

**WILLIAM SINCLAIR HORTICULTURE LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 1995**



**REGISTERED NO: 7633**

**WILLIAM SINCLAIR HORTICULTURE LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 1995**

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**DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 30 June 1995.

**RESULTS AND DIVIDENDS**

The trading profit for the year after taxation was £2,357,450

£

**Dividends**

Interim dividend of 47.06p per share (paid)	240,000
The directors now recommend a final dividend of £2.11 per share	1,075,000
	<hr/>
	1,315,000
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The directors recommend the balance of retained profits totalling £1,042,450 be added to reserves.

**REVIEW OF THE BUSINESS**

The company's principal activities during the year were those of a horticultural and fertiliser merchant, pulverised bark processor and perlite and vermiculite merchant.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

**DIRECTORS AND THEIR INTERESTS**

The directors during the year were as follows:-

P J F Barton	(Chairman)	M G Daw	(Resigned 14 October 1994)
TH Sinclair		A D J Laidlaw	
T R Dick		S L McCarthy	
S W Cartwright		P J Williams	
A E Everett			
N F Uzzell			

**DIRECTORS' REPORT (continued)**

No director had any declarable interest in the shares of the company during the year.

Mr P J F Barton, Mr T H Sinclair, Mr T R Dick and Mr S W Cartwright are directors of the ultimate parent company in whose accounts their interests are shown.

The interests in the shares of William Sinclair Holdings plc of the other directors who held office during the year are as follows:-

	<u>30 June 1995</u>		<u>30 June 1994</u>	
	Beneficial	Share	Beneficial	Share
	<u>holding</u>	<u>options</u>	<u>holding</u>	<u>options</u>
S L McCarthy	2,189	15,261	1,994	15,261
P J Williams	3,998	14,722	3,773	14,722
N F Uzzell	2,692	13,423	2,531	13,423
A E Everett	27,753	25,000	26,482	25,000
A D J Laidlaw	-	-	-	-
M G Daw	-	-	-	-

In addition to the above Mr NF Uzzell has a non-beneficial interest in 85,942 shares (1994:82,649) arising from his role as trustee of an approved profit sharing scheme.

**STATEMENTS OF 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;
- ♦ 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.

**DIRECTORS' REPORT (continued)****FIXED ASSETS**

In the directors' opinion the current value of the company's land and buildings has not changed significantly since the revaluation carried out at 30 June 1992.

The movements on fixed assets are set out in note 8 on pages 13 and 14.

**AUDITORS**

A resolution to reappoint the auditors, Pannell Kerr Forster, will be proposed at the annual general meeting.

**POLITICAL AND CHARITABLE GIFTS**

The company has given charitable donations of £295 (1994 - £200) during the year.

**DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**EMPLOYEE CONSULTATION**

The group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and regular company circulars. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

**BY ORDER OF THE BOARD**

**E W DAWE**  
Secretary

**3 October 1995**  
Lincoln

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

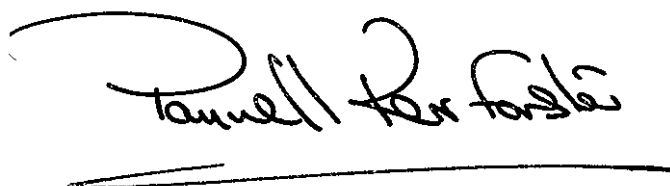
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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 affairs of the company as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**3 October 1995**  
**Lincoln**

**PANNELL KERR FORSTER**  
Chartered Accountants  
Registered Auditors

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	1	31,002,398	28,596,113
OPERATING CHARGES	2	<u>27,175,223</u>	<u>25,689,669</u>
OPERATING PROFIT		3,827,175	2,906,444
EXCEPTIONAL ITEM	4	-	1,101,315
NET INTEREST PAYABLE	5	<u>291,725</u>	<u>202,437</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,535,450	1,602,692
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>1,178,000</u>	<u>565,354</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,357,450	1,037,338
DIVIDENDS	7	<u>1,315,000</u>	<u>946,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>1,042,450</u></u>	<u><u>91,338</u></u>

The movement on reserves is shown in note 16 to the financial statements.

All amounts relate to continuing operations.

The company had no recognised gains or losses other than the profit for the financial year.

**WILLIAM SINCLAIR HORTICULTURE LIMITED**

**HISTORICAL COST PROFITS AND LOSSES**

**YEAR ENDED 30 JUNE 1995**

**HISTORICAL COST PROFITS AND LOSSES**

	<u>1995</u> £	<u>1994</u> £
Reported profit on ordinary activities before taxation	3,535,450	1,602,692
Revaluation surplus realised	12,597	-
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	40,630	27,948
Historical cost profit on ordinary activities before taxation	<u>3,588,677</u>	<u>1,630,640</u>
Historical cost profit for the year retained after taxation and dividends	<u><u>1,095,677</u></u>	<u><u>119,286</u></u>



**WILLIAM SINCLAIR HORTICULTURE LIMITED**

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**BALANCE SHEET**
**30 JUNE 1995**

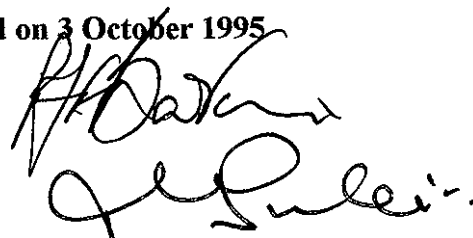
	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	8,552,441	8,454,948
Investments	9	2,475,028	2,475,028
		<u>11,027,469</u>	<u>10,929,976</u>
<b>CURRENT ASSETS</b>			
Stocks	10	4,580,955	3,968,922
Debtors	11	7,130,304	5,740,775
Cash at bank and in hand		1,272,597	1,650,257
		<u>12,983,856</u>	<u>11,359,954</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	13,017,357	11,968,543
<b>NET CURRENT LIABILITIES</b>		<u>(33,501)</u>	<u>(608,589)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,993,968</u>	<u>10,321,387</u>
<b>CREDITORS</b>			
Amounts falling due after one year	12	5,586	-
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14	686,502	1,074,554
<b>NET ASSETS</b>		<u>10,301,880</u>	<u>9,246,833</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	510,000	510,000
Capital reserve	16	124,572	124,572
General reserve	16	1,091,999	1,091,999
Revaluation reserve	16	1,958,495	1,945,898
Profit and loss account	16	6,616,814	5,574,364
		<u>9,791,880</u>	<u>8,736,833</u>
<b>SHAREHOLDERS FUNDS</b>	17	<u>10,301,880</u>	<u>9,246,833</u>

Approved by the Board on 3 October 1995

P J F BARTON

T H SINCLAIR

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## ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1995

## 1. ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

## 2. DEFERRED TAXATION

Provision is made for deferred tax using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

## 3. TURNOVER

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

## 4. DEPRECIATION

Freehold land is not depreciated. Depreciation is charged on other tangible assets at fixed rates calculated to write off the cost as reduced by capital grants over the period of their expected useful lives. The principal rates are:

Freehold buildings	-	2%, 10% and 20% on cost
Short leasehold property	-	5 years, 10 years and over the period of the lease
Plant and machinery	-	10%, 20% and 33 $\frac{1}{3}$ % on cost
Motor vehicles	-	30% on a reducing balance basis for pre 30.6.92 30% on cost for post 30.6.92 acquisitions

## 5. STOCKS

Stocks are stated at the lower of cost and net realisable value.

Cost comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

## 6. RESEARCH AND DEVELOPMENT

Expenditure on research and development is charged in the profit and loss account in the year in which it is incurred.

**ACCOUNTING POLICIES****YEAR ENDED 30 JUNE 1995****7. FOREIGN CURRENCIES**

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Normal fluctuations on trading items are dealt with as part of results for the year.

**8. PENSION COSTS**

The Group provides for and funds pension liabilities on a going concern basis on the advice of external actuaries by payments to insurance companies. Independent actuarial valuations on a going concern basis are normally carried out every three years. Contributions to the group scheme are charged to the profit and loss account so as to spread the cost of the pensions over employees working lives with the group.

**9. CASHFLOW STATEMENT**

The company has not prepared a cashflow statement as the company has taken advantage of the exemption contained in Financial Reporting Standard No 1, in that the company is a wholly owned subsidiary undertaking of a parent undertaking which publishes a consolidated cashflow statement dealing with the cashflows of the group.

**10. FINANCE AND HIRE PURCHASE CONTRACTS**

Assets acquired under finance leases and hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

	<u>1995</u> £	<u>1994</u> £
<b>1 TURNOVER</b>		
The analysis of turnover by geographical market was as follows:		
United Kingdom	29,100,958	25,937,448
Mainland Europe	179,485	156,280
Middle and Far East	1,709,543	2,493,567
Others	12,412	8,818
	<u>31,002,398</u>	<u>28,596,113</u>
<b>2 OPERATING CHARGES</b>		
Operating profit is stated after charging (or crediting):		
Change in stocks of finished goods and goods for resale	(1,866)	(91,005)
Raw materials and consumables	12,255,904	12,448,449
Staff costs (note 3)	4,930,315	4,077,454
Depreciation (note 8)	1,349,158	1,205,156
Other operating charges	8,641,712	8,049,615
	<u>27,175,223</u>	<u>25,689,669</u>
Other operating charges include:		
Auditors' remuneration - audit fee	21,550	22,250
- other services	3,430	2,139
Hire of plant and machinery	192,031	192,620
Loss on disposal of fixed assets	8,673	338
Research and development	86,996	106,961
	<u></u>	<u></u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

	<u>1995</u>	<u>1994</u>
	£	£
<b>3 STAFF COSTS</b>		
Wages and salaries	4,362,480	3,603,431
Social security costs	346,722	306,893
Pension costs	143,562	110,032
Other life and sickness insurance	77,551	57,098
	<u>4,930,315</u>	<u>4,077,454</u>

Number                      Number

The average weekly number of employees during the year was:

Administration	169	140
Production	121	117
	<u>290</u>	<u>257</u>

Directors' remuneration

	£	£
Salaries as executives (including Pension Contributions)	<u>376,987</u>	<u>290,739</u>

An analysis of the directors' remuneration excluding pension contributions was:

Chairman	<u>Nil</u>	<u>Nil</u>
	£	£
Highest paid director	<u>64,339</u>	<u>64,415</u>
	<u>Number</u>	<u>Number</u>

Other directors

£Nil - £ 5,000	1	1
£ 5,001 - £10,000	-	1
£15,001 - £20,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	2	1
£35,001 - £40,000	-	1
£40,001 - £45,000	3	-
£45,001 - £50,000	1	2
£50,001 - £55,000	1	-

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

	<u>1995</u> £	<u>1994</u> £
<b>4 EXCEPTIONAL ITEM</b>		
The exceptional item relates to the cost of reorganisation following the acquisition of the Peat Growing Media business of Zeneca Limited.	-	1,101,315
	<u>          </u>	<u>          </u>
<b>5 NET INTEREST PAYABLE</b>		
Interest receivable from group companies	(1,396)	(21,453)
Other interest receivable	(75)	(83)
Interest payable to group companies	293,196	223,973
	<u>291,725</u>	<u>202,437</u>
	<u>          </u>	<u>          </u>
<b>6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>		
Corporation tax on profit for the year at 33% (1994 : 33%)	1,126,000	775,000
Deferred taxation	42,000	(213,000)
	<u>1,168,000</u>	<u>562,000</u>
Under provision in previous year	10,000	3,354
	<u>1,178,000</u>	<u>565,354</u>
	<u>          </u>	<u>          </u>
<b>7 DIVIDENDS</b>		
Ordinary		
Interim 47.06p (1994 : 49.02p) per share	240,000	250,000
Proposed final £2.11 (1994:£1.36) per share	1,075,000	696,000
	<u>1,315,000</u>	<u>946,000</u>
	<u>          </u>	<u>          </u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

## 8 FIXED ASSETS - TANGIBLE

	Freehold property £	Short leasehold property £	Plant and machinery £	Motor Vehicles £	Total £
<u>Cost or valuation</u>					
At 1 July 1994	3,541,982	988,371	9,425,979	535,000	14,491,332
Additions	117,575	289,960	937,974	226,679	1,572,188
Intra group transfers	(18,879)	(43,991)	-	(36,009)	(98,879)
Disposals	-	-	(393,965)	(212,256)	(606,221)
At 30 June 1995	<u>3,640,678</u>	<u>1,234,340</u>	<u>9,969,988</u>	<u>513,414</u>	<u>15,358,420</u>
<u>Depreciation</u>					
At 1 July 1994	190,920	288,766	5,245,380	311,318	6,036,384
Charge for year	64,590	78,712	1,092,585	113,271	1,349,158
Intra group transfers	-	(23,256)	-	(22,831)	(46,087)
Disposals	-	-	(389,768)	(143,708)	(533,476)
At 30 June 1995	<u>255,510</u>	<u>344,222</u>	<u>5,948,197</u>	<u>258,050</u>	<u>6,805,979</u>
<u>Net book amounts</u>					
At 30 June 1995	<u>3,385,168</u>	<u>890,118</u>	<u>4,021,791</u>	<u>255,364</u>	<u>8,552,441</u>
At 30 June 1994	<u>3,351,062</u>	<u>699,605</u>	<u>4,180,599</u>	<u>223,682</u>	<u>8,454,948</u>

The net book amount of motor vehicles included £8,400 (1994 £NIL) in respect of assets held under hire purchase contracts. Depreciation charged in the year on those assets amounted to £NIL (1994 : £NIL) the asset being acquired on 26 June 1995.

Included in the cost of freehold property is an amount of £910,000 relating to land which has not been depreciated.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

## 8 FIXED ASSETS - TANGIBLE (continued)

<u>Analysis of cost and valuation</u>	<u>1995</u> £	<u>1994</u> £
Freehold property:		
At Cost	434,680	318,984
At Valuation	3,205,998	3,222,998
	<u>3,640,678</u>	<u>3,541,982</u>
Leasehold property		
At Cost	772,611	526,642
At Valuation	461,729	461,729
	<u>1,234,340</u>	<u>988,371</u>

On an historical cost basis, freehold and leasehold property would have been included as follows:

	1995		1994	
	Freehold £	Leasehold £	Freehold £	Leasehold £
Cost	1,961,444	266,088	1,991,041	266,088
Aggregate depreciation	<u>382,517</u>	<u>136,985</u>	<u>362,903</u>	<u>111,106</u>
Net historical cost value	<u>1,578,927</u>	<u>129,103</u>	<u>1,628,138</u>	<u>154,982</u>

Freehold property was last valued at open market value on an existing use basis by a chartered surveyor on 30 June 1992. Certain leasehold properties were valued on the same basis on 30 June 1994. All other tangible fixed assets are included at cost.

No value is attributed to unharvested peat deposits contained within the relevant freehold and leasehold properties.

## 9 FIXED ASSET INVESTMENTS

	<u>1995</u> £	<u>1994</u> £
Investment in 600,000 Ordinary shares of £1 each of Boothby and Penicuik Peat Company Limited. This represents 100% of the issued ordinary share capital of the company.	<u>2,475,028</u>	<u>2,475,028</u>

The company did not trade during the year.

Aggregate of capital and reserves of the company at 30 June 1995 is £1,850,261 (1994 : £1,850,261)

The company is registered in England and Wales.



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

	<u>1995</u> £	<u>1994</u> £
<b>10 STOCKS</b>		
Raw materials and consumables	3,340,655	2,733,611
Finished goods and goods for resale	1,240,300	1,235,311
	<u>4,580,955</u>	<u>3,968,922</u>
<b>11 DEBTORS</b>		
Due within one year:		
Trade debtors	6,648,519	5,003,029
Amounts due from group undertaking	369,017	364,494
Amounts due from associated undertaking	40,000	160,000
Other debtors	1,268	85,834
Prepayments and accrued income	71,500	127,418
	<u>7,130,304</u>	<u>5,740,775</u>
<b>12 CREDITORS</b>		
Amounts falling due within one year:		
Trade creditors	4,011,424	3,886,348
Corporation tax payable 1 April 1996	847,232	934,932
Amounts due to subsidiary undertakings	1,850,261	1,850,261
Amounts due to other group undertakings	2,279,281	2,368,858
Amounts due to associated undertaking	246,491	-
Other taxation and social security	926,197	702,652
Dividends payable	1,075,000	696,000
Accruals and deferred income	1,649,095	1,309,352
Other creditors	129,184	220,140
Hire purchase creditor	3,192	-
	<u>13,017,357</u>	<u>11,968,543</u>
Amounts falling due after more than one year:		
Hire purchase creditor	<u>5,586</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

## 13 LEASE COMMITMENTS

	<u>1995</u> £	<u>1994</u> £
Finance leases and hire purchase contracts		
The company had obligations under finance leases and hire purchase contracts net of finance charges at the balance sheet date as follows:		
Payable within one year	2,813	-
Payable between two and five years	4,924	-
	<u>7,737</u>	<u>-</u>

## 14 PROVISION FOR LIABILITIES AND CHARGES

	<u>1995</u>	<u>1994</u>
	£	£
Provision for reorganisation costs	35,502	465,554
Deferred Taxation:		
At 1 July 1994	609,000	662,000
Transferred from acquired companies	-	160,000
Charge(release) to profit and loss account	<u>42,000</u>	<u>(213,000)</u>
At 30 June 1995	<u>651,000</u>	<u>609,000</u>
	<u>686,502</u>	<u>1,074,554</u>

Deferred taxation provision and the amount unprovided comprise:

	<u>1995</u>	<u>1994</u>
	Provision £	Not Provided £
Accelerated capital allowances	728,000	-
Short term timing differences	(77,000)	-
Revaluation of freehold property	<u>-</u>	<u>664,000</u>
	<u>651,000</u>	<u>664,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

## 15 CALLED UP SHARE CAPITAL

1995  
£

There has been no change in share capital during the year.

Authorised

630,000 ordinary shares of £1 each

630,000

Allotted, called up and fully paid

510,000 ordinary shares of £1 each

510,000

## 16 RESERVES

	<u>Capital reserve</u> £	<u>Revaluation reserve</u> £	<u>General reserve</u> £	<u>Profit and loss account</u> £	<u>Total reserves</u> £
At 1 July 1994	124,572	1,945,898	1,091,999	5,574,364	8,736,833
Retained profit for the financial year	-	-	-	1,042,450	1,042,450
Transfers to other group undertakings	-	12,597	-	-	12,597
At 30 June 1995	124,572	1,958,495	1,091,999	6,616,814	9,791,880

## 17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit for the financial year	2,357,450	1,037,338
Dividends	1,315,000	946,000
	1,042,450	91,338
Other movements relating to the year - Revaluation Reserve	12,597	-
Net addition to shareholders' funds	1,055,047	91,338
Opening shareholders' funds	9,246,833	9,155,495
Closing shareholders' funds	10,301,880	9,246,833

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

## 18 CAPITAL COMMITMENTS

	<u>1995</u>	<u>1994</u>
	£	£
Contracted but not provided for	117,000	146,000
	<u>          </u>	<u>          </u>
Authorised by the directors not contracted for	301,000	807,000
	<u>          </u>	<u>          </u>

## 19 PARENT COMPANY

The company's ultimate parent company is William Sinclair Holdings plc which is incorporated in England and consequently the company is exempt from the obligation to prepare group accounts.

The only group in which the results of William Sinclair Horticulture Limited are consolidated is that headed by William Sinclair Holdings plc. The accounts of that company are available to the public and can be obtained from Firth Road, Lincoln.

## 20 PENSION SCHEME

The company participates in the pension scheme operated by the parent company, details of which are given in that company's financial statements.

The scheme provides defined benefits based on final pensionable pay. The assets of the scheme are held in a fund separate from those of the group and are administered by trustees. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the aggregate method allowing for future salary increases.

**WILLIAM SINCLAIR HORTICULTURE LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 1995**

**WILLIAM SINCLAIR HORTICULTURE LIMITED****MANAGEMENT INFORMATION****TRADING AND PROFIT AND LOSS ACCOUNT****SCHEDULE 'A'****YEAR ENDED 30 JUNE 1995**

	<u>1995</u>		<u>1994</u>	
	£	£	£	£
<b>SALES</b>		31,002,398		28,596,113
(less returns and allowances)				
Less:				
Carriage outward	5,468,540		4,744,472	
Discounts allowed	259,078		449,334	
Retrospective rebates	451,006		508,528	
		<u>6,178,624</u>		<u>5,702,334</u>
		24,823,774		22,893,779
<b>COST OF SALES</b>				
Opening stock	3,968,922		3,239,741	
Purchases	12,255,904		12,448,449	
	<u>16,224,826</u>		<u>15,688,190</u>	
Closing stock	4,580,955		3,968,922	
		<u>11,643,871</u>		<u>11,719,268</u>
		13,179,903		11,174,511
Wages	1,975,724		1,477,468	
National insurance	159,784		126,348	
Repairs and maintenance	552,126		574,962	
Heat light and power	332,032		325,506	
Waste disposal	19,862		22,796	
Machinery hire	192,031		192,620	
		<u>3,231,559</u>		<u>2,719,700</u>
<b>GROSS PROFIT</b>		9,948,344		8,454,811
<b>INTEREST PAYABLE/(RECEIVABLE)</b>				
Interest payable	293,313		223,973	
Interest (receivable)	(1,588)		(21,536)	
		<u>291,725</u>		<u>202,437</u>
		9,656,619		8,252,374
<b>OVERHEADS</b> (Schedule 'B')		<u>6,121,169</u>		<u>6,649,682</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>3,535,450</u>		<u>1,602,692</u>

**WILLIAM SINCLAIR HORTICULTURE LIMITED****MANAGEMENT INFORMATION****OVERHEADS****SCHEDULE 'B'****YEAR ENDED 30 JUNE 1995**

	<u>1995</u> £	<u>1994</u> £
Wages	692,857	559,174
Salaries	1,711,488	1,557,525
National Insurance	187,183	180,545
Staff Pension Scheme	207,652	161,902
Staff Welfare	68,026	46,673
Agents Commission	36,794	31,835
Light and Heat	18,587	23,208
Rent and Rates	234,411	177,086
Royalties	87,174	33,607
Insurance	215,656	206,716
Repairs and Renewals	60,876	32,106
Motor Expenses	183,574	167,612
Car Leasing	3,299	4,352
Travel and Entertaining Expenses	90,187	93,608
Telephone and Telex	105,037	95,355
Printing and Stationery	67,142	56,709
Postage	23,039	20,876
Computer Expenses	24,176	28,360
Subscriptions	22,021	26,859
Audit and Professional	37,425	79,376
Bank Charges	16,955	19,476
Advertising and Promotional Costs	144,275	160,153
Shows and Exhibitions	61,239	37,664
Depreciation	1,349,158	1,205,156
Loss on Asset Disposal	8,673	338
Management Charges	426,876	512,053
Complaints	27,977	35,583
Bad Debts	986	31,979
Sundries	91,186	89,700
Exceptional item	0	1,101,315
Sundry Income	(82,760)	(127,219)
	<u>6,121,169</u>	<u>6,649,682</u>