

R. Delamore Limited

Abbreviated financial statements for the year
ended 31 March 2000
together with directors' and auditors' reports

Registered number: 2466472



Directors' report

For the year ended 31 March 2000

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 2000.

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 before tax for the financial year was £614,228 (1999 - £611,405).

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 1999	1,669,885
Profit on ordinary activities after taxation	404,809
Ordinary 'A' dividends - interim paid	(27,000)
- proposed	(44,952)
Ordinary dividends - interim paid	(33,000)
- proposed	(54,941)
Retained profit at 31 March 2000	<u>1,914,801</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	
	2000 Number	1999 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

12 January 2001

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

We have examined the abbreviated financial statements set out on pages 4 to 17 together with the financial statements of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with United Kingdom law under section 246A of the Companies Act 1985 and applicable United Kingdom accounting standards. It is our responsibility as established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements to be delivered are 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 financial statements and that the abbreviated financial statements to be delivered are 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 financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 2000, and the abbreviated financial statements on pages 4 to 17 have been properly prepared in accordance with this provision.



Arthur Andersen

Chartered Accountants and Registered Auditors

Betjeman House
104 Hills Road
Cambridge
CB2 1LH

12 January 2001

Profit and loss account

For the year ended 31 March 2000

	Notes	2000 £	1999 £
Gross profit		1,220,730	1,204,185
Other operating expenses (net)	3	(635,973)	(624,695)
Operating profit		584,757	579,490
Interest receivable and similar income	4	29,471	35,580
Interest payable	5	-	(3,665)
Profit on ordinary activities before taxation	6	614,228	611,405
Tax on profit on ordinary activities	8	(209,419)	(206,264)
Profit on ordinary activities after taxation		404,809	405,141
Dividends paid and proposed	9	(159,893)	(170,738)
Retained profit for the year	17	244,916	234,403
Retained profit brought forward	17	1,669,885	1,435,482
Retained profit carried forward	17	1,914,801	1,669,885

All results are derived from continuing activities.

Other than the profit for each year, there are no recognised gains or losses and therefore a statement of total recognised gains and losses has not been included in these financial statements.

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

Balance sheet

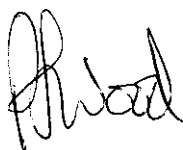
31 March 2000

	Notes	2000 £	1999 £
Fixed assets			
Intangible fixed assets	10	288,552	317,412
Tangible fixed assets	11	870,963	992,073
Investments	12	208,259	-
		<u>1,367,774</u>	<u>1,309,485</u>
Current assets			
Stocks	13	693,978	523,189
Debtors	14	1,655,550	1,421,270
Cash at bank and in hand		66,683	15,200
		<u>2,416,211</u>	<u>1,959,659</u>
Creditors: Amounts falling due within one year	15	<u>(1,714,047)</u>	<u>(1,444,122)</u>
Net current assets		<u>702,164</u>	<u>515,537</u>
Total assets less current liabilities, being net assets		<u>2,069,938</u>	<u>1,825,022</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	1,914,801	1,669,885
Total shareholders' funds - all equity	18	<u>2,069,938</u>	<u>1,825,022</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

12 January 2001

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

Cash flow statement

For the year ended 31 March 2000

	Notes	2000 £	1999 £
Net cash inflow from operating activities	19	992,273	762,203
Returns on investments and servicing of finance	20	29,471	31,915
Taxation	20	(206,985)	(164,129)
Capital expenditure and financial investment	20	(235,795)	(209,015)
Acquisitions and disposals	20	(208,259)	-
Equity dividends paid		(169,222)	(279,202)
Cash inflow before financing		201,483	141,772
Financing	20	(150,000)	(30,098)
Increase in cash in the year	21	<u>51,483</u>	<u>111,674</u>

The accompanying notes are an integral part of this cash flow statement.

Notes to the financial statements

31 March 2000

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.

In accordance with Section 248 of the Companies Act 1985, the group qualifies as a small sized group and hence the company is exempt from the requirement to prepare group financial statements.

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 stated 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) Investments

Fixed asset investments are shown at cost less provision for impairment.

e) 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)

f) Taxation

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

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.

g) 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.

h) 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) 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)

	2000 £	1999 £
Distribution costs	238,360	191,698
Administrative expenses	368,753	404,137
Amortisation of goodwill	28,860	28,860
	<u>635,973</u>	<u>624,695</u>

4 Interest receivable and similar income

	2000 £	1999 £
Rental income	3,467	10,400
Interest charged on overdue debtor accounts	12,187	11,409
Bank interest	10,316	13,771
Interest on subsidiary company loan	3,501	-
	<u>29,471</u>	<u>35,580</u>

5 Interest payable

	2000 £	1999 £
Hire purchase interest	-	3,665
	<u>-</u>	<u>3,665</u>

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting:

	2000 £	1999 £
Amortisation of government grants	<u>750</u>	<u>1,100</u>

and after charging:

Amortisation of goodwill	28,860	28,860
Depreciation and amounts written off tangible fixed assets		
- owned	356,905	333,853
- held under hire purchase contracts	-	24,588
Operating leases - land	87,418	86,185
Auditors' remuneration - audit fees	6,000	6,000
- non audit fees	4,515	3,438
	<u>459,698</u>	<u>473,864</u>

Notes to the financial statements (continued)

7 Employee costs

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

	2000 £	1999 £
Employee costs during the year amounted to:		
Wages and salaries	1,013,496	887,554
Social security costs	70,282	65,909
	<u>1,083,778</u>	<u>953,463</u>

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

	2000 Number	1999 Number
Production	73	66
Sales	1	1
Administration	6	5
	<u>80</u>	<u>72</u>

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

	2000 £	1999 £
Emoluments	135,467	131,696
Fees paid in respect of director's services	<u>6,800</u>	<u>6,600</u>

The company does not contribute to pension schemes in respect of any of the directors.

8 Tax on profit on ordinary activities

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

	2000 £	1999 £
Corporation tax at the current rate	204,488	206,264
Adjustment in respect of prior years	4,931	-
	<u>209,419</u>	<u>206,264</u>

Deferred tax arises as an asset of £21,456 (1999 - £10,624) and as such has not been accounted for in the financial statements.

Notes to the financial statements (continued)

9 Dividends paid and proposed

	2000 £	1999 £
Ordinary 'A'		
- interim paid of 30p per share (1999 – 31p per share)	27,000	27,900
- final proposed of 49.95p per share (1999 – 54.37p per share)	44,952	48,932
	<u>71,952</u>	<u>76,832</u>
Ordinary		
- interim paid of 30p per share (1999 – 20p per share)	33,000	22,000
- final proposed of 49.95p per share (1999 – 65.37p per share)	54,941	71,906
	<u>159,893</u>	<u>170,738</u>

10 Intangible fixed assets

	Purchased goodwill	
	2000 £	1999 £
Cost		
Beginning and end of year	<u>560,500</u>	<u>560,500</u>
Amortisation		
Beginning of year	243,088	214,228
Amortisation in year	<u>28,860</u>	<u>28,860</u>
End of year	<u>271,948</u>	<u>243,088</u>
Net book value		
Beginning of year	<u>317,412</u>	<u>346,272</u>
End of year	<u>288,552</u>	<u>317,412</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	238,293	1,062,160	1,151,658	111,099	2,563,210
Additions	-	111,563	124,232	-	235,795
Disposals	-	-	(26,775)	-	(26,775)
End of year	<u>238,293</u>	<u>1,173,723</u>	<u>1,249,115</u>	<u>111,099</u>	<u>2,772,230</u>
Depreciation					
Beginning of year	2,705	608,572	895,793	64,067	1,571,137
Charge for the year	10,818	124,117	204,062	17,908	356,905
Disposals	-	-	(26,775)	-	(26,775)
End of year	<u>13,523</u>	<u>732,689</u>	<u>1,073,080</u>	<u>81,975</u>	<u>1,901,267</u>
Net book value					
Beginning of year	<u>235,588</u>	<u>453,588</u>	<u>255,865</u>	<u>47,032</u>	<u>992,073</u>
End of year	<u>224,770</u>	<u>441,034</u>	<u>176,035</u>	<u>29,124</u>	<u>870,963</u>

Freehold land of £170,677 (1999 - £170,677) is not depreciated.

12 Investments

On 10 December 1999 the company acquired Ornamental Plants Limited (incorporated in England), for a cash consideration of £208,259. 48,000 ordinary shares, out of an issued share capital of 73,250 ordinary shares, were acquired, giving the company a holding of 66%.

Subsequent to the year end, the company acquired a further 2,750 ordinary shares in Ornamental Plants Limited resulting in a shareholding, in total, of 69%.

13 Stocks

	2000 £	1999 £
Finished goods, raw materials and consumables	<u>693,978</u>	<u>523,189</u>

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

Notes to the financial statements (continued)

14 Debtors

	2000 £	1999 £
Amounts falling due within one year:		
Trade debtors	1,353,254	1,323,075
Amounts owed by subsidiary company	130,370	-
Prepayments and accrued income	21,926	25,925
	<u>1,505,550</u>	<u>1,349,000</u>
Amounts falling due after more than one year:		
ACT recoverable	-	72,270
Amount owed by subsidiary company	150,000	-
	<u>1,655,550</u>	<u>1,421,270</u>

Amount owed by subsidiary company falling due after one year represents a loan of £150,000 to Ornamental Plants Limited and is repayable in two equal instalments of £75,000 on 1 August 2001 and 1 August 2002.

15 Creditors: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	891,822	568,997
Amounts owed to subsidiary company	1,706	-
UK corporation tax payable	311,173	308,739
ACT payable	-	72,270
Social security and other taxes	192,143	215,138
Accruals and deferred income	217,310	158,140
Proposed dividends	99,893	120,838
	<u>1,714,047</u>	<u>1,444,122</u>

16 Called-up share capital

	2000 £	1999 £
<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>

Notes to the financial statements (continued)

17 Reserves

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

	2000 £	1999 £
Distributable:		
- profit and loss account	1,914,801	1,669,885
Non-distributable:		
- share premium account	55,137	55,137
Total reserves	<u>1,969,938</u>	<u>1,725,022</u>

The movement for the year was as follows:

	Share premium account £	Profit and loss account £	Total £
Beginning of year	55,137	1,669,885	1,725,022
Retained profit for the year	-	244,916	244,916
End of year	<u>55,137</u>	<u>1,914,801</u>	<u>1,969,938</u>

18 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	404,809	405,141
Dividends paid and proposed	(159,893)	(170,738)
Net addition to shareholders' funds	<u>244,916</u>	<u>234,403</u>
Opening shareholders' funds	<u>1,825,022</u>	<u>1,590,619</u>
Closing shareholders' funds	<u>2,069,938</u>	<u>1,825,022</u>

Notes to the financial statements (continued)

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

	2000 £	1999 £
Operating profit	584,757	579,490
Depreciation charges	356,905	358,441
Amortisation charge	28,860	28,860
Profit on sale of tangible fixed assets	-	(4,005)
Increase in debtors	(156,550)	(76,702)
Increase in stock	(170,789)	(108,254)
Increase in creditors	349,090	(15,627)
	<u>992,273</u>	<u>762,203</u>

20 Analysis of cash flows

	2000 £	1999 £
<i>Returns on investment and servicing of finance</i>		
Interest paid	-	(3,665)
Interest received	29,471	35,580
Net cash inflow	<u>29,471</u>	<u>31,915</u>
<i>Taxation</i>		
UK Corporation tax paid	(206,985)	(164,129)
Net cash outflow	<u>(206,985)</u>	<u>(164,129)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	(235,795)	(218,515)
Disposal of tangible fixed assets	-	9,500
Net cash outflow	<u>(235,795)</u>	<u>(209,015)</u>
<i>Acquisitions and disposals</i>		
Purchase of subsidiary company	(208,259)	-
Net cash outflow	<u>(208,259)</u>	<u>-</u>
<i>Financing</i>		
Loan to subsidiary company	(150,000)	-
Capital element of hire purchase repayments	-	(30,098)
Net cash outflow	<u>(150,000)</u>	<u>(30,098)</u>

Notes to the financial statements (continued)

21 Analysis and reconciliation of net funds

	At 1 April 1999 £	Cash flows £	At 31 March 2000 £
Cash in hand and at bank	15,200	51,483	66,683
Subsidiary company loan	-	150,000	150,000
Net funds	<u>15,200</u>	<u>201,483</u>	<u>216,683</u>

	2000 £	1999 £
Increase in cash in the year	51,483	111,674
Cash outflow from decrease in debt	-	30,098
Cash outflow from increase in subsidiary company loan	150,000	-
Change in net funds (debt) resulting from cash flows	<u>201,483</u>	<u>141,772</u>
Net funds (debt), beginning of year	15,200	(126,572)
Net funds, end of year	<u>216,683</u>	<u>15,200</u>

22 Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at the year end (1999 - £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:

	2000 £	1999 £
Operating leases which expire:		
- after 5 years	<u>90,041</u>	<u>88,772</u>

23 Subsequent events

In May 2000, the company created a subsidiary company, Delamore (Guernsey) Limited, based in Guernsey. The authorised and issued share capital comprises 10,000 ordinary shares of £1 each. 99% of the share capital is held by R. Delamore Limited and the remaining 1% by Peter Wood. In June 2000, Delamore (Guernsey) Limited purchased certain assets of Microstock (Guernsey) Limited for cash consideration of £65,248.

Notes to the financial statements (continued)

24 Related party transactions

Subsidiary company

During the year, sales and purchases in relation to Ornamental Plants Limited were £130,370 and £1,706 respectively.