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Deepdale Trees Ltd

Report and Financial Statements

Year Ended

31 October 2001



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BDO Stoy Hayward
Chartered Accountants

Deepdale Trees Ltd

Annual report and financial statements for the year ended 31 October 2001

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Director

P A Middlicott

Secretary and registered office

P Brownlie, Tithe Farm, Hatley Road, Pottton, Sandy, Bedfordshire, SG19 2DX

Company number

3099056

Auditors

BDO Stoy Hayward, Northside House, 69 Tweedy Road Bromley, Kent, BR1 3WA

Deepdale Trees Ltd

Report of the director for the year ended 31 October 2001

The director presents his report together with the audited financial statements for the year ended 31 October 2001.

Results

The profit and loss account is set out on page 5 and shows the profit for the year.

Principal activities

The principal activities of the company continued to be those of a specialist tree nursery.

Director

The director of the company during the year was:

P A Middlicott

The director had no beneficial interest in the share capital of the company at any time during the year.

Director's responsibilities

Company law requires the director 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 year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Deepdale Trees Ltd

Report of the director for the year ended 31 October 2001 (*Continued*)

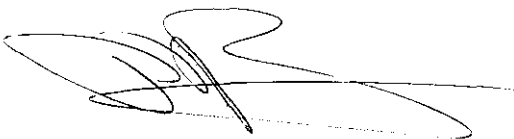
Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

P Brownlie



Secretary

Date:

7 Augst 2002

Deepdale Trees Ltd

Report of the independent auditors

To the shareholders of Deepdale Trees Ltd

We have audited the financial statements of Deepdale Trees Ltd for the year ended 31 October 2001 on pages 5 to 14 which have been prepared under the accounting policies set out on page 7 to 8.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements 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 director 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.

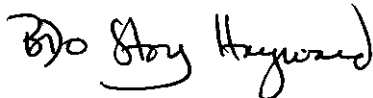
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Deepdale Trees Ltd

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Bromley

Date: 15 August 2002

Deepdale Trees Ltd**Profit and loss account for the year ended 31 October 2001**

	Note	2001 £	2000 £
Turnover	2	1,196,062	891,633
Cost of sales		891,707	632,082
		<hr/>	<hr/>
Gross profit		304,355	259,551
Administrative expenses		233,803	234,877
		<hr/>	<hr/>
Operating profit	3	70,552	24,674
Other interest receivable and similar income	5	529	-
Interest payable and similar charges	6	(28,945)	(24,129)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		42,136	545
Taxation on profit on ordinary activities	7	10,470	8,950
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation for the year		31,666	(8,405)
Retained profit brought forward		106,025	114,430
		<hr/>	<hr/>
Retained profit carried forward		137,691	106,025
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit/loss for the year.

The notes on pages 7 to 14 form part of these financial statements.

Deepdale Trees Ltd

Balance sheet at 31 October 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	8		281,535		289,692
Current assets					
Stocks		1,229,233		1,055,569	
Debtors	9	228,017		89,085	
Cash at bank and in hand		832		420	
		<u>1,458,082</u>		<u>1,145,074</u>	
Creditors: amounts falling due within one year	10	<u>1,370,742</u>		<u>1,110,641</u>	
Net current assets			<u>87,340</u>		<u>34,433</u>
Total assets less current liabilities			<u>368,875</u>		<u>324,125</u>
Creditors: amounts falling due after more than one year	11	13,084		-	
Provision for liabilities and charges	12	<u>18,100</u>		<u>18,100</u>	
			<u>31,184</u>		<u>18,100</u>
			<u>337,691</u>		<u>306,025</u>
Capital and reserves					
Called up share capital	13	200,000		200,000	
Profit and loss account		137,691		106,025	
			<u>337,691</u>		<u>306,025</u>
Equity shareholders' funds			<u>337,691</u>		<u>306,025</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.

The financial statements were approved by the director on

7 August 2002

Director



The notes on pages 7 to 14 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	-	Over the life of the lease
Plant & machinery - Container units	-	Over the life of the lease
Plant & machinery - Other	-	20% per annum

Stocks

Stocks are valued at the lower of cost, including appropriate overhead expenses, and net realisable value. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Turnover

None of the company's turnover in the current and prior years is attributable to markets outside the United Kingdom.

3 Operating profit

	2001 £	2000 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	65,933	57,392
Profit on disposal of tangible fixed assets	(2,321)	-
Hire of plant and machinery - operating leases	47,715	42,893
Audit services	8,140	8,850
	<u> </u>	<u> </u>

4 Director's remuneration

	2001 £	2000 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	42,083	38,120
	<u> </u>	<u> </u>

Deepdale Trees Ltd**Notes forming part of the financial statements for the year ended 31 October 2001 (Continued)****5 Other interest receivable and similar income**

	2001 £	2000 £
Interest receivable on Directors loan	529	-
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2001 £	2000 £
Bank loans and overdrafts	25,097	21,833
All other loans (excluding loans from group companies)	3,569	-
Finance leases and hire purchase contracts	279	2,296
	<u> </u>	<u> </u>
	28,945	24,129
	<u> </u>	<u> </u>

7 Taxation on profit on ordinary activities

	2001 £	2000 £
<i>Current tax</i>		
UK corporation tax on profits of the year	10,600	-
Adjustment in respect of previous periods	(130)	(4,650)
	<u> </u>	<u> </u>
Total current tax	10,470	(4,650)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	13,600
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	10,470	8,950
	<u> </u>	<u> </u>

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

8 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 November 2000	46,404	366,514	412,918
Additions	-	61,455	61,455
Disposals	-	(23,303)	(23,303)
	<hr/>	<hr/>	<hr/>
At 31 October 2001	46,404	404,666	451,070
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 November 2000	10,749	112,477	123,226
Provided for the year	5,123	60,810	65,933
Disposals	-	(19,624)	(19,624)
	<hr/>	<hr/>	<hr/>
At 31 October 2001	15,872	153,663	169,535
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 October 2001	30,532	251,003	281,535
	<hr/>	<hr/>	<hr/>
At 31 October 2000	35,655	254,037	289,692
	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £18,900 (2000 - £NIL) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £9,450 (2000 - £NIL).

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

9 Debtors

	2001 £	2000 £
Trade debtors	206,815	65,736
Other debtors	21,202	23,349
	<hr/>	<hr/>
	228,017	89,085
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Other debtors includes a balance of £Nil (2000: £12,000) due from Mr P Middlicott, the director of the company.

10 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts (secured)	625,864	710,426
Trade creditors	195,052	111,379
Taxation and social security	31,267	15,794
Obligations under finance lease and hire purchase contracts	7,451	-
Other creditors	511,108	273,042
	<hr/>	<hr/>
	1,370,742	1,110,641
	<hr/>	<hr/>

11 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Obligations under finance lease and hire purchase contracts	13,084	-
	<hr/>	<hr/>

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

11 Creditors: amounts falling due after more than one year (*Continued*)

Maturity of debt:

	Finance leases 2001 £	Finance leases 2000 £
In one year or less, or on demand	7,451	-
	<hr/>	<hr/>
In more than one year but not more than two years	7,450	-
In more than two years but not more than five years	5,634	-
	<hr/>	<hr/>
	13,084	-
	<hr/>	<hr/>

Bank loans and overdrafts have a £100,000 Guarantee from Willerby Landscapes Limited

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

12 Provision for liabilities and charges

	Deferred taxation £
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At 31 October 2000 and 31 October 2001	18,100
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Deferred taxation

	2001 £	2000 £
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The amount of deferred tax provided for is as follows:

Accelerated capital allowances	18,100	18,100
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There is no unprovided deferred tax.

13 Share capital

	2001 £	Authorised 2000 £	Allotted, called up and fully paid 2001 £	2000 £
<i>Equity share capital</i>				
200,000 Ordinary shares of £1 each	200,000	200,000	200,000	200,000

14 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2001 Land and buildings £	2000 Land and buildings £
Operating leases which expire:		
Within one year	32,400	-
In two to five years	-	32,400

Deepdale Trees Ltd

Notes forming part of the financial statements for the year ended 31 October 2001 (*Continued*)

15 Related party disclosures

Related party transactions and balances

The company is presently controlled by Mr JA Melmoe and Mr GJ Larby who own 60% of the company.

Mr JA Melmoe and Mr GJ Larby are also directors and shareholders of Willerby Landscapes (Holdings) Limited, who are the parent company of Willerby Landscapes Limited to whom the company made sales of £518,809 (2000: £399,806) during the year. Deepdale Trees Limited owed that company £425,542 (2000: £177,364) at the year end.

Willerby Landscapes Limited invoiced the company £7,376 during the year for expenditure incurred on its behalf. Willerby Landscapes (Holdings Limited) invoiced the company £42,997 for the hire of plant and vehicles during the year.

The company has a formal lease to 2002 and an informal arrangement to extend this lease for a further five years at market rates on the land and buildings from the Willerby Pension Fund of which Mr JA Melmoe and Mr GJ Larby are members. The annual rental payable under this lease is £32,400.

Loans and transactions concerning directors and officers of the company

The director, P. Middlicott, owed the company £Nil(2000: £12,000) at year end. This amount was included under other debtors.