

Company Registration No. 03099056 (England and Wales)

DEEPDALE TREES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2004



DEEPDALE TREES LIMITED

COMPANY INFORMATION

Directors

M Anton
P Brownlie

Secretary

P Brownlie

Company number

03099056

Registered office

Tithe Farm
Hatley Road Potton
Sandy
Bedfordshire
SG19 2DX

Auditors

HLB AV Audit plc
66 Wigmore Street
London
W1U 2SB

DEEPDALE TREES LIMITED

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DEEPDALE TREES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2004

The directors present their report and financial statements for the year ended 31 October 2004.

Principal activities

The principal activity of the company continued to be that of a specialist tree nursery.

Directors

The following directors have held office since 1 November 2003:

M Anton

P Brownlie

I Wright

(Resigned 7 April 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2004	1 November 2003
P Brownlie	-	-
M Anton	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

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;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



M Anton

Director

22/08/05

DEEPDALE TREES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DEEPDALE TREES LIMITED

We have audited the financial statements of Deepdale Trees Limited on pages 3 to 10 for the year ended 31 October 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' 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 directors 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.

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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV Audit plc

HLB AV Audit plc

Registered Auditor

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31/8/05

66 Wigmore Street
London
W1U 2SB

DEEPDALE TREES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2004

	Notes	2004 £	2003 £
Turnover		1,487,780	1,395,620
Cost of sales		(1,334,216)	(1,236,862)
Gross profit		153,564	158,758
Administrative expenses		(281,018)	(313,889)
Operating loss	2	(127,454)	(155,131)
Interest payable and similar charges		(21,562)	(29,269)
Loss on ordinary activities before taxation		(149,016)	(184,400)
Tax on loss on ordinary activities	3	-	33,541
Loss on ordinary activities after taxation	11	(149,016)	(150,859)

DEEPDALE TREES LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		304,601		316,315
Current assets					
Stocks		965,178		1,048,283	
Debtors	5	185,243		178,999	
Cash at bank and in hand		571		153	
		
		1,150,992		1,227,435	
Creditors: amounts falling due within one year	6	(1,494,276)		(1,388,836)	
		
Net current liabilities			(343,284)		(161,401)
		
Total assets less current liabilities			(38,683)		154,914
Creditors: amounts falling due after more than one year	7		-		(44,581)
		
			(38,683)		110,333
		
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss account	11		(238,683)		(89,667)
		
Shareholders' funds			(38,683)		110,333
		

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 22/08/05


M Anton
Director


P Brownlie
Director

DEEPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared on a going concern basis. The company is dependant upon the continuing support of Willerby Landscapes Limited, a company under the common control of Mr JA Melmoe and Mr GJ Larby. The directors are confident that this support will continue over the forthcoming 12 months and written confirmation of this support has been obtained.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the life of the lease
Plant and machinery	20% straight line per annum
Containers	over the term of the lease
Fixtures, fittings & equipment	20% straight line per annum
Motor vehicles	20% straight line per annum

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

DEEPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

1 Accounting policies

(continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating loss	2004 £	2003 £
Operating loss is stated after charging:		
Depreciation of tangible assets	39,012	91,433
Auditors' remuneration	5,764	9,698
Directors' emoluments	134,739	85,127

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003 - 1).

3 Taxation	2004 £	2003 £
Deferred tax		
Deferred tax charge/credit current year	-	(24,166)
Deferred tax adjust re previous year	-	(9,375)
	-	(33,541)

On the basis of these financial statements no provision has been made for corporation tax.

DEEPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 November 2003	69,472	590,311	659,783
Additions	-	27,298	27,298
At 31 October 2004	69,472	617,609	687,081
Depreciation			
At 1 November 2003	32,986	310,482	343,468
Charge for the year	2,606	36,406	39,012
At 31 October 2004	35,592	346,888	382,480
Net book value			
At 31 October 2004	33,880	270,721	304,601
At 31 October 2003	36,486	279,829	316,315

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 October 2004	6,444
At 31 October 2003	8,592
Depreciation charge for the year	
At 31 October 2004	2,148
At 31 October 2003	2,148

DEEPPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

5	Debtors	2004 £	2003 £
	Trade debtors	159,459	142,508
	Other debtors	1,619	12,326
	Deferred tax asset (see note 8)	24,165	24,165
		<u>185,243</u>	<u>178,999</u>
6	Creditors: amounts falling due within one year	2004 £	2003 £
	Bank loans and overdrafts	349,670	362,591
	Net obligations under hire purchase contracts	2,547	8,135
	Trade creditors	96,731	116,376
	Taxation and social security	34,225	55,068
	Other creditors	1,011,103	846,666
		<u>1,494,276</u>	<u>1,388,836</u>
7	Creditors: amounts falling due after more than one year	2004 £	2003 £
	Bank loans	-	42,081
	Net obligations under hire purchase contracts	-	2,500
		<u>-</u>	<u>44,581</u>
	Analysis of loans		
	Wholly repayable within five years	46,130	90,672
	Included in current liabilities	(46,130)	(48,591)
		<u>-</u>	<u>42,081</u>

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

The bank loan is secured by a fixed and floating charge over the assets of the company.

DEEPPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

8 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 5) is made up as follows:

	2004 £	
Balance at 1 November 2003 & at 31 October 2004	(24,165)	
	2004 £	2003 £
Accelerated capital allowances	21,560	21,560
Tax losses available	(45,725)	(45,725)
	(24,165)	(24,165)

9 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2004 £	2003 £
Contributions payable by the company for the year	721	486

10 Share capital

	2004 £	2003 £
Authorised		
200,000 Ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000

DEEPDALE TREES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2003	(89,667)
Retained loss for the year	(149,016)
Balance at 31 October 2004	<u>(238,683)</u>

12 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2004 £	2003 £	Maximum in year £
M Anton	<u>1,250</u>	<u>-</u>	<u>1,250</u>

13 Related party transactions

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 £624,659 (2003: £822,991) during the year. Deepdale Trees Limited owed that company £930,783 (2003: £789,041) at the year end.

Willerby Landscapes Limited invoiced the company £1,021 (2003: £Nil) during the year for expenditure incurred on its behalf. Willerby Landscapes (Holdings) Limited invoiced the company £39,908 (2003: £32,152) for the hire of plant and vehicles during the year. At the year end, Deepdale Trees Limited owed Willerby Landscapes (Holdings) Limited £22,678 (2003: £Nil).

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 £36,500.