

Company Registration No. 748302 (England and Wales)

DARBY NURSERY STOCK LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 1 FEBRUARY 2004



DARBY NURSERY STOCK LIMITED

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DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 FEBRUARY 2004

The directors present their report and financial statements for the period ended 1 February 2004.

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.

Review of the business

The directors are pleased to present their annual report and financial statements for the period ended 1 February 2004.

Whilst the results achieved are pleasing, it should be noted that a major factor behind these was the extremely good weather conditions of 2003 leading to improved productivity on outdoor work. Given the poor weather seen in 2004, the directors do not anticipate this will be replicated.

Results and dividends

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

The directors recommend payment of an ordinary dividend amounting to £360,000.

Directors

The following directors have held office since 3 February 2003:

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

	Ordinary shares of £ 1 each	
	1 February 2004	3 February 2003
H.J.M. Darby	1	1
E.A.J. Darby	-	-
C.E. Darby	1	1
J.E. Lewis	1,000	1,000
A.R. Darby	1,000	1,000
T.H. Darby	999	999
J.R. Darby	999	999
J.A. Darby	1,000	1,000
N.G. Darby	999	999

T.H. Darby, J.R. Darby and N.G. Darby have a joint interest in 1 ordinary share of the company (2003- 1 ordinary share).

DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 FEBRUARY 2004

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.

On behalf of the board


A.R. Darby
Director

12-10-2004
Date

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 16, together with the financial statements of the company for the period ended 1 February 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors 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 16 are properly prepared in accordance with that provision.



Larking Gowen

**Chartered Accountants
Registered Auditors
Norwich**

14th October 2004

DARBY NURSERY STOCK LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 1 FEBRUARY 2004

		Period ended 1 February 2004 £	Period ended 2 February 2003 £
	Notes		
Gross profit		4,804,205	4,915,272
Staff costs		2,937,368	3,109,098
Depreciation and amortisation		163,250	169,291
Other operating charges		1,396,015	1,401,830
		4,496,633	4,680,219
Operating profit	2	307,572	235,053
Other interest receivable and similar income		1,378	3,606
Interest payable and similar charges	5	11,942	8,385
Profit on ordinary activities before taxation		297,008	230,273
Tax on profit on ordinary activities	6	57,599	(40,239)
Profit on ordinary activities after taxation		239,409	270,512
Dividends	7	360,000	150,000
Retained (loss)/profit for the period	16	(120,591)	120,512

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

DARBY NURSERY STOCK LIMITED

ABBREVIATED BALANCE SHEET AS AT 1 FEBRUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	8	1,504,429		1,403,260	
Investments	9	60		60	
		<u>1,504,489</u>		<u>1,403,320</u>	
Current assets					
Stocks	10	1,900,372	2,082,994		
Debtors	11	237,882	395,331		
Cash at bank and in hand		315,926	13,695		
		<u>2,454,180</u>	<u>2,492,020</u>		
Creditors: amounts falling due within one year	12	<u>(1,028,637)</u>	<u>(845,444)</u>		
Net current assets		<u>1,425,543</u>		<u>1,646,576</u>	
Total assets less current liabilities		<u>2,930,032</u>		<u>3,049,896</u>	
Provisions for liabilities and charges	13	<u>(84,467)</u>		<u>(83,740)</u>	
		<u>2,845,565</u>		<u>2,966,156</u>	
Capital and reserves					
Called up share capital	15	6,000	6,000		
Profit and loss account	16	2,839,565	2,960,156		
Shareholders' funds	17	<u>2,845,565</u>		<u>2,966,156</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 12-10-2004

J.R. Darby
Director

A.R. Darby
Director

DARBY NURSERY STOCK LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 1 FEBRUARY 2004

	Period ended 1 February 2004 £	Period ended 2 February 2003 £
Net cash inflow from operating activities	879,115	85,555
Returns on investments and servicing of finance		
Interest received	1,378	3,606
Interest paid	(9,924)	(5,897)
Interest element of finance lease rentals	(2,018)	(2,488)
Net cash outflow for returns on investments and servicing of finance	(10,564)	(4,779)
Taxation	(36,457)	(59,877)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(271,729)	(264,388)
Receipts from sales of tangible assets	8,250	4,685
Receipts from sales of investments	-	1
Net cash outflow for capital expenditure	(263,479)	(259,702)
Equity dividends paid	(150,000)	(105,000)
Net cash inflow/(outflow) before management of liquid resources and financing	418,615	(343,803)
Management of liquid resources		
Current asset investments	-	(1)
	-	(1)
Financing		
Issue of ordinary share capital	-	5,000
Issue of preference share capital	-	(5,000)
Decrease in debt	-	-
Increase/(decrease) in cash in the period	418,615	(343,804)

DARBY NURSERY STOCK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 1 FEBRUARY 2004

1	Reconciliation of operating profit to net cash inflow from operating activities			2004	2003
				£	£
	Operating profit			307,572	235,053
	Depreciation of tangible assets			163,250	169,291
	Profit on disposal of tangible assets			(940)	(2,954)
	Decrease/(increase) in stocks			182,622	(33,779)
	Decrease/(increase) in debtors			157,449	(76,956)
	Increase/(decrease) in creditors within one year			66,455	(205,100)
	Net effect of foreign exchange differences			2,707	-
	Net cash inflow from operating activities			879,115	85,555
2	Analysis of net funds/(debt)	3 February 2003	Cash flow	Other non-cash changes	1 February 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	13,695	304,938	(2,707)	315,926
	Bank overdrafts	(182,713)	113,677	-	(69,036)
		<u>(169,018)</u>	<u>418,615</u>	<u>(2,707)</u>	<u>246,890</u>
	Net (debt)/funds	<u>(169,018)</u>	<u>418,615</u>	<u>(2,707)</u>	<u>246,890</u>
3	Reconciliation of net cash flow to movement in net funds/(debt)			2004	2003
				£	£
	Increase/(decrease) in cash in the period			418,615	(343,804)
	Cash outflow from increase in liquid resources			-	1
	Change in net debt resulting from cash flows			418,615	(343,803)
	Net effect of foreign exchange differences			(2,707)	-
	Amounts written off short-term investments			-	(1)
	Movement in net funds/(debt) in the period			415,908	(343,804)
	Opening net (debt)/funds			(169,018)	174,786
	Closing net funds/(debt)			246,890	(169,018)

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company makes up its financial statements to the nearest Sunday to 31 January each year. Consequently these financial statements are for the fifty two weeks ended 1 February 2004.

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

No depreciation is provided in respect of freehold land.

1.4 Leasing

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

Stocks consist of horticultural produce and growing crops, and are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and a proportion of fixed and variable costs.

1.7 Pensions

The company operates a defined contribution pension scheme. The pension cost charge represents the contributions payable by the company under the rules of the scheme.

1.8 Deferred taxation

Deferred tax is provided in full, in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

2	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	163,250	169,291
	Operating lease rentals	31,734	44,059
	Auditors' remuneration	9,280	8,955
	and after crediting:		
	Profit on disposal of tangible assets	(940)	(2,954)
		<u><u> </u></u>	<u><u> </u></u>
3	Investment income	2004	2003
		£	£
	Bank interest	1,365	3,606
	Other interest	13	-
		<u> </u>	<u> </u>
		<u><u>1,378</u></u>	<u><u>3,606</u></u>
4	Amounts written off investments	2004	2003
		£	£
	Amounts written off current asset investments	-	1
		<u> </u>	<u> </u>
5	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	9,924	5,897
	Lease finance charges	2,018	2,488
		<u> </u>	<u> </u>
		<u><u>11,942</u></u>	<u><u>8,385</u></u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

6	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	56,872	36,457
	Current tax charge	56,872	36,457
	Deferred tax		
	Deferred tax charge/credit current year	727	(76,696)
		57,599	(40,239)
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	297,008	230,273
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	89,102	69,082
	Effects of:		
	Non deductible expenses	(840)	1,707
	Depreciation add back	48,975	49,901
	Capital allowances	(47,424)	(63,613)
	Other tax adjustments	(32,941)	(20,620)
		(32,230)	(32,625)
	Current tax charge	56,872	36,457
7	Dividends	2004	2003
		£	£
	Ordinary final proposed	360,000	150,000

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

8 Tangible fixed assets

	Freehold land and buildings £	Property improve- ments £	Plant and machinery £	Total £
Cost				
At 3 February 2003	299,599	1,741,072	1,501,896	3,542,567
Additions	178,169	38,436	55,124	271,729
Disposals	-	(9,289)	(151,092)	(160,381)
At 1 February 2004	477,768	1,770,219	1,405,928	3,653,915
Depreciation				
At 3 February 2003	50,731	721,142	1,367,434	2,139,307
On disposals	-	(9,289)	(143,782)	(153,071)
Charge for the period	8,053	91,410	63,787	163,250
At 1 February 2004	58,784	803,263	1,287,439	2,149,486
Net book value				
At 1 February 2004	418,984	966,956	118,489	1,504,429
At 2 February 2003	248,868	1,019,930	134,462	1,403,260

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

	Plant and machinery £
Net book values	
At 1 February 2004	15,517
At 2 February 2003	18,088
Depreciation charge for the period	
At 1 February 2004	2,570
At 2 February 2003	2,570

Included within freehold land and buildings is land at cost of £291,407 (2003 - £124,015).

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

9 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
Cost			
At 3 February 2003 & at 1 February 2004	50	10	60

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	Class	Shares held %
Participating interests			
The Anglia Group of Nurseries Ltd	England	Ordinary	33

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 £	Loss for the year £
The Anglia Group of Nurseries Ltd	1,240	(4,287)

10 Stocks

	2004 £	2003 £
Raw materials and consumables	210,588	251,287
Finished goods and goods for resale	1,689,784	1,831,707
	1,900,372	2,082,994

11 Debtors

	2004 £	2003 £
Trade debtors	159,821	220,869
Other debtors	49,026	147,179
Prepayments and accrued income	29,035	27,283
	237,882	395,331

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

12 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	69,036	182,713
Trade creditors	358,662	367,748
Corporation tax	56,872	36,457
Other taxes and social security costs	51,484	49,954
Directors' current accounts	28,202	21,600
Other creditors	67,204	5,906
Accruals and deferred income	37,177	31,066
Proposed dividend	360,000	150,000
	<u>1,028,637</u>	<u>845,444</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company given under a debenture dated 16 December 1993. In addition the company's bankers hold a legal charge over the following assets:- Drove Farmhouse and land at Severalls Road, Methwold dated 18 April 1994, Broad Fen Farm, Methwold dated 31 March 1988 and land at Methwold Hythe dated 31 October 1989 and 31 May 1990.

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 3 February 2003	83,740
Profit and loss account	727
	<u>84,467</u>
Balance at 1 February 2004	<u>84,467</u>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>84,467</u>	<u>83,740</u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

14 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. 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 fund. There were unpaid contributions at the period end of £3,868 (2003 : £4,899).

	2004 £	2003 £
Contributions payable by the company for the period	113,425	89,480

15 Share capital

	2004 £	2003 £
Authorised		
6,000 Ordinary shares of £1 each	6,000	6,000
Allotted, called up and fully paid		
6,000 Ordinary shares of £1 each	6,000	6,000

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 3 February 2003	2,960,156
Retained loss for the period	(120,591)
Balance at 1 February 2004	2,839,565

17 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial period	239,409	270,512
Dividends	(360,000)	(150,000)
Net (depletion in)/addition to shareholders' funds	(120,591)	120,512
Opening shareholders' funds	2,966,156	2,845,644
Closing shareholders' funds	2,845,565	2,966,156

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

18 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.

19 Financial commitments

At 1 February 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2004 £	2003 £
Expiry date:		
In over five years	31,734	49,234

20 Capital commitments

At 1 February 2004 the company had capital commitments as follows:

	2004 £	2003 £
Contracted for but not provided in the financial statements	16,020	41,136

21 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	217,070	214,550
Company pension contributions to money purchase schemes	76,035	53,123
	293,105	267,673

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2003- 6).

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

Emoluments for qualifying services	78,209	78,097
Company pension contributions to money purchase schemes	31,325	25,175

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 FEBRUARY 2004

22 Transactions with directors

During the period the company traded with Darby Methwold, Darby Plants Limited and A.R. and Mrs E.F.A. Darby on a normal commercial basis. At the period end the directors were owed the following amounts by the company in respect of their current accounts:-

A.R. Darby	£3,540(2003: £2,700)
Mrs J.E. Lewis	£3,540(2003: £2,700)
N.G. Darby	£5,860(2003: £4,500)
T.H. Darby	£5,860(2003: £4,500)
J.A. Darby	£5,860(2003: £4,500)
J.R. Darby	£3,540(2003: £2,700)

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

N.G. Darby	Darby Plants Limited
A.R. Darby	A.R. and Mrs E.F.A. Darby, Anglia Group of Nurseries Limited
J.R. Darby	Darby Plants Limited
Mrs J.E. Lewis	Anglia Group of Nurseries Limited
J.A. Darby	Darby Methwold

23 Employees

Number of employees

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

	2004 Number	2003 Number
Production	72	79
Sales	6	6
Administration	19	19
	<u>97</u>	<u>104</u>

Employment costs

	£	£
Wages and salaries	2,670,925	2,874,967
Social security costs	153,018	144,651
Other pension costs	113,425	89,480
	<u>2,937,368</u>	<u>3,109,098</u>