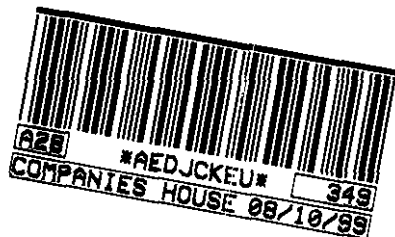


Company Registration No. 748302 (England and Wales)

DARBY NURSERY STOCK LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 JANUARY 1999



DARBY NURSERY STOCK LIMITED

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DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 1999

The directors present their report and financial statements for the period ended 31 January 1999.

Principal activities and review of the business

The principal activity of the company continued to be that of the propagation, growing and sale of ornamental shrubs, conifers and trees.

Year 2000

We have identified the key risks to the business and have developed and implemented a plan to minimise their impact. We have considered not only our own systems but also those of our major suppliers and customers. Although no organisation can guarantee that no year 2000 problems will arise, we believe that, having identified and removed the major risks to the business in accordance with the plan we have developed, it will be possible to quickly resolve any such problems as may arise without significant additional costs.

Review of the business

The directors are pleased to report the maintainance of turnover and profit levels of those of the previous year despite considerable expenditure being incurred on upgrading the computer system. Overheads are continually monitored and controlled to maintain the company's strong position.

Results and dividends

The results for the period are set out on page 4.

Directors

The following directors have held office since 2 February 1998:

H.J.M. Darby
A.R. Darby
E.A.J. Darby
C.E. Darby
J.E. Lewis
T.H. Darby
J.R. Darby
J.A. Darby
N.G. Darby

Directors' interests

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

	Ordinary shares of £1 each	
	31 January 1999	2 February 1998
H.J.M. Darby	1	1
E.A.J. Darby	-	-
C.E. Darby	1	1
J.E. Lewis	166	166
A.R. Darby	166	166
T.H. Darby	166	166
J.R. Darby	166	166
J.A. Darby	166	166
N.G. Darby	166	166

DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 1999

	Deferred shares of £1 each	
	31 January 1999	2 February 1998
H.J.M. Darby	-	-
E.A.J. Darby	-	-
C.E. Darby	-	-
J.E. Lewis	833	833
A.R. Darby	833	833
T.H. Darby	833	833
J.R. Darby	833	833
J.A. Darby	833	833
N.G. Darby	833	833

Auditors

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

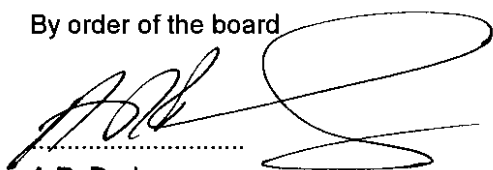
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A.R. Darby

Director

1-10-99



CHARTERED
ACCOUNTANTS

DARBY NURSERY STOCK LIMITED

AUDITORS' REPORT TO DARBY NURSERY STOCK LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the period ended 31 January 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and 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 that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered 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 Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

Larking Gowen

**Chartered Accountants
Registered Auditor**

4 October 1999

DARBY NURSERY STOCK LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JANUARY 1999

		Period ended 31 January 1999 £	Period ended 01 February 1998 £
	Notes		
Gross profit		3,162,891	3,377,306
Distribution costs		(1,706,236)	(1,715,513)
Administrative expenses		(1,125,954)	(1,129,057)
Other operating income		7,478	3,208
Operating profit	2	338,179	535,944
Investment income	3	-	5,000
Other interest receivable and similar income	3	1,649	127
Interest payable and similar charges	4	(30,537)	(53,202)
Profit on ordinary activities before taxation		309,291	487,869
Tax on profit on ordinary activities	5	(64,182)	(103,923)
Profit on ordinary activities after taxation	15	245,109	383,946

DARBY NURSERY STOCK LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	6	1,252,765		1,273,124	
Investments	7	61		61	
		<u>1,252,826</u>		<u>1,273,185</u>	
Current assets					
Stocks	8	2,225,359	2,304,451		
Debtors	9	233,809	241,147		
Cash at bank and in hand		360	113		
		<u>2,459,528</u>	<u>2,545,711</u>		
Creditors: amounts falling due within one year	10	<u>(1,355,477)</u>	<u>(1,691,685)</u>		
Net current assets		<u>1,104,051</u>		<u>854,026</u>	
Total assets less current liabilities		<u>2,356,877</u>		<u>2,127,211</u>	
Creditors: amounts falling due after more than one year	11	-		(17,634)	
Provisions for liabilities and charges	12	<u>(112,804)</u>		<u>(110,613)</u>	
		<u>2,244,073</u>		<u>1,998,964</u>	
Capital and reserves					
Called up share capital	14	6,000		6,000	
Profit and loss account	15	2,238,073		1,992,964	
Shareholders' funds	16	<u>2,244,073</u>		<u>1,998,964</u>	

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

The financial statements were approved by the Board on

H.J.M. Darby
Director

A.R. Darby
Director

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services, less returns, net of VAT and after excluding trade and other discounts.

1.3 Tangible fixed assets and depreciation

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

Freehold land and buildings	4 or 15% straight line
Property improvements	5,10,15 or 25% straight line
Plant and machinery	20 or 25% straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account using the sum of digits method.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

2	Operating profit	1999	1998
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	203,907	206,496
	Operating lease rentals		
	- Plant and machinery	82,049	78,946
	- Other assets	52,000	58,000
	Auditors' remuneration	8,320	8,080
		<u> </u>	<u> </u>
3	Income from investments, other interest receivable and similar income	1999	1998
		£	£
	Income from participating interests	-	5,000
	Bank interest	1,649	127
		<u> </u>	<u> </u>
		1,649	5,127
		<u> </u>	<u> </u>
4	Interest payable	1999	1998
		£	£
	On bank loans and overdrafts	27,494	47,436
	Lease finance charges and hire purchase interest	3,043	5,766
		<u> </u>	<u> </u>
		30,537	53,202
		<u> </u>	<u> </u>
5	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1998 - 21%)	62,000	62,800
	Deferred taxation	5,493	41,535
		<u> </u>	<u> </u>
		67,493	104,335
	Prior years		
	U.K. corporation tax	(9)	(412)
	Deferred taxation	(3,302)	-
		<u> </u>	<u> </u>
		64,182	103,923
		<u> </u>	<u> </u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

6 Tangible fixed assets

	Freehold land and buildings	Property improvement s	Plant and machinery	Total
	£	£	£	£
Cost				
At 2 February 1998	147,406	1,183,108	1,367,625	2,698,139
Additions	-	52,484	145,018	197,502
Disposals	-	-	(69,172)	(69,172)
At 31 January 1999	147,406	1,235,592	1,443,471	2,826,469
Depreciation				
At 2 February 1998	27,628	395,621	1,001,767	1,425,016
On disposals	-	-	(55,219)	(55,219)
Charge for the period	4,292	69,132	130,483	203,907
At 31 January 1999	31,920	464,753	1,077,031	1,573,704
Net book value				
At 31 January 1999	115,486	770,839	366,440	1,252,765
At 1 February 1998	113,447	787,487	372,190	1,273,124

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

	Plant and machinery £
Net book values	
At 31 January 1999	45,284
At 1 February 1998	117,611
Depreciation charge for the period	
31 January 1999	17,961
1 February 1998	28,908

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

7 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
Cost			
At 2 February 1998 & at 31 January 1999	50	11	61

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
The Anglia Group of Nurseries Ltd	England	Ordinary	33
Albona Ltd	England	Ordinary	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
The Anglia Group of Nurseries Ltd	5,113	(10)
Albona Ltd	(3,900)	(156)

Albona Ltd owns 20% of the ordinary share capital of Ballerina Trees Ltd

8 Stocks	1999 £	1998 £
Raw materials and consumables	305,016	333,449
Finished goods and goods for resale	1,920,343	1,971,002
	2,225,359	2,304,451

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

9 Debtors	1999	1998
	£	£
Trade debtors	117,392	122,355
Amounts owed by participating interests	-	4,873
Other debtors	90,212	100,349
Prepayments and accrued income	26,205	13,570
	<u>233,809</u>	<u>241,147</u>
10 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	464,731	850,511
Net obligations under finance lease and hire purchase contracts	11,006	21,822
Trade creditors	381,907	478,912
Corporation tax	62,000	62,800
Other taxes and social security costs	182,289	116,137
Directors' current accounts	219,002	119,154
Other creditors	3,562	9,371
Accruals and deferred income	30,980	32,978
	<u>1,355,477</u>	<u>1,691,685</u>

The bank overdrafts are secured by a fixed and floating charge on the assets of the company given under a debenture dated 16 December 1993.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

11 Creditors: amounts falling due after more than one year	1999 £	1998 £
Bank loans	-	10,023
Net obligations under finance leases and hire purchase agreements	-	7,611
	<u>-</u>	<u>17,634</u>
Analysis of loans		
Wholly repayable within five years	11,153	42,339
	<u>11,153</u>	<u>42,339</u>
Included in current liabilities	(11,153)	(32,316)
	<u>-</u>	<u>10,023</u>
Loan maturity analysis		
Between one and two years	-	42,339
	<u>-</u>	<u>42,339</u>
The bank loans are secured by fixed charges on the company's freehold property.		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	11,230	22,961
Repayable between one and five years	-	7,714
	<u>11,230</u>	<u>30,675</u>
Finance charges and interest allocated to future accounting periods	(224)	(1,242)
	<u>11,006</u>	<u>29,433</u>
Included in liabilities falling due within one year	(11,006)	(21,822)
	<u>-</u>	<u>7,611</u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 2 February 1998	110,613
Profit and loss account	2,191
	<hr/>
Balance at 31 January 1999	112,804
	<hr/>

Deferred tax is provided at 33% (1998 - 34%) analysed over the following timing differences:

	1999 £	Fully provided 1998 £
Accelerated capital allowances	101,929	96,749
Other timing differences	10,875	13,864
	<hr/>	<hr/>
	112,804	110,613
	<hr/>	<hr/>

13 Pension costs

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company to the funds and amounted to £49,200 (1998 - £130,200).

The company also operates a group personal pension plan for employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the plan and amounted to £28,514 (1998 - £31,854).

Contributions totalling £3,227 (1998 - £2,957) were payable to the fund at the year end and are included in creditors.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

14 Share capital	1999 £	1998 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
5,000 Deferred shares of £1 each	5,000	5,000
	<u>6,000</u>	<u>6,000</u>
 Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
5,000 Deferred shares of £1 each	5,000	5,000
	<u>6,000</u>	<u>6,000</u>

The deferred shares have no right to a dividend or to surplus assets upon a winding up, and hold the right to one vote per share at general meetings until the expiration of their primary period on 31 December 2002. Upon expiration of this period the shares shall be converted into ordinary shares and become entitled to all rights attached thereto.

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 2 February 1998	1,992,964
Retained profit for the period	245,109
	<u>2,238,073</u>
Balance at 31 January 1999	

16 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit for the financial period	245,109	383,946
Opening shareholders' funds	1,998,964	1,615,018
	<u>2,244,073</u>	<u>1,998,964</u>
Closing shareholders' funds		

17 Contingent liabilities

An indemnity of £15,000 has been provided to H.M Customs & Excise regarding the payment of VAT on imports, from 20th February 1998 until further notice.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

18 Financial commitments

At 31 January 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	1999	1998	1999	Other 1998
	£	£	£	£
Expiry date:				
Within one year	-	-	1,284	3,183
Between two and five years	-	-	24,410	2,546
In over five years	58,000	58,000	-	-
	<u>58,000</u>	<u>58,000</u>	<u>25,694</u>	<u>5,729</u>

19 Directors' emoluments

	1999	1998
	£	£
Emoluments for qualifying services	462,822	418,421
Company pension contributions to money purchase schemes	43,200	88,200
	<u>506,022</u>	<u>506,621</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (1998 - 6).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	123,806	114,305
Company pension contributions to money purchase schemes	14,260	22,200
	<u>138,066</u>	<u>136,505</u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 1999

20 Transactions with directors

During the period the company traded with Darby Bros. (Farms) Limited, Darby Methwold, A.R. and Mrs E.F.A. Darby, Darby West Dereham, Darby Boyton and Anglia Group of Nurseries Limited on a normal commercial basis.

For the purpose of Schedule 6 Part II of Section 232 of the Companies Act 1985, the following directors have declared their material interests:

H.J.M. Darby	Darby Bros. (Farms) Limited
Mrs C.E. Darby	Darby Bros. (Farms) Limited
J.A. Darby	Darby Methwold
N.G. Darby	Darby West Dereham, Darby (Whittlesey) Limited, Darby Bros. (Farms) Limited
A.R. Darby	A.R. and Mrs E.F.A. Darby, Anglia Group of Nurseries Limited
T.H. Darby	Darby Boyton, Darby (Whittlesey) Limited, Darby Bros. (Farms) Limited
J.R. Darby	Darby (Whittlesey) Limited, Darby Bros. (Farms) Limited
Mrs J.E. Lewis	Anglia Group of Nurseries Limited

21 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	1999 Number	1998 Number
Production	100	103
Sales	4	4
Administration	18	20
	<u>122</u>	<u>127</u>

Employment costs

	£	£
Wages and salaries	2,724,310	2,797,332
Social security costs	173,538	174,145
Other pension costs	77,714	162,054
	<u>2,975,562</u>	<u>3,133,531</u>