

S B England Limited

**Directors' report and financial
statements**

Registered number 03206001

29 December 2007

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Directors' report

The directors present their directors' report and financial statements for the year ended 29 December 2007

Principal activities

The principal activities of the company have been the letting of a property and the activities associated with settling the affairs of the previous trade. The company sold the property on 21 November 2006, from which point it was non-trading.

Business review

The loss for the period after taxation amounted to £3,116 (2006 Profit £506,984). The 2006 profit included an exceptional profit of £425,156 made on disposal of the company's land and buildings.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

R G R Evans (resigned 31 December 2007)

M J Hudson

C Ellis

On 8 August 2007 MJ Hudson resigned as secretary of the company and was replaced by James Finlay Limited.

Political and charitable contributions

The company made no political or charitable donations during the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

On 20 July 2007 Berg Kaprow Lewis LLP resigned as auditors of the company and KPMG LLP were appointed to fill the casual vacancy.

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



C Ellis
Director

Swire House
59 Buckingham Gate
London
SW1E 6AJ

29 October 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of S B England Limited

We have audited the financial statements of S B England Limited for the year ended 29 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of S B England Limited (*continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 December 2007 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

2008

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Profit and Loss Account
for the year ended 29 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover			
Discontinued operations	2	-	62,399
Cost of sales		-	52,599
		<hr/>	<hr/>
Gross profit		-	114,998
Administrative expenses	3	(3,116)	(11,170)
		<hr/>	<hr/>
Operating (loss)/profit			
Discontinued operations	3	(3,116)	103,828
		<hr/>	<hr/>
Exceptional Items			
Profit on sale of tangible fixed assets	6	-	425,156
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(3,116)	528,984
Tax on (loss)/profit on ordinary activities	7	-	(22,000)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(3,116)	506,984
		<hr/>	<hr/>

There were no recognised gains and losses for 2007 or 2006 other than those included within the profit and loss account

Balance Sheet
at 29 December 2007

	<i>Note</i>	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Investments	8		1,402,578		1,402,578
			<u>1,402,578</u>		<u>1,402,578</u>
Current assets					
Debtors	9	268,608		325,346	
Cash at bank and in hand		1,511		4,917	
		<u>270,119</u>		<u>330,263</u>	
Creditors amounts falling due within one year	10	(1,956,028)		(2,013,056)	
Net current liabilities			<u>(1,685,909)</u>		<u>(1,682,793)</u>
Total assets less current liabilities			<u>(283,331)</u>		<u>(280,215)</u>
Net liabilities			<u>(283,331)</u>		<u>(280,215)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		(283,333)		(280,217)
Shareholders' funds			<u>(283,331)</u>		<u>(280,215)</u>

These financial statements were approved by the board of directors on 29/12/08 and were signed on its behalf by



C Ellis
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 'Cash Flow Statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of John Swire & Sons Limited, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of John Swire & Sons Limited within which this company is included, can be obtained from the address given in note 14.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £283,331, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by its ultimate parent company. The directors indicated that for at least 12 months from the date of approval of these financial statements, the ultimate parent company will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes (continued)

1 Accounting policies (continued)

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate

Operating Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Notes (continued)

2 Analysis of turnover

	2007 Turnover £	2006 Turnover £
Production, wholesale and distribution of garden and house plants	-	22,962
Property letting	-	39,437
	<u>-</u>	<u>62,399</u>

In the prior year, the whole of the company's turnover was derived from discontinued activities within the United Kingdom

3 Analysis of continuing and discontinuing operations

	Continuing £	2007 Discontinued £	Total £	Continuing £	2006 Discontinued £	Total £
Turnover	-	-	-	-	62,399	62,399
Cost of sales	-	-	-	-	52,599	52,599
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,998</u>	<u>114,998</u>
Gross profit/(loss)	-	-	-	-	114,998	114,998
Administrative expenses	-	(3,116)	(3,116)	-	(11,170)	(11,170)
	<u>-</u>	<u>(3,116)</u>	<u>(3,116)</u>	<u>-</u>	<u>103,828</u>	<u>103,828</u>
Operating (loss)/profit	-	(3,116)	(3,116)	-	103,828	103,828

Notes (continued)

4 Operating profit and loss account

	2007 £	2006 £
<i>(Loss)/profit on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets		
Owned by the company	-	3,172
Auditors' remuneration	-	3,750
Hire of plant and machinery - rentals payable under operating leases	-	3,321
Profit/loss on sale of tangible assets	-	-
	<u> </u>	<u> </u>

During the period, no director received any emoluments (2006 £nil)

Amounts receivable by the company's auditors and their associates in respect of services to the company is borne by the company's parent and is disclosed in the consolidated financial statements of the company's parent

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Directors	3	3
	<u> </u>	<u> </u>
	3	3
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	-	2,195
Social security costs	-	-
	<u> </u>	<u> </u>
	-	2,195
	<u> </u>	<u> </u>

6 Exceptional Items

	2007 £	2006 £
Profit on disposal of tangible fixed assets	-	425,156
	<u> </u>	<u> </u>
	-	425,156
	<u> </u>	<u> </u>

Notes (continued)

7 Taxation

Analysis of charge in period

	2007 £	2007 £	2006 £	2006 £
UK corporation tax charge on profits for the period	-		22,000	
Adjustments in respect of prior periods	-		-	
	<hr/>		<hr/>	
Total current tax	-		22,000	
	<hr/>		<hr/>	
Tax on profit on ordinary activities		-		22,000
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2006 Lower) than the standard rate of corporation tax in the UK (30%, 2006 30%) The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(3,116)	528,984
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(935)	158,695
<i>Effects of</i>		
Non-deductible expenses/(taxable income)	935	-
Depreciation less than capital allowances	-	(6,318)
Non-taxable profit on disposal of fixed assets	-	(127,547)
Other tax adjustments	-	(443)
Utilisation of tax losses	-	(2,387)
	<hr/>	<hr/>
Total current tax charge (see above)	-	22,000
	<hr/>	<hr/>

The effects of exceptional items in the profit and loss account on the tax charge for the two periods are as follows

The exceptional profit on sale of tangible fixed assets in the period ended 30 December 2006 had no effect on the tax charge as it was not taxable (the sale was to a fellow group company)

Notes (continued)

8 Fixed asset investments

	Shares in group undertakings £	Total £
<i>Cost</i>		
At beginning of year	1,402,578	1,402,578
	<hr/>	<hr/>
At end of year	1,402,578	1,402,578
	<hr/>	<hr/>

The companies in which the company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Veridian Marketing Limited	England and Wales	Dormant	100% Ordinary shares
Ashcroft Nurseries Limited	England and Wales	Dormant	100% Ordinary shares

The Company has a 100% holding in Ashcroft Nurseries Limited through its 100% holding in Veridian Marketing Limited

The aggregate of the share capital and reserves as at 29 December 2007 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
Veridian Marketing Limited	1,398,104	-
Ashcroft Nurseries Limited	4,474	-
	<hr/>	<hr/>

Notes (continued)

9 Debtors

	2007 £	2006 £
Trade debtors	260	260
Amounts owed by group undertakings	264,269	127,907
Other debtors	4,079	157,742
Prepayments and accrued income	-	39,437
	<u>268,608</u>	<u>325,346</u>

10 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	-	-
Trade creditors	2,745	3,330
Amounts owed to group undertakings	1,949,612	1,961,976
Corporation tax	-	21,000
Other creditors	-	-
Accruals and deferred income	3,671	26,750
	<u>1,956,028</u>	<u>2,013,056</u>

11 Share capital

	2007 £	2006 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £ 1 each	2	2
	<u> </u>	<u> </u>

Notes (continued)

12 Reserves

	Profit and loss account £
At beginning of year	(280,217)
Loss retained for the period	(3,116)
	<hr/>
At end of year	(283,333)
	<hr/>

13 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Opening shareholders' funds	(280,215)	(787,199)
(Loss)/Profit for the period	(3,116)	506,984
	<hr/>	<hr/>
Closing shareholders' funds	(283,331)	(280,215)
	<hr/>	<hr/>

14 Ultimate parent company undertaking and controlling party

The Company is a subsidiary undertaking of John Swire & Sons Limited which is the ultimate parent company incorporated in England and Wales

The largest group in which the results of the Company are consolidated is that headed by John Swire & Sons Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by James Finlay Limited, incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Swire House, 59 Buckingham Gate, London, SW1E 6AJ