

R. Delamore Limited

Abbreviated financial statements
for the year ended 31 March 1999
together with directors' and auditors' reports

Registered number: 2466472



Directors' report

For the year ended 31 March 1999

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 1999.

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 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 after tax for the financial year was £405,141 (1998 - £636,559).

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 1998	1,435,482
Profit for the financial year	405,141
Ordinary 'A' dividends - interim paid	(27,900)
- proposed	(48,932)
Ordinary dividends - interim paid	(22,000)
- proposed	(71,906)
Retained profit at 31 March 1999	<u>1,669,885</u>

Directors' report (continued)

Directors and their interests

The directors who served during the year and their interests in the shares of the company are as follows:

	50p Ordinary shares	
	1999 Number	1998 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.

Year 2000

The directors continue to assess the risks to the company arising from the year 2000 and they believe sufficient work has been conducted to ensure that internally the company will be year 2000 compliant. The cost of this work has been expensed to the profit and loss account as part of normal expenditure. Associated future costs are not anticipated to be material. It is not possible to give complete assurance that the company will not be affected due to dependence on third party suppliers.

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 October 1999

Auditors' report

Cambridge

Auditors' report to R. Delamore Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 1 to 16, together with the financial statements of the company for the year ended 31 March 1999 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 the 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 that 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 1999, and the abbreviated accounts on pages 1 to 16 have been properly prepared in accordance with this provision.



Arthur Andersen

Chartered Accountants and Registered Auditors

Betjeman House
104 Hills Road
Cambridge
CB2 1LH

21 October 1999

Profit and loss account

For the year ended 31 March 1999

	Notes	1999 £	1998 £
Gross profit		1,204,185	1,492,091
Other operating expenses (net)	3	(624,695)	(660,450)
Operating profit		579,490	831,641
Interest receivable and similar income	4	35,580	40,804
Interest payable	5	(3,665)	(4,484)
Profit on ordinary activities before taxation	6	611,405	867,961
Tax on profit on ordinary activities	8	(206,264)	(231,402)
Profit on ordinary activities after taxation		405,141	636,559
Dividends paid and proposed	9	(170,738)	(239,182)
Retained profit for the year	17	234,403	397,377
Retained profit brought forward	17	1,435,482	1,038,105
Retained profit carried forward	17	1,669,885	1,435,482

All results are derived from continuing activities.

Other than the profit for each year, there are no recognised gains or losses, and therefore no statement of total recognised gains and losses is included in these financial statements.

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

Balance sheet

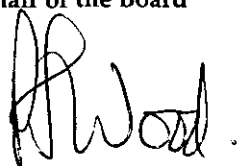
31 March 1999

	Notes	1999 £	1998 £
Fixed assets			
Intangible fixed assets	10	317,412	346,272
Tangible fixed assets	11	992,073	1,137,494
		<u>1,309,485</u>	<u>1,483,766</u>
Current assets			
Stocks	12	523,189	414,935
Debtors	13	1,421,270	1,329,619
Cash at bank and in hand		15,200	-
		<u>1,959,659</u>	<u>1,744,554</u>
Creditors: Amounts falling due within one year	14	<u>(1,444,122)</u>	<u>(1,627,651)</u>
Net current assets		<u>515,537</u>	<u>116,903</u>
Total assets less current liabilities		<u>1,825,022</u>	<u>1,600,669</u>
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>(10,050)</u>
Net assets		<u>1,825,022</u>	<u>1,590,619</u>
Capital and reserves			
Called-up share capital	16	100,000	100,000
Share premium account	17	55,137	55,137
Profit and loss account	17	1,669,885	1,435,482
Total shareholders' funds - all equity	18	<u>1,825,022</u>	<u>1,590,619</u>

These accounts have been prepared in accordance with the special provisions relating to medium-sized companies within Part VII of the Companies Act 1985.

Signed on behalf of the Board

P J Wood



Director

21 October 1999

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

Cash flow statement

For the year ended 31 March 1999

	Notes	1999 £	1998 £
Net cash inflow from operating activities	19	762,203	1,258,642
Returns on investments and servicing of finance	20	31,915	36,320
Taxation	20	(164,129)	(332,015)
Capital expenditure and financial investment	20	(209,015)	(737,994)
Equity dividends paid		(279,202)	(283,000)
Cash inflow (outflow) before financing		141,772	(58,047)
Financing	20	(30,098)	(26,897)
Increase (decrease) in cash in the year	21	111,674	(84,944)

The accompanying notes are an integral part of this cashflow statement.

Notes to the financial statements

31 March 1999

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 have been 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 of 20 years.

c) Tangible fixed assets

Tangible fixed assets are shown at original historical cost less depreciation and provision for impairment.

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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

e) *Taxation*

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

Advance corporation tax payable on dividends paid 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.

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 Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of cuttings and plants in the normal course of business. Turnover is derived from one class of business.

Notes to the financial statements (continued)

3 Other operating expenses (net)

	1999 £	1998 £
Distribution costs	191,698	174,618
Administrative expenses	404,137	456,972
Amortisation of goodwill	28,860	28,860
	<u>624,695</u>	<u>660,450</u>

4 Interest receivable and similar income

	1999 £	1998 £
Rental income	10,400	8,017
Interest charged on overdue debtor accounts	11,409	18,782
Bank interest	13,771	14,005
	<u>35,580</u>	<u>40,804</u>

5 Interest payable

	1999 £	1998 £
Hire purchase interest	<u>3,665</u>	<u>4,484</u>

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting:	1999 £	1998 £
Amortisation of government grants	<u>1,100</u>	<u>1,104</u>

and after charging:

Amortisation of goodwill	28,860	28,860
Depreciation and amounts written off tangible fixed assets		
- owned	333,853	347,843
- held under hire purchase contracts	24,588	25,618
Operating leases - land	86,185	82,400
Auditors' remuneration - audit fees	6,000	5,700
- non audit fees	<u>3,438</u>	<u>2,943</u>

Notes to the financial statements (continued)

7 Employee costs

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

	1999 £	1998 £
Employee costs during the year amounted to:		
Wages and salaries	887,554	797,057
Social security costs	65,909	50,697
	<u>953,463</u>	<u>847,754</u>

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

	1999 Number	1998 Number
Production	66	62
Sales	1	1
Administration	5	5
	<u>72</u>	<u>68</u>

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

	1999 £	1998 £
Emoluments	131,696	128,364
Fees paid in respect of director's services	<u>6,600</u>	<u>6,300</u>

8 Tax on profit on ordinary activities

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

	1999 £	1998 £
Corporation tax at the current rate	206,264	231,160
Adjustment of current taxation in respect of prior years	-	242
	<u>206,264</u>	<u>231,402</u>

Deferred tax arises as an asset and as such has not been accounted for in the financial statements.

Notes to the financial statements (continued)

9 Dividends paid and proposed

	1999 £	1998 £
Ordinary 'A'		
- interim paid of 31p per share (1998 - 11p per share)	27,900	9,900
- final proposed of 54.37p per share (1998 - 108.59p per share)	48,932	97,732
	<u>76,832</u>	<u>107,632</u>
Ordinary		
- interim paid of 20p per share (1998 - £nil)	22,000	-
- final proposed of 65.37p per share (1998 - 119.59p per share)	71,906	131,550
	<u>170,738</u>	<u>239,182</u>

10 Intangible fixed assets

	Purchased goodwill	
	1999 £	1998 £
Cost		
Beginning and end of year	<u>560,500</u>	<u>560,500</u>
Amortisation		
Beginning of year	214,228	185,368
Amortisation in year	28,860	28,860
End of year	<u>243,088</u>	<u>214,228</u>
Net book value		
Beginning of year	<u>346,272</u>	<u>375,132</u>
End of year	<u>317,412</u>	<u>346,272</u>

Notes to the financial statements (continued)

11 Tangible fixed assets

	Freehold land and buildings £	Greenhouses £	Plant and machinery £	Motor vehicles £	Total £
Cost					
Beginning of year	170,677	1,042,009	1,058,473	91,016	2,362,175
Additions	67,616	20,151	94,685	36,063	218,515
Disposals	-	-	(1,500)	(15,980)	(17,480)
End of year	<u>238,293</u>	<u>1,062,160</u>	<u>1,151,658</u>	<u>111,099</u>	<u>2,563,210</u>
Depreciation					
Beginning of year	-	494,472	681,932	48,277	1,224,681
Charge for the year	2,705	114,100	213,861	27,775	358,441
Disposals	-	-	-	(11,985)	(11,985)
End of year	<u>2,705</u>	<u>608,572</u>	<u>895,793</u>	<u>64,067</u>	<u>1,571,137</u>
Net book value					
Beginning of year	<u>170,677</u>	<u>547,537</u>	<u>376,541</u>	<u>42,739</u>	<u>1,137,494</u>
End of year	<u>235,588</u>	<u>453,588</u>	<u>255,865</u>	<u>47,032</u>	<u>992,073</u>

Included in the above under plant and machinery are assets held under hire purchase contracts with a net book value of £nil (1998 - £40,142).

Freehold land of £170,677 (1998 - £170,677) is not depreciated.

12 Stocks

	1999 £	1998 £
Finished goods, raw materials and consumables	<u>523,189</u>	<u>414,935</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Notes to the financial statements (continued)

13 Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	1,323,075	1,239,528
Prepayments and accrued income	25,925	32,770
	<u>1,349,000</u>	<u>1,272,298</u>
Amounts falling due after more than one year:		
ACT recoverable	72,270	57,321
	<u>1,421,270</u>	<u>1,329,619</u>

14 Creditors: Amounts falling due within one year

	1999 £	1998 £
Obligations under hire purchase contracts	-	20,048
Bank overdraft	-	96,474
Trade creditors	568,997	640,352
UK corporation tax payable	308,739	260,410
ACT payable	72,270	63,515
Social security and other taxes	215,138	185,274
Accruals and deferred income	158,140	132,296
Proposed dividends	120,838	229,282
	<u>1,444,122</u>	<u>1,627,651</u>

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

15 Creditors: Amounts falling due after more than one year

	1999 £	1998 £
Obligations under hire purchase contracts	<u>-</u>	<u>10,050</u>

Notes to the financial statements (continued)

16 Called-up share capital

	1999 £	1998 £
<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>

17 Reserves

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

	1999 £	1998 £
Distributable:		
- profit and loss account	1,669,885	1,435,482
Non-distributable:		
- share premium account	55,137	55,137
Total reserves	<u>1,725,022</u>	<u>1,490,619</u>

The movement for the year was as follows:

	Share premium account £	Profit and loss account £	Total £
Beginning of year	55,137	1,435,482	1,490,619
Retained profit for the year	-	234,403	234,403
End of year	<u>55,137</u>	<u>1,669,885</u>	<u>1,725,022</u>

18 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	405,141	636,559
Dividends paid and proposed	(170,738)	(239,182)
Net addition to shareholders' funds	<u>234,403</u>	<u>397,377</u>
Opening shareholders' funds	1,590,619	1,193,242
Closing shareholders' funds	<u>1,825,022</u>	<u>1,590,619</u>

Notes to the financial statements (continued)

19 Reconciliation of operating profit to net cash inflow from operating activities

	1999 £	1998 £
Operating profit	579,490	831,641
Depreciation charges	358,441	373,461
Amortisation charge	28,860	28,860
(Profit)/loss on sale of tangible fixed assets	(4,005)	983
Increase in debtors	(76,702)	(115,574)
Increase in stock	(108,254)	(2,423)
Increase in creditors	(15,627)	141,694
	<u>762,203</u>	<u>1,258,642</u>

20 Analysis of cash flows

	1999 £	1998 £
<i>Returns on investment and servicing of finance</i>		
Interest paid	(3,665)	(4,484)
Interest received	35,580	40,804
Net cash inflow	<u>31,915</u>	<u>36,320</u>
<i>Taxation</i>		
UK Corporation tax paid	(164,129)	(332,015)
Net cash outflow	<u>(164,129)</u>	<u>(332,015)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	(218,515)	(746,603)
Disposal of tangible fixed assets	9,500	8,609
Net cash outflow	<u>(209,015)</u>	<u>(737,994)</u>
<i>Financing</i>		
Repayment of loan	-	(6,848)
Capital element of hire purchase repayments	(30,098)	(20,049)
Net cash outflow	<u>(30,098)</u>	<u>(26,897)</u>

Notes to the financial statements (continued)

21 Analysis and reconciliation of net (debt) funds

	At 1 April 1998 £	Cash flows £	At 31 March 1999 £
Cash in hand and at bank	(96,474)	111,674	15,200
Hire purchase contracts	(30,098)	30,098	-
Net (debt) funds	<u>(126,572)</u>	<u>141,772</u>	<u>15,200</u>

	1999 £	1998 £
Increase (decrease) in cash in the year	111,674	(84,944)
Cash outflow from decrease in debt	30,098	26,897
Change in net debt resulting from cash flows	<u>141,772</u>	<u>(58,047)</u>
Net debt, beginning of year	(126,572)	(68,525)
Net funds (debt), end of year	<u>15,200</u>	<u>(126,572)</u>

22 Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at the year end (1998 - £nil).

b) Lease commitments

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

The minimum annual rental under the foregoing non-cancellable operating lease is as follows:

	1999 £	1998 £
Operating leases which expire:		
- after 5 years	<u>88,772</u>	<u>82,400</u>