

**KLONDYKE GARDEN CENTRES  
LIMITED**

**ABBREVIATED FINANCIAL  
STATEMENTS**

**1 OCTOBER 2000**



**HLB KIDSONS**

Chartered Accountants & Registered Auditors  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

**KLONDYKE GARDEN CENTRES LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

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# **KLONDYKE GARDEN CENTRES LIMITED**

## **ABBREVIATED FINANCIAL STATEMENTS**

**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

<b>The board of directors</b>	R.D. Gault D. Gault E.D. McGhee T. Bennie (non-executive) J.G. Conway W.D. Yardley
<b>Company secretary</b>	D. Gault
<b>Registered office</b>	Head Office Beancross Road Polmont FK2 0XS
<b>Auditors</b>	HLB Kidsons Chartered Accountants & Registered Auditors Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH
<b>Bankers</b>	Bank of Scotland Craigs House 78 Upper Craigs Stirling FK8 2DE
<b>Solicitors</b>	Kerr & Company 23 Nelson Mandela Place Glasgow G2 1QB

# **KLONDYKE GARDEN CENTRES LIMITED**

## **AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 6 to 19, together with the financial statements of the company for the period from 27 September 1999 to 1 October 2000 prepared under Section 226 of the Companies Act 1985.

#### **Respective responsibilities of the directors and the 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 accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **Basis of opinion**

We have carried out the procedures we consider 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 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 accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 19 are properly prepared in accordance with those provisions.

Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

1 June 2001



HLB KIDSONS  
Chartered Accountants  
& Registered Auditors

# KLONDYKE GARDEN CENTRES LIMITED

## THE DIRECTORS' REPORT

### PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the period from 27 September 1999 to 1 October 2000.

#### Principal activities and business review

The principal activity of the company during the period was that of retailing of horticultural products.

The company's balance sheet as detailed on page 7 shows a satisfactory position, with shareholders' funds amounting to £1,037,607. The directors are pleased with the results of the company for the year and anticipate another successful year in 2001.

#### Results and dividends

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

#### The directors and their interests in shares of the company

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 1 October 2000	At 27 September 1999
R.D. Gault	1	1
D. Gault	1	1
E.D. McGhee	-	-
T. Bennie (non-executive)	-	-
J.G. Conway	-	-
W.D. Yardley	-	-
	<hr/>	<hr/>

The directors' interests in the ultimate parent company are disclosed in the financial statements of that company.

#### Donations

During the period the company made the following contributions:

	Period from 27 September 1999 to 1 October 2000	Period from 28 September 1998 to 26 September 1999
	£	£
Charitable	5,147	7,570
	<hr/>	<hr/>

# KLONDYKE GARDEN CENTRES LIMITED

## THE DIRECTORS' REPORT *(continued)*

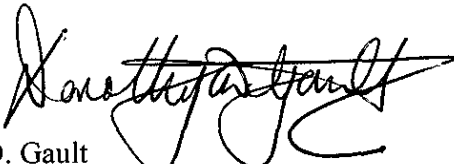
PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### Auditors

A resolution to re-appoint HLB Kidsons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Head Office  
Beancross Road  
Polmont  
FK2 0XS

Signed by order of the directors

  
D. Gault  
Company Secretary

Approved by the directors on .....31/5/01.....

# **KLONDYKE GARDEN CENTRES LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

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 at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 and 10 and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

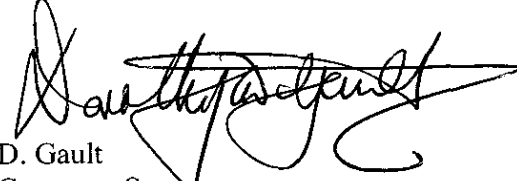
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

Registered office:  
Head Office  
Beancross Road  
Polmont  
FK2 0XS

Signed by order of the directors

  
D. Gault  
Company Secretary

Approved by the directors on ...31/5/01....

# KLONDYKE GARDEN CENTRES LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

	Note	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
<b>Gross profit</b>		2,695,898	2,216,232
Administrative expenses		(2,533,629)	(2,116,327)
Other operating income		93,192	117,885
<b>Operating profit</b>	<b>2</b>	<u>255,461</u>	<u>217,790</u>
Interest receivable		5,818	17,479
Interest payable	<b>5</b>	(199,312)	(167,960)
<b>Profit on ordinary activities before taxation</b>		<u>61,967</u>	<u>67,309</u>
Tax on profit on ordinary activities	<b>6</b>	(65,377)	(6,683)
<b>(Loss)/retained profit for the financial period</b>		<u>(3,410)</u>	<u>60,626</u>
Balance brought forward		1,036,017	975,391
Balance carried forward		<u>1,032,607</u>	<u>1,036,017</u>

The company has no recognised gains or losses other than the results for the  
Period as set out above.

All of the activities of the company are classed as continuing.



# KLONDYKE GARDEN CENTRES LIMITED

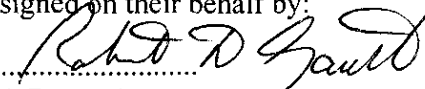
## ABBREVIATED BALANCE SHEET

1 OCTOBER 2000

	Note	1 Oct 00 £	26 Sep 99 £
<b>Fixed assets</b>			
Tangible assets	7	596,167	502,821
Investments	8	316,334	316,334
		<u>912,501</u>	<u>819,155</u>
<b>Current assets</b>			
Stocks	9	1,033,473	908,485
Debtors	10	2,954,832	2,669,790
Investments	11	33,000	33,000
Cash at bank and in hand		12,417	12,393
		<u>4,033,722</u>	<u>3,623,668</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,794,320)</u>	<u>(3,257,056)</u>
<b>Net current assets</b>		239,402	366,612
<b>Total assets less current liabilities</b>		<u>1,151,903</u>	<u>1,185,767</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(71,995)</u>	<u>(113,371)</u>
		<u>1,079,908</u>	<u>1,072,396</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	15	<u>(42,301)</u>	<u>(31,379)</u>
		<u>1,037,607</u>	<u>1,041,017</u>
<b>Capital and reserves</b>			
Called-up equity share capital	19	5,000	5,000
Profit and loss account		1,032,607	1,036,017
<b>Shareholders' funds</b>	20	<u>1,037,607</u>	<u>1,041,017</u>

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

These financial statements were approved by the directors on the .....31/5/01....., and are signed on their behalf by:

.....  
R.D. Gault

# KLONDYKE GARDEN CENTRES LIMITED

## CASH FLOW STATEMENT

**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

	Note	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
<b>Net cash outflow from operating activities</b>	<b>21</b>	(243,785)	(240,875)
<b>Returns on investments and</b>			
<b>Servicing of finance</b>			
Interest received		5,818	17,479
Interest paid		(191,609)	(153,229)
Interest element of hire purchase agreements		(5,918)	(1,383)
		(191,709)	(137,133)
<b>Taxation</b>		(63,122)	(37,271)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(205,905)	(174,117)
Receipts from sale of fixed assets		63,015	30,478
		(142,890)	(143,639)
<b>Acquisitions and disposals</b>			
Acquisition of other trades and businesses		-	(96,334)
		(641,506)	(655,252)
<b>Management of liquid resources</b>			
<b>Financing</b>			
Repayment of bank loans		(75,000)	(75,000)
Capital element of hire purchase agreements		(72,576)	(10,200)
		(147,576)	(85,200)
<b>Decrease in cash</b>	<b>22</b>	<u>(789,082)</u>	<u>(740,452)</u>

# **KLONDYKE GARDEN CENTRES LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

### **PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

#### **1. Accounting policies**

##### **Basis of accounting**

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

##### **Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

##### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Machinery	15% reducing balance
Plant and equipment	15% reducing balance
Motor vehicles	25% straight line
Fixtures and fittings	15% reducing balance
Leasehold improvements	over the period of the lease

Depreciation is provided from the month of purchase until the month of disposal.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

##### **Hire purchase agreements**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of the contract. The total finance charges are allocated over the period of the contract in such a way as to give a reasonably constant charge on the outstanding liability.

##### **Operating lease agreements**

Rentals paid under operating leases are charged to income as incurred.

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 1. Accounting policies (*continued*)

#### Pension costs

##### Group personal pension scheme

The company operates a small, self administered scheme for certain directors. This is a money purchase scheme with no ongoing contribution obligations. The company also contributes to a group private pension scheme for certain employees.

#### Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
Depreciation	132,741	117,801
Profit on disposal of fixed assets	(21,319)	(15,479)
Auditors' remuneration		
- as auditors	8,040	8,000
Operating Lease: Rent	28,000	28,000

### 3. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 27 Sep 99 to 1 Oct 00 No.	Period from 28 Sep 98 to 26 Sep 99 No.
Number of administrative staff	8	8
Number of office and management staff	10	10
Number of retail staff	90	69
	<u>108</u>	<u>87</u>

**KLONDYKE GARDEN CENTRES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

**3. Particulars of employees (*continued*)**

The aggregate payroll costs of the above were:

	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
Wages and salaries	1,363,631	1,058,505
Social security costs	107,814	78,179
Staff pension contributions	23,758	14,770
Other pension costs	29,796	28,860
	<u>1,524,999</u>	<u>1,180,314</u>

**Pension scheme**

The company operates a small, self administered scheme for certain directors. This is a money purchase scheme with no ongoing contribution obligations. The company also contributes to a group private pension scheme for certain employees.

The pension cost charge represents contributions payable by the company to the fund and amounted to £53,554 (1999 - £43,630) including contributions in respect of employees. There were no contributions payable to the fund at 1 October 2000.

**4. Directors' emoluments**

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
Emoluments receivable	379,276	306,174
Value of company pension contributions to money purchase schemes	29,796	28,860
	<u>409,072</u>	<u>335,034</u>

**Emoluments of highest paid director:**

	Period from 27 Sep 99 to 1 Oct 00 £	Period from 28 Sep 98 to 26 Sep 99 £
Total emoluments (excluding pension contributions):	139,948	95,871
Value of company pension contributions to money purchase schemes	12,500	12,500
	<u>152,448</u>	<u>108,371</u>

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

### PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

#### 4. Directors' emoluments (*continued*)

The number of directors who are accruing benefits under company pension schemes were as follows:

	Period from 27 Sep 99 to 1 Oct 00	Period from 28 Sep 98 to 26 Sep 99
	No.	No.
Money purchase schemes	<u>4</u>	<u>4</u>

#### 5. Interest payable

	Period from 27 Sep 99 to 1 Oct 00	Period from 28 Sep 98 to 26 Sep 99
	£	£
Interest payable on bank borrowing	193,394	166,577
Finance charges	5,918	1,383
	<u>199,312</u>	<u>167,960</u>

#### 6. Tax on profit on ordinary activities

	Period from 27 Sep 99 to 1 Oct 00	Period from 28 Sep 98 to 26 Sep 99
	£	£
In respect of the period:		
Corporation Tax based on the results for the period at 30% (1999 - 30%)	12,261	19,963
Other adjustments	40,000	-
Increase in deferred tax provision	10,922	-
	<u>63,183</u>	<u>19,963</u>
Adjustment in respect of previous years:		
Corporation Tax	2,194	(13,280)
	<u>65,377</u>	<u>6,683</u>

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 7. Tangible fixed assets

	Leasehold Improvements	Fixtures & Fittings	Motor Vehicles	Plant & Equipment	Office Machinery	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 27 Sep 1999	20,098	173,287	394,209	377,053	138,414	1,103,061
Additions	72,354	17,087	176,829	78,778	15,187	360,235
Disposals	-	-	(138,255)	-	(4,827)	(143,082)
Transfer	(92,452)	-	-	-	-	(92,452)
<b>At 1 Oct 2000</b>	<u>-</u>	<u>190,374</u>	<u>432,783</u>	<u>455,831</u>	<u>148,774</u>	<u>1,227,762</u>
<b>Depreciation</b>						
At 27 Sep 1999	-	117,598	177,224	236,615	68,803	600,240
Charge for the period	-	9,774	83,358	28,146	11,463	132,741
On disposals	-	-	(99,720)	-	(1,666)	(101,386)
<b>At 1 Oct 2000</b>	<u>-</u>	<u>127,372</u>	<u>160,862</u>	<u>264,761</u>	<u>78,600</u>	<u>631,595</u>
<b>Net book value</b>						
<b>At 1 Oct 2000</b>	<u>-</u>	<u>63,002</u>	<u>271,921</u>	<u>191,070</u>	<u>70,174</u>	<u>596,167</u>
At 26 Sep 1999	<u>20,098</u>	<u>55,689</u>	<u>216,985</u>	<u>140,438</u>	<u>69,611</u>	<u>502,821</u>

#### Hire purchase agreements

Included within the net book value of £596,167 is £216,706 (1999 - £114,220) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £32,584 (1999 - £14,429).

#### Capital commitments

	1 Oct 00 £	26 Sep 99 £
Contracted but not provided for in the accounts	<u>63,934</u>	<u>-</u>

**KLONDYKE GARDEN CENTRES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

**8. Investments**

	<b>Investments other than loans £</b>
<b>Cost</b>	
At 27 September 1999 and 1 October 2000	<u>316,334</u>
<b>Net book value</b>	
At 1 October 2000	<u>316,334</u>
At 26 September 1999	<u>316,334</u>

The company's investment in unlisted companies at the balance sheet date was £220,000, made up as follows:

<b>Company</b>	<b>% Holding</b>	<b>Class of Share</b>	<b>Country of Incorporation</b>	<b>Cost £</b>
Klondyke Properties Limited	100	Preference	Scotland	220,000

The investment comprises redeemable preference shares issued at par.

The companies fixed asset investments comprise of a shareholding in Sinclair (William) Holdings Plc, a listed company. The market value of these investments at the balance sheet date was £74,625, while the original cost to the company was £96,334. The directors have not recognised the fall in value of these investments as they do not consider the decline in the market value of these shares to be permanent.

**9. Stocks**

	<b>1 Oct 00 £</b>	<b>26 Sep 99 £</b>
Stock	<u>1,033,473</u>	<u>908,485</u>



# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 10. Debtors

	1 Oct 00 £	26 Sep 99 £
Trade debtors	20,696	35,602
Amounts owed by group undertakings	2,921,938	2,524,839
Other debtors	7,431	103,826
Prepayments and accrued income	4,767	5,523
	<u>2,954,832</u>	<u>2,669,790</u>

Included within other debtors are directors overdrawn loan accounts of nil (1999 - £79,029). These loans are non-interest bearing and are repayable on demand.

### 11. Investments

	1 Oct 00 £	26 Sep 99 £
Other investments	<u>33,000</u>	<u>33,000</u>

### 12. Creditors: amounts falling due within one year

	1 Oct 00 £	26 Sep 99 £
Bank loans and overdrafts	2,716,254	1,927,148
Trade creditors	679,192	682,075
Amounts owed to group undertakings	-	368,749
Amounts owed to undertakings in which the company has a participating interest	97	5,637
Corporation Tax	11,296	19,963
Other taxation and social security	144,683	85,299
Other creditors	85,654	37,459
Accruals and deferred income	157,144	130,726
	<u>3,794,320</u>	<u>3,257,056</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1 Oct 00 £	26 Sep 99 £
Bank loans and overdrafts	<u>2,716,254</u>	<u>1,927,148</u>

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 13. Creditors: amounts falling due after more than one year

	1 Oct 00	26 Sep 99
	£	£
Bank loans and overdrafts	12,500	87,500
Other creditors including:		
Hire purchase agreements	59,495	25,871
	<u>71,995</u>	<u>113,371</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1 Oct 00	26 Sep 99
	£	£
Bank loans and overdrafts	<u>12,500</u>	<u>87,500</u>

The bank loan is repayable in monthly instalments of £6,250, the final payment being due on 5/11/2001. Interest is charged at 3% above base rate with a minimum rate of 10% per annum.

The company's bankers hold a bond and floating charge over the whole of the company's assets. There are also cross guarantees and letters of offset with group companies, other than Klondyke Farms Limited, and a share pledge with the parent company, Klondyke Group Limited and Mr R.D. and Mrs D. Gault.

### 14. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	1 Oct 00	26 Sep 99
	£	£
In one year or less, or on demand	2,716,254	1,927,148
Between one and two years	12,500	75,000
Between two and five years	-	12,500
	<u>2,728,754</u>	<u>2,014,648</u>

**KLONDYKE GARDEN CENTRES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000**

**15. Deferred taxation**

The movement in the deferred taxation provision during the period was:

	<b>Period from 27 Sep 99 to 1 Oct 00 £</b>	<b>Period from 28 Sep 98 to 26 Sep 99 £</b>
Provision brought forward	31,379	31,379
Increase in provision	10,922	-
Provision carried forward	<u>42,301</u>	<u>31,379</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<b>Period from 27 Sep 99 to 1 Oct 00 £</b>	<b>Period from 28 Sep 98 to 26 Sep 99 £</b>
Excess of taxation allowances over depreciation on fixed assets	<u>42,301</u>	<u>31,379</u>

**16. Commitments under hire purchase agreements**

Future commitments under hire purchase agreements are as follows:

	<b>1 Oct 00 £</b>	<b>26 Sep 99 £</b>
Amounts payable within 1 year	85,589	37,459
Amounts payable between 1 and 2 years	59,495	25,871
	<u>145,084</u>	<u>63,330</u>

**17. Commitments under operating leases**

At 1 October 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land &amp; Buildings 1 Oct 00 £</b>	<b>26 Sep 99 £</b>
Operating leases which expire: After more than 5 years	<u>28,000</u>	<u>28,000</u>

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 18. Contingencies

At 1 October 2000 the groups total indebtedness to the bank was £6,564,998. The company's bankers hold cross guarantees and letters of offset with group companies other than Klondyke Farms Limited. The bank also holds standard securities over the properties held by Klondyke Properties Limited.

### 19. Share capital

#### Authorised share capital:

	1 Oct 00	26 Sep 99
	£	£
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

#### Allotted, called up and fully paid:

	1 Oct 00	26 Sep 99
	£	£
Ordinary share capital	<u>5,000</u>	<u>5,000</u>

### 20. Reconciliation of movements in shareholders' funds

	Period from 27 Sep 99 to 1 Oct 00	Period from 28 Sep 98 to 26 Sep 99
	£	£
(Loss)/profit for the financial period	(3,410)	60,626
Opening shareholders' equity funds	1,041,017	980,391
Closing shareholders' equity funds	<u>1,037,607</u>	<u>1,041,017</u>

### 21. Reconciliation of operating profit to Net cash outflow from operating activities

	Period from 27 Sep 99 to 1 Oct 00	Period from 28 Sep 98 to 26 Sep 99
	£	£
Operating profit	255,461	217,790
Depreciation	132,741	117,801
Profit on disposal of fixed assets	(21,319)	(15,479)
Increase in stocks	(124,988)	(53,094)
Increase in debtors	(192,590)	(52,228)
Decrease in creditors	(293,090)	(455,665)
Net cash outflow from operating activities	<u>(243,785)</u>	<u>(240,875)</u>

# KLONDYKE GARDEN CENTRES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 27 SEPTEMBER 1999 TO 1 OCTOBER 2000

### 22. Reconciliation of net cash flow to movement in net debt

	1 Oct 00	26 Sep 99
	£	£
Decrease in cash in the period	(789,082)	(740,452)
Net cash outflow from bank loans	75,000	75,000
Net cash outflow in respect of hire purchase agreements	72,576	10,200
Change in net debt resulting from cash flows	(641,506)	(655,252)
Other differences	(154,330)	(73,530)
Movement in net debt in the period	(795,836)	(728,782)
Net debt at 27 September 1999	(2,032,585)	(1,303,803)
Net debt at 1 October 2000	(2,828,421)	(2,032,585)

### 23. Analysis of changes in net debt

	At 27 Sep 1999	Cash flows	Other changes	At 1 Oct 2000
	£	£	£	£
Net cash:				
Cash in hand and at bank	12,393	24		12,417
Overdrafts	(1,852,148)	(789,106)		(2,641,254)
	(1,839,755)	(789,082)		(2,628,837)
Liquid resources:				
Current asset investments	33,000	-		33,000
Debt:				
Debt due within 1 year	(75,000)	-	-	(75,000)
Debt due after 1 year	(87,500)	75,000	-	(12,500)
Hire purchase agreements	(63,330)	72,576	(154,330)	(145,084)
	(225,830)	147,576		(232,584)
Net debt	(2,032,585)	(641,506)	(154,330)	(2,828,421)

### 24. Ultimate parent company

The company is a subsidiary of Klondyke Group Limited, a company incorporated in Scotland. The holding company is under the control of R.D. Gault and D. Gault who own the majority of its shares.