378
Disposals	(20,860)	(31,694)	-	(52,554)
End of year	<u>357,244</u>	<u>473,067</u>	<u>32,133</u>	<u>862,444</u>
<b>Net book value</b>				
Beginning of year	<u>317,697</u>	<u>206,847</u>	<u>48,197</u>	<u>572,741</u>
End of year	<u>411,150</u>	<u>330,665</u>	<u>32,129</u>	<u>773,944</u>

Included in the above under plant and machinery and motor vehicles are assets held under hire purchase contracts with a net book value of £65,760 (1996 - £100,736).

### 11 Stocks

	1997 £	1996 £
Finished goods, raw materials and consumables	<u>412,512</u>	<u>333,813</u>

## Notes to abbreviated financial statements (continued)

### 12 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Trade debtors	1,144,143	758,753
Prepayments and accrued income	12,581	14,193
	<u>1,156,724</u>	<u>772,946</u>
Amounts falling due after more than one year:		
ACT on proposed dividends	68,277	37,650
	<u>1,225,001</u>	<u>810,596</u>

### 13 Creditors: Amounts falling due within one year:

The following amounts are included in creditors falling due within one year:

	1997 £	1996 £
Current portion of medium-term loan	-	50,000
Obligations under hire purchase contracts	26,896	37,694
Bank loans and overdrafts	11,530	238,743
Trade creditors	456,159	319,023
Other creditors		
- UK corporation tax payable	326,658	160,001
- ACT on paid and proposed dividends	108,836	63,307
- Other taxes	198,372	100,085
Proposed dividends	273,107	150,600
Accruals and deferred income	161,690	76,654
	<u>1,563,248</u>	<u>1,196,107</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:

The following amounts are included in creditors falling due after more than one year:

	1997 £	1996 £
Medium-term loan	-	50,000
Obligations under hire purchase contracts	30,099	56,682
	<u>30,099</u>	<u>106,682</u>

### 15 Called-up share capital

	1997 £	1996 £
<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	45,000	45,000
	<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:

	1997 £	1996 £
Distributable:		
- profit and loss account	1,038,105	663,216
Non-distributable:		
- share premium account	55,137	55,137
Total reserves	<u>1,093,242</u>	<u>718,353</u>

The movement for the year was as follows:

	Share premium account £	Profit and loss account £	Total £
Beginning of year	55,137	663,216	718,353
Retained profit for the year	-	374,889	374,889
End of year	<u>55,137</u>	<u>1,038,105</u>	<u>1,093,242</u>

## Notes to abbreviated financial statements (continued)

### 17 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	659,633	386,958
Dividends paid and proposed	(284,744)	(160,500)
Net addition to shareholders' funds	374,889	226,458
Opening shareholders' funds	818,353	591,895
Closing shareholders' funds	1,193,242	818,353

### 18 Guarantees and other financial commitments

#### a) Capital commitments

At 31 March 1997 and 31 March 1996, there were no capital commitments.

#### b) Lease commitments

The company leases land on a long-term operating lease. The annual rental on this lease was £80,000 (1996 - £2,000).

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

	1997 £	1996 £
Operating leases which expire:		
- between two and five years	-	2,000
- after 5 years	80,000	-
	80,000	2,000