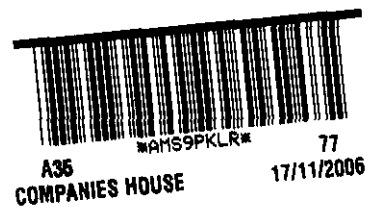


DARBY NURSERY STOCK LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 29 JANUARY 2006



DARBY NURSERY STOCK LIMITED

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DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 JANUARY 2006

The directors present their report and financial statements for the period ended 29 January 2006.

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 29 January 2006.

The results have again been affected by difficult market conditions, giving rise to a further reduction in total turnover. A poor early Spring season for 2006, because of unfavourable weather conditions, means that another decrease in turnover is projected for 2007. Again, cost savings have mitigated the impact of the above, but it will be difficult to continue to achieve these in future.

Results and dividends

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

The directors have proposed a final dividend for the year amounting to £60,000.

Directors

The following directors have held office since 31 January 2005:

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	
	29 January 2006	31 January 2005
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

DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 JANUARY 2006

T.H. Darby, J.R. Darby and N.G. Darby have a joint interest in 2 ordinary shares of the company (2005- 1 ordinary share).

In the previous year 1 ordinary share of the company was held by the executors of H.J.M. Darby Deceased, comprising of C.E. Darby, T.H. Darby, J.R. Darby and N.G. Darby. This was transferred to T.H. Darby, J.R. Darby and N.G. Darby on 6 December 2005.

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
A R Darby
Director

.....
St Sptulu 206

INDEPENDENT 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 17, together with the financial statements of the company for the period ended 29 January 2006 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

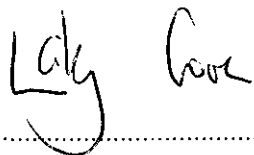
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

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 17 are properly prepared in accordance with that provision.



Larking Gowen

Chartered Accountants
Registered Auditors
Norwich

5th September 2006

DARBY NURSERY STOCK LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 29 JANUARY 2006

		Period ended 29 January 2006 £	Period ended 30 January 2005 £
	Notes		
Gross profit		4,059,390	4,394,407
Staff costs		2,575,894	2,728,793
Depreciation and amortisation		154,584	158,224
Other operating charges		1,154,255	1,216,809
Operating profit	2	174,657	290,581
Other interest receivable and similar income	3	12,297	8,922
Interest payable and similar charges	4	(12,811)	(10,154)
Profit on ordinary activities before taxation		174,143	289,349
Tax on profit on ordinary activities	5	(36,838)	(55,131)
Profit for the period	15	137,305	234,218

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

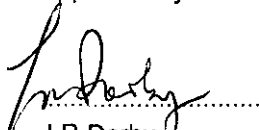
DARBY NURSERY STOCK LIMITED

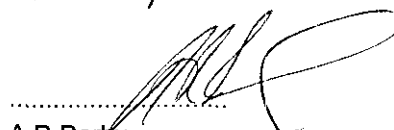
ABBREVIATED BALANCE SHEET AS AT 29 JANUARY 2006

		2006		2005 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7	1,436,977		1,444,657	
Investments	8		110		110
			<u>1,437,087</u>		<u>1,444,767</u>
Current assets					
Stocks	9	1,917,808		2,073,129	
Debtors	10	181,187		283,425	
Cash at bank and in hand		95,090		146,428	
		<u>2,194,085</u>		<u>2,502,982</u>	
Creditors: amounts falling due within one year	11	<u>(480,517)</u>		<u>(783,499)</u>	
Net current assets			<u>1,713,568</u>		<u>1,719,483</u>
Total assets less current liabilities			<u>3,150,655</u>		<u>3,164,250</u>
Provisions for liabilities	12		<u>(84,467)</u>		<u>(84,467)</u>
			<u>3,066,188</u>		<u>3,079,783</u>
Capital and reserves					
Called up share capital	14	6,000		6,000	
Profit and loss account	15	3,060,188		3,073,783	
Shareholders' funds	16	<u>3,066,188</u>		<u>3,079,783</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.

Approved by the Board and authorised for issue on 5th September 2006


J R Darby
Director


A R Darby
Director

DARBY NURSERY STOCK LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 JANUARY 2006

	Period ended 29 January 2006 £	Period ended 30 January 2005 £
Net cash inflow from operating activities	432,232	193,840
Returns on investments and servicing of finance		
Interest received	12,297	8,922
Interest paid	(11,567)	(8,712)
Interest element of finance lease rentals	(1,244)	(1,442)
Net cash outflow for returns on investments and servicing of finance	(514)	(1,232)
Taxation	(55,131)	(56,872)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(152,267)	(103,246)
Payments to acquire investments	-	(50)
Receipts from sales of tangible assets	11,112	15,724
Net cash outflow for capital expenditure	(141,155)	(87,572)
Equity dividends paid	(150,900)	(360,000)
Net cash inflow/(outflow) before management of liquid resources and financing	84,532	(311,836)
Increase/(decrease) in cash in the period	84,532	(311,836)

DARBY NURSERY STOCK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 JANUARY 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006		2005	
		£		£	
	Operating profit	174,657		290,581	
	Depreciation of tangible assets	154,584		158,224	
	Profit on disposal of tangible assets	(5,749)		(4,629)	
	Decrease/(increase) in stocks	155,321		(172,757)	
	Decrease/(increase) in debtors	102,238		(45,543)	
	Decrease in creditors within one year	(149,985)		(29,760)	
	Net effect of foreign exchange differences	1,166		(2,276)	
	Net cash inflow from operating activities	432,232		193,840	
2	Analysis of net funds/(debt)	31 January 2005	Cash flow	Other non-cash changes	29 January 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	146,428	(50,172)	(1,166)	95,090
	Bank overdrafts	(209,098)	134,704	-	(74,394)
		(62,670)	84,532	(1,166)	20,696
	Net (debt)/funds	(62,670)	84,532	(1,166)	20,696
3	Reconciliation of net cash flow to movement in net funds/(debt)	2006		2005	
		£		£	
	Increase/(decrease) in cash in the period	84,532		(311,836)	
	Net effect of foreign exchange differences	(1,166)		2,276	
	Movement in net funds/(debt) in the period	83,366		(309,560)	
	Opening net (debt)/funds	(62,670)		246,890	
	Closing net funds/(debt)	20,696		(62,670)	

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

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 29 January 2006.

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.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

1 Accounting policies

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.

1.10 Changes in accounting policies

The company has adopted FRS21, 'Events after the balance sheet date' in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly.

The effect of the change in accounting policy to adopt FRS 21 was to recognise the final proposed dividend for the year ended 30 January 2005 of £150,900 in the current year and the final proposed dividend for the year ended 01 February 2004 in the prior year. Any final dividend for the current year will be recognised in the following year as it has yet to be approved. This change resulted in a prior year adjustment of £150,900, being a credit to reserves (2005: £360,000).

2	Operating profit	2006 £	2005 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	154,584	158,224
	Operating lease rentals	26,343	35,391
	Auditors' remuneration	11,200	10,000
	and after crediting:		
	Profit on disposal of tangible assets	(5,749)	(4,629)
3	Investment income	2006 £	2005 £
	Bank interest	12,271	8,894
	Other interest	26	28
		12,297	8,922
4	Interest payable	2006 £	2005 £
	On bank loans and overdrafts	11,567	8,712
	Lease finance charges	1,244	1,442
		12,811	10,154

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

5	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U.K. corporation tax	36,838	55,131
	Current tax charge	<u>36,838</u>	<u>55,131</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>174,143</u>	<u>289,349</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	<u>52,243</u>	<u>86,805</u>
	Effects of:		
	Non deductible expenses	(1,096)	(1,100)
	Depreciation add back	46,375	47,467
	Capital allowances	(39,356)	(46,124)
	Other tax adjustments	(21,328)	(31,917)
		<u>(15,405)</u>	<u>(31,674)</u>
	Current tax charge	<u>36,838</u>	<u>55,131</u>
6	Dividends	2006	2005
		£	£
	Ordinary final dividend paid	<u>150,900</u>	<u>360,000</u>

A dividend was declared after the balance sheet date amounting to £60,000.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

7 Tangible fixed assets

	Freehold land and buildings £	Property improve- ments £	Plant and machinery £	Total £
Cost				
At 31 January 2005	477,768	1,790,042	1,402,651	3,670,461
Additions	60,000	24,651	67,616	152,267
Disposals	-	(58,283)	(132,184)	(190,467)
	<u>537,768</u>	<u>1,756,410</u>	<u>1,338,083</u>	<u>3,632,261</u>
At 29 January 2006	537,768	1,756,410	1,338,083	3,632,261
Depreciation				
At 31 January 2005	58,785	910,405	1,256,614	2,225,804
On disposals	-	(58,283)	(126,821)	(185,104)
Charge for the period	-	102,839	51,745	154,584
	<u>58,785</u>	<u>954,961</u>	<u>1,181,538</u>	<u>2,195,284</u>
At 29 January 2006	58,785	954,961	1,181,538	2,195,284
Net book value				
At 29 January 2006	<u>478,983</u>	<u>801,449</u>	<u>156,545</u>	<u>1,436,977</u>
At 30 January 2005	<u>418,983</u>	<u>879,637</u>	<u>146,037</u>	<u>1,444,657</u>

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

	Plant and machinery £
Net book values	
At 29 January 2006	<u>10,377</u>
At 30 January 2005	<u>12,947</u>
Depreciation charge for the period	
At 29 January 2006	<u>2,570</u>
At 30 January 2005	<u>2,570</u>

Included within freehold land and buildings is land at cost of £351,407 (2005 - £291,407).

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

8 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
Cost			
At 31 January 2005 & at 29 January 2006	100	10	110

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

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	1,431	1,028

9 Stocks

	2006 £	2005 £
Raw materials and consumables	179,636	267,152
Finished goods and goods for resale	1,738,172	1,805,977
	1,917,808	2,073,129

10 Debtors

	2006 £	2005 £
Trade debtors	105,066	153,142
Other debtors	49,871	75,585
Prepayments and accrued income	26,250	54,698
	181,187	283,425

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

11 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	74,394	209,098
Trade creditors	260,954	405,094
Corporation tax	36,838	55,131
Other taxes and social security costs	46,215	46,819
Directors' current accounts	23,850	23,135
Other creditors	7,008	11,935
Accruals and deferred income	31,258	32,287
	<u>480,517</u>	<u>783,499</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.

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 31 January 2005 & at 29 January 2006	<u>84,467</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>84,467</u>	<u>84,467</u>

13 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 £3,255 (2005 : £3,255).

	2006 £	2005 £
Contributions payable by the company for the period	<u>159,538</u>	<u>115,344</u>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

14 Share capital	2006 £	2005 £
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

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 31 January 2005 as previously reported	2,922,883
Prior year adjustment	150,900
Balance at 31 January 2005 as restated	3,073,783
Profit for the period	137,305
Dividends paid	(150,900)
Balance at 29 January 2006	3,060,188

The adoption of FRS21 and the necessity of a prior year adjustment is explained in note 1.10.

16 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial period	137,305	234,218
Dividends	(150,900)	(360,000)
Net depletion in shareholders' funds	(13,595)	(125,782)
Opening shareholders' funds	3,079,783	3,205,565
Closing shareholders' funds	3,066,188	3,079,783

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 29 JANUARY 2006

18 Financial commitments

At 29 January 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 29 January 2007:

	Land and buildings 2006 £	2005 £
Operating leases which expire: In over five years	27,652	34,477

19 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	206,681	215,365
Company pension contributions to money purchase schemes	124,110	79,510
	330,791	294,875

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2005 - 6).

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

Emoluments for qualifying services	77,209	77,059
Company pension contributions to money purchase schemes	46,000	34,800

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

20 Transactions with directors

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

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. The material items are detailed below:-

Transactions	Sales		Purchases	
	2006	2005	2006	2005
	£	£	£	£
Darby Plants Limited	14,089	8,052	28,032	45,741
Balances at the period end		Sales Ledger		Purchase Ledger
	2006	2005	2006	2005
	£	£	£	£
Darby Plants Limited	1,776	5,968	2,289	8,657

At the period end the directors were owed the following amounts by the company in respect of their current accounts:-

A.R. Darby	£2,950(2005: £2,862)
Mrs J.E. Lewis	£2,950(2005: £2,862)
N.G. Darby	£5,000(2005: £4,850)
T.H. Darby	£5,000(2005: £4,850)
J.A. Darby	£5,000(2005: £4,850)
J.R. Darby	£2,950(2005: £2,862)

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 JANUARY 2006

21 Employees

Number of employees

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

	2006 Number	2005 Number
Production	59	66
Sales	6	6
Administration	16	17
	<u>81</u>	<u>89</u>

Employment costs

	2006 £	2005 £
Wages and salaries	2,273,876	2,466,837
Social security costs	142,480	146,612
Other pension costs	159,538	115,344
	<u>2,575,894</u>	<u>2,728,793</u>