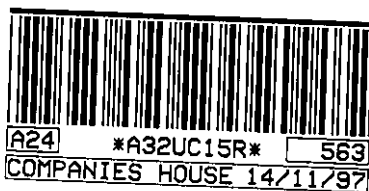


WILLIAM SINCLAIR HORTICULTURE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

REGISTERED NO: 7633



WILLIAM SINCLAIR HORTICULTURE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

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WILLIAM SINCLAIR HORTICULTURE LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 30 June 1997.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £2,409,541.

Dividends

	£
Interim dividend of 70.58p per share (paid)	360,000
The directors now recommend a final dividend of £1.83 per share	935,000
	<hr/>
	1,295,000
	<hr/>

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)	N F Uzzell
T R Dick		S L McCarthy
S W Cartwright		P J Williams
A E Everett		P T Davenport

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

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

WILLIAM SINCLAIR HORTICULTURE LIMITED

DIRECTORS' REPORT (continued)

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 1997</u>		<u>30 June 1996</u>	
	Beneficial <u>holding</u>	Share <u>options</u>	Beneficial <u>holding</u>	Share <u>options</u>
S L McCarthy	10,061	-	9,708	-
P J Williams	4,741	14,722	4,297	14,722
N F Uzzell	13,158	-	2,896	13,423
A E Everett	7,638	25,000	21,956	25,000
P T Davenport	-	13,500	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In addition to the above Mr N F Uzzell has a non-beneficial interest in 107,313 shares (1996: 102,664) 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.

AUDITORS

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

WILLIAM SINCLAIR HORTICULTURE LIMITED**DIRECTORS' REPORT (continued)****POLITICAL AND CHARITABLE GIFTS**

The company has given charitable donations of £207 (1996 - £150) 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.

PAYMENTS POLICY

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions.

The number of days purchases outstanding at 30 June 1997 was 81.

BY ORDER OF THE BOARD



1 October 1997
Lincoln

E W DAWE
Secretary

WILLIAM SINCLAIR HORTICULTURE LIMITED**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.

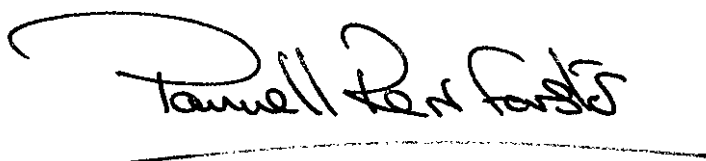
Basis of opinion

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



1 October 1997
Lincoln

PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

WILLIAM SINCLAIR HORTICULTURE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	1	34,127,053	31,161,256
OPERATING CHARGES	2	<u>30,224,473</u>	<u>27,289,676</u>
OPERATING PROFIT		3,902,580	3,871,580
NET INTEREST PAYABLE	4	<u>285,486</u>	<u>306,885</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,617,094	3,564,695
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	<u>1,207,553</u>	<u>1,208,577</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,409,541	2,356,118
DIVIDENDS	6	<u>1,295,000</u>	<u>1,228,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>1,114,541</u></u>	<u><u>1,128,118</u></u>

The movement on reserves is shown in note 15 to the financial statements.

All amounts relate to continuing operations.

WILLIAM SINCLAIR HORTICULTURE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 JUNE 1997

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	2,409,541	2,356,118
Unrealised deficit on revaluation of properties	-	(30,301)
Total recognised gains	<u>2,409,541</u>	<u>2,325,817</u>

HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	3,617,094	3,564,695
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	974	81,710
Historical cost profit on ordinary activities before taxation	<u>3,618,068</u>	<u>3,646,405</u>
Historical cost profit for the year retained after taxation and dividends	<u>1,115,515</u>	<u>1,209,828</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED

BALANCE SHEET

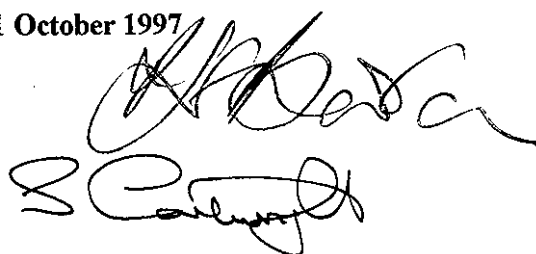
30 JUNE 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7	7,825,920		8,385,811	
Investments	8	2,477,528		2,475,028	
			10,303,448		10,860,839
CURRENT ASSETS					
Stocks	9	5,265,296		5,022,490	
Debtors	10	8,166,849		7,059,015	
Cash at bank and in hand		1,981,094		1,218,703	
		15,413,239		13,300,208	
CREDITORS					
Amounts falling due within one year	11	12,509,380		11,969,470	
NET CURRENT ASSETS			2,903,859		1,330,738
TOTAL ASSETS LESS CURRENT LIABILITIES			13,207,307		12,191,577
CREDITORS					
Amounts falling due after one year	11		165,075		166,386
PROVISION FOR LIABILITIES AND CHARGES	13		513,500		611,000
NET ASSETS			12,528,732		11,414,191
CAPITAL AND RESERVES					
Called up equity share capital	14		510,000		510,000
Capital reserve	15	124,572		124,572	
General reserve	15	1,091,999		1,091,999	
Revaluation reserve	15	1,942,688		1,942,688	
Profit and loss account	15	8,859,473		7,744,932	
			12,018,732		10,904,191
EQUITY SHAREHOLDERS' FUNDS	16		12,528,732		11,414,191

Approved by the Board on 1 October 1997

P J F BARTON)

S W CARTWRIGHT)



WILLIAM SINCLAIR HORTICULTURE LIMITED

ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1997

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 except where the operations carried out suggest land values will decrease. Depreciation is charged on other tangible assets at fixed rates calculated to write off the cost over the period of their expected useful lives. The principal rates are:

Freehold land and buildings	-	2% and 10% on cost
Short leasehold property	-	5 years, 10 years and over the period of the lease
Plant and machinery	-	10%, 20% and 33 ¹ / ₃ % on cost
Motor vehicles	-	30% straight line/reducing balance

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 pure and applied research is written off in the year in which it is incurred.

Development expenditure incurred against a clearly defined project is carried forward to the extent that costs are recoverable against future revenues and if the project is assessed as commercially viable. The amortisation period for such expenditure is limited to a maximum of five years. All other expenditure is written off in the year in which it is incurred.

WILLIAM SINCLAIR HORTICULTURE LIMITED**ACCOUNTING POLICIES****YEAR ENDED 30 JUNE 1997****7. FOREIGN CURRENCIES**

Current assets and liabilities for settlement in foreign currencies have been converted into sterling at the rates at which such currencies could have been sold at the year end except to the extent that overseas debts were covered by appropriate currencies bought forward.

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 an independent trust. 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 of a parent undertaking which publishes a consolidated cashflow statement dealing with the cashflows of the group.

10. LEASES 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.

Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the lease term.

11. INVESTMENTS

Subsidiary and associated undertakings are shown at cost.

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

	<u>1997</u> £	<u>1996</u> £
1 TURNOVER		
The analysis of turnover by geographical market was as follows:		
United Kingdom	30,538,271	28,342,393
Europe	268,658	240,881
Middle and Far East	3,309,867	2,528,929
Others	10,257	49,053
	<u>34,127,053</u>	<u>31,161,256</u>
2 OPERATING CHARGES		
Operating profit is stated after charging (or crediting):		
Change in stocks of finished goods	(213,365)	(470,324)
Raw materials and consumables	13,053,599	11,833,903
Staff costs (note 3)	5,632,028	5,352,366
Depreciation (note 7)	1,298,938	1,384,249
Income from joint venture	(55,321)	-
Other operating charges	10,508,594	9,189,482
	<u>30,224,473</u>	<u>27,289,676</u>
Other operating charges include:		
Auditors' remuneration - audit fee	23,020	22,912
- other services	3,450	3,970
(Profit) on disposal of fixed assets	(60,049)	(33,052)
Research and development	77,404	67,407
Operating lease rentals	<u>140,670</u>	<u>157,112</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

	<u>1997</u> £	<u>1996</u> £
3 STAFF COSTS		
Wages and salaries	4,981,088	4,729,249
Social security costs	417,815	389,629
Pension costs	152,038	153,636
Other life and sickness insurance	81,087	79,852
	<u>5,632,028</u>	<u>5,352,366</u>
	<u>Number</u>	<u>Number</u>
The average weekly number of employees during the year was:		
Administration	128	177
Production	182	127
	<u>310</u>	<u>304</u>
Directors' emoluments	£	£
Aggregate emoluments	<u>240,360</u>	<u>236,645</u>
The amount attributable in aggregate emoluments to the highest paid director is £57,036 (1996 : £55,341).		
The amount attributable to accrued pension benefits for the highest paid director is £8,841.		
There are 8 directors for whom defined retirement benefits are accruing.		
During the year 2 directors exercised their share options.		
4 NET INTEREST PAYABLE		
Interest receivable from group companies	-	(6,931)
Other interest receivable	(4,786)	(1,178)
Interest payable to group companies	268,680	308,484
Hire purchase interest payable	<u>21,592</u>	<u>6,510</u>
	<u>285,486</u>	<u>306,885</u>
5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax on profit for the year at 32.5% (1996 : 33%)	1,292,500	1,223,000
Deferred taxation	<u>(97,500)</u>	<u>(40,000)</u>
	1,195,000	1,183,000
Under provision in previous year	<u>12,553</u>	<u>25,577</u>
	<u>1,207,553</u>	<u>1,208,577</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

6

DIVIDENDS		1997 £	1996 £
Interim 70.58p (1996 : 70.58p) per ordinary share		360,000	360,000
Proposed final dividend £1.83 (1996:£1.70) per ordinary share		935,000	868,000
		1,295,000	1,228,000

7

FIXED ASSETS - TANGIBLE					
	<u>Freehold property</u> £	<u>Short leasehold property</u> £	<u>Plant and machinery</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
<u>Cost or valuation</u>					
At 1 July 1996	3,857,000	1,023,651	10,004,674	587,388	15,472,713
Additions	44,922	29,243	604,353	70,730	749,248
Intra group transfers	-	-	-	11,475	11,475
Disposals	-	-	(56,248)	(69,192)	(125,440)
At 30 June 1997	3,901,922	1,052,894	10,552,779	600,401	16,107,996
<u>Depreciation</u>					
At 1 July 1996	-	237,114	6,542,694	307,094	7,086,902
Charge for year	62,439	79,851	1,007,857	148,791	1,298,938
Intra group transfers	-	-	-	11,475	11,475
Disposals	-	-	(49,623)	(65,616)	(115,239)
At 30 June 1997	62,439	316,965	7,500,928	401,744	8,282,076
<u>Net book amounts</u>					
At 30 June 1997	3,839,483	735,929	3,051,851	198,657	7,825,920
At 30 June 1996	3,857,000	786,537	3,461,980	280,294	8,385,811

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

7 FIXED ASSETS - TANGIBLE (continued)

The net book amount of assets included £448,858 (1996 : £322,894) in respect of assets held under hire purchase contracts. Depreciation charged in the year on those assets amounted to £119,085 (1996 : £50,067).

Included in the cost or valuation of freehold property is an amount of £1,050,373, relating to land which has not been depreciated.

	<u>1997</u> £	<u>1996</u> £
<u>Analysis of cost and valuation</u>		
Freehold property:		
At Cost	44,922	-
At Valuation	3,857,000	3,857,000
	<u>3,901,922</u>	<u>3,857,000</u>
Leasehold property		
At Cost	632,894	603,651
At Valuation	420,000	420,000
	<u>1,052,894</u>	<u>1,023,651</u>

On an historical cost basis, freehold and leasehold property at valuation would have been included at:

	1997		1996	
	Freehold £	Leasehold £	Freehold £	Leasehold £
Cost	2,802,239	403,714	2,802,239	403,714
Depreciation based on cost	484,147	151,534	431,806	118,046
Net historical cost value	<u>2,318,092</u>	<u>252,180</u>	<u>2,370,433</u>	<u>285,668</u>

Freehold property was valued at open market value on an existing use basis by a Chartered Surveyor on 30 June 1996.

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

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

8	FIXED ASSET INVESTMENTS	1997 £	1996 £
	Boothby & Penicuik Peat Co. Limited	2,475,028	2,475,028
	Bark Products (Scotland) Limited	2,500	-
		<u>2,477,528</u>	<u>2,475,028</u>

The investment in Boothby and Penicuik Peat Company Limited is in 600,000 ordinary shares of £1 each. This represents 100% of the issued ordinary share capital of the Company. The Company did not trade during the year. The aggregate of Capital and Reserves of the Company at 30 June 1997 is £1,850,261 (1996 : £1,850,261). The Company is registered in Great Britain

During the year the investment in Bark Products (Scotland) Limited was transferred from Bark Products Limited, a fellow Group undertaking. The investment is in 2,500 ordinary shares of £1 each. This represents 50% of the issued ordinary share capital of the Company. The company is a pulverised bark processor. The aggregate of Capital and Reserves of the Company at 30 June 1997 is £62,511. The Company is registered in Great Britain.

9	STOCKS	1997 £	1996 £
	Raw materials and consumables	3,359,862	3,330,421
	Finished goods and goods for resale	1,905,434	1,692,069
		<u>5,265,296</u>	<u>5,022,490</u>

10 DEBTORS

Due within one year:

Trade debtors	7,762,518	6,696,205
Amounts due from group undertaking	128,705	107,993
Other debtors	149,308	65,369
Prepayments and accrued income	126,318	189,448
	<u>8,166,849</u>	<u>7,059,015</u>

Included in other debtors is an amount of £50,000 (1996 £59,000) which is receivable after more than one year.

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

	1997 £	1996 £
11 CREDITORS		
Amounts falling due within one year:		
Trade creditors	3,885,425	3,903,145
Amounts due to group undertakings	3,609,103	3,599,599
Amounts due to associated undertaking	107,416	20,086
Amounts due to joint venture	92,442	-
Corporation tax payable 1 April 1998	1,292,500	1,217,880
Other taxation and social security	778,268	802,296
Dividends payable	935,000	868,000
Other creditors	96,010	110,454
Hire purchase creditor	184,082	117,737
Accruals and deferred income	1,529,134	1,330,273
	<u>12,509,380</u>	<u>11,969,470</u>

Amounts falling due after more than one year:

Hire purchase creditor	<u>165,075</u>	<u>166,386</u>
------------------------	----------------	----------------

The hire purchase creditors are secured on the assets they relate to.

12 LEASE COMMITMENTS

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	184,082	117,737
Payable between two and five years	<u>165,075</u>	<u>166,386</u>
	<u>349,157</u>	<u>284,123</u>

Operating leases:

The Company has operating lease commitments to pay during the next year in respect of equipment leases which expire.

between two and five years	<u>125,210</u>	<u>157,112</u>
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WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

13 PROVISION FOR LIABILITIES AND CHARGES

	<u>1997</u>		<u>1996</u>	
	£	£	£	£
Provision for reorganisation costs:				
Opening balance	-		35,502	
Expenditure incurred	-		(544)	
Utilised to reflect permanent diminution in property	-		(25,794)	
Released to profit and loss account	-		(9,164)	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Taxation:				
At 1 July 1996	611,000		651,000	
(Credit) to profit and loss account	(97,500)		(40,000)	
At 30 June 1997		<u>513,500</u>		<u>611,000</u>
		<u>513,500</u>		<u>611,000</u>

Deferred taxation provision and the amount unprovided comprise:

	<u>1997</u>		<u>1996</u>	
	<u>Provision</u>	<u>Not Provided</u>	<u>Provision</u>	<u>Not Provided</u>
	£	£	£	£
Accelerated capital allowances	531,000	-	629,300	-
Short term timing differences	(17,500)	-	(18,300)	-
	<u>513,500</u>	<u>-</u>	<u>611,000</u>	<u>-</u>
			<u>1997</u>	<u>1996</u>
			£	£

14 CALLED UP EQUITY SHARE CAPITAL

Authorised		
630,000 ordinary shares of £1 each	<u>630,000</u>	<u>630,000</u>
Allotted, called up and fully paid		
510,000 ordinary shares of £1 each	<u>510,000</u>	<u>510,000</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

15 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 1996	124,572	1,942,688	1,091,999	7,744,932	10,904,191
Retained profit for the financial year	-	-	-	1,114,541	1,114,541
At 30 June 1997	<u>124,572</u>	<u>1,942,688</u>	<u>1,091,999</u>	<u>8,859,473</u>	<u>12,018,732</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	2,409,541	2,356,118
Dividends	1,295,000	1,228,000
	<u>1,114,541</u>	<u>1,128,118</u>
Other movements relating to the year - Revaluation Reserve	-	(15,807)
Net addition to shareholders' funds	1,114,541	1,112,311
Opening shareholders' funds	<u>11,414,191</u>	<u>10,301,880</u>
Closing shareholders' funds	<u>12,528,732</u>	<u>11,414,191</u>

17 CAPITAL COMMITMENTS

	<u>1997</u> £	<u>1996</u> £
Contracted but not provided for	<u>185,000</u>	<u>83,000</u>

18 PARENT AND CONTROLLING COMPANY

The company's controlling and ultimate parent company is William Sinclair Holdings plc which is incorporated in Great Britain 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.

WILLIAM SINCLAIR HORTICULTURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997****19 PENSION SCHEME**

The company participates in the pension scheme operated by the parent company. The Group operates a single pension scheme which provides benefits based on final pensionable pay (defined benefit basis) for all eligible employees who joined the scheme prior to 18 November 1996. Eligible employees who joined the scheme after that date have been admitted with their benefits based on contributions made (defined contribution basis). The assets of the scheme are held separately from those of the Group.

The contributions to provide benefits under the defined contribution element of the scheme are decided by the Principal Employer while contributions to provide benefits under the defined benefit element are determined by a qualified actuary on the basis of regular valuations using the projected unit credit method. At the present time there is no difference between the contribution rates, either employer or employee, for the two bases of provision.

Further details of the scheme are given in the financial statements of the parent company.

20 CONTINGENCIES

The company is party to an omnibus guarantee and set off agreement in respect of its own and all other group companies' bank accounts.

21 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8, paragraph 3(c) not to disclose transactions with the parent company, fellow subsidiaries or investees of the group.