

REGISTERED IN ENGLAND
COMPANY NO.748302

DARBY NURSERY STOCK LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 1st FEBRUARY 1998



LARKING GOWEN
CHARTERED ACCOUNTANTS
NORWICH

DARBY NURSERY STOCK LIMITED
REPORT AND ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 1st FEBRUARY 1998

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DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited abbreviated accounts of the company for the 52 week period ended 1st February 1998.

Statement of directors' responsibilities

Company law requires the directors to prepare abbreviated accounts for each financial period 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 abbreviated accounts, 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 abbreviated accounts 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 abbreviated accounts 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.

Principal activities and business review

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

The directors are pleased to report further improvement in both turnover and profitability for the period. Continued control of overheads has led to improved margins, resulting in the company maintaining a strong position at the period end.

Results

The profit for the period after taxation amounted to £383,946 (1997 £270,492).

The directors do not recommend the payment of a dividend.

Significant changes in fixed assets

During the period the company invested in the second phase of a new propagation glasshouse and sold land for £325,000. Details of other changes in fixed assets are as set out in note 8.

DARBY NURSERY STOCK LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors and their interests

Details of the directors who served during the period and their interests in the share capital of the company at the beginning and end of the period were as follows:-

	Ordinary shares		Deferred shares	
	1.2.98	2.2.97	1.2.98	2.2.97
H.J.M. Darby	1	1	-	1,250
Mrs E.A.J. Darby	-	1	-	-
Mrs C.E. Darby	1	1	-	1,250
Mrs J.E. Lewis	167	166	834	834
A.R. Darby	167	166	834	834
T.H. Darby	166	166	834	-
J.R. Darby	166	166	834	-
J.A. Darby	167	166	834	834
N.G. Darby	166	166	834	-
A.R. Darby, J.A. Darby and Mrs J.E. Lewis as Executors for F.M. Darby	1	1	-	-

During the period H.J.M. Darby and Mrs C.E. Darby gifted 1,250 deferred shares each to T.H. Darby, J.R. Darby and N.G. Darby in equal proportions. In addition, Mrs E.A.J. Darby gifted 1 ordinary share to A.R. Darby, J.A. Darby and Mrs J.E. Lewis, in equal proportions.

Year 2000 compliance

As is well known, many company and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of the business depends not only on the company's own computer systems, but also to some degree on those of suppliers and customers. This could expose the company to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

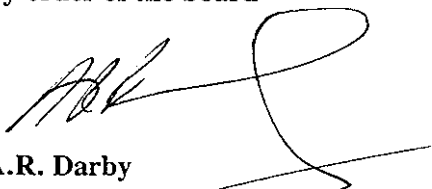
The company has assessed the risks to the business resulting from the date change to the year 2000. The company has developed and is implementing a prioritised action plan to deal with the key risks. Much of the cost of implementing the action plans will be subsumed into the recurring activities of the departments involved.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Larking Gowen as auditors to the company will be put to the annual general meeting.

Full financial statements for shareholders for the period ended 1st February 1998 were approved by the board of directors on . The directors have prepared the attached accounts for the period ended 1st February 1998 in Compliance with the Special Provisions of Part VII of the Companies Act 1985 relating to Medium-Sized companies.

By order of the board


A.R. Darby
Secretary
21st August 1998

LARKING GOWEN

CHARTERED ACCOUNTANTS

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

We have examined the abbreviated accounts on pages 4 to 16 together with the financial statements of Darby Nursery Stock Limited prepared under section 226 of the Companies Act 1985 for the period ended 1st February 1998.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions 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 audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with those provisions.



.....
Larking Gowen
Registered Auditors
Norwich

21st August 1998

DARBY NURSERY STOCK LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1st FEBRUARY 1998

	Notes	£	1998 £	£	1997 £
Gross profit			4,993,547		4,585,206
Staff costs	2.	3,133,532		2,871,050	
Deprecation		206,496		181,692	
other operating charges		1,117,575		1,092,830	
			<u>4,457,603</u>		<u>4,145,572</u>
Opetation profit			535,944		439,634
Income from participating interest	3.		5,000		-
Interest receivable and similar income	4.		127		-
Interest payable and similar charges	5.		(53,202)		(66,587)
Profit on ordinary activities before taxation	6.		<u>487,869</u>		<u>373,047</u>
Taxation	7.		103,923		102,555
Retained profit for the financial period transferred to reserves	15.		<u>383,946</u>		<u>270,492</u>

The company's turnover and operating profit in both the current and preceeding periods derive wholly from continuing operations.

Statement of total recognised gains and losses

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

DARBY NURSERY STOCK LIMITED

ABBREVIATED BALANCE SHEET

AS AT 1st FEBRUARY 1998

	Notes	£	1998	£	£	1997	£
Fixed assets							
Tangible assets	8.		1,273,124			1,353,605	
Investments	9.		61			61	
			<hr/>			<hr/>	
			1,273,185			1,353,666	
Current assets							
Stocks	10.	2,304,451			1,951,589		
Debtors	11.	241,147			225,325		
Cash in hand		113			221		
		<hr/>			<hr/>		
			2,545,711		2,177,135		
		<hr/>			<hr/>		
Creditors: amounts falling due within one year	12a.	1,691,685			1,789,429		
		<hr/>			<hr/>		
Net current assets			854,026			387,706	
Total assets less current liabilities			<hr/>			<hr/>	
			2,127,211			1,741,372	
Creditors: amounts falling due after more than one year	12b.		17,634			57,276	
			<hr/>			<hr/>	
Provisions for liabilities and charges			2,109,577			1,684,096	
Deferred taxation	13.		110,613			69,078	
			<hr/>			<hr/>	
Net assets			1,998,964			1,615,018	
			<hr/>			<hr/>	

DARBY NURSERY STOCK LIMITED

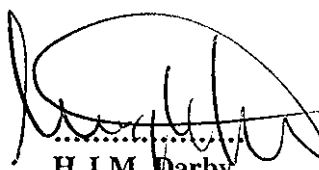

ABBREVIATED BALANCE SHEET (CONTINUED)

AS AT 1st FEBRUARY 1998

	Notes	1998 £	1997 £
Capital and reserves			
Called up share capital	14a.	6,000	6,000
Profit and loss account	15.	1,992,964	1,609,018
Equity and non-equity shareholders' funds	14b.	<u>1,998,964</u>	<u>1,615,018</u>

The abbreviated accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to medium companies.

The abbreviated accounts on pages 4 to 16 were approved by the board of directors on 21st August 1998 and are signed on its behalf by:-


.....
H.J.M. Darby)

.....
A.R. Darby)
Directors)
)

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 1st FEBRUARY 1998

1. Accounting policies

The significant accounting policies used in the preparation of these abbreviated accounts are:-

a. Basis of accounting

The abbreviated accounts have been prepared under the historical cost convention.

b. Turnover

Turnover represents the value of goods and services invoiced to customers, less returns, after deducting trade and other discounts and excluding value added tax.

c. Depreciation

Depreciation of tangible fixed assets is calculated on the straight line basis at a fixed percentage per annum, in order to write down the cost of each asset to its residual value over its estimated useful economic life.

The principal annual rates used are:-	%
Freehold buildings	4
Property improvements	4 - 25
Plant, machinery and vehicles	20 - 25
Leased plant, machinery and vehicles	4 - 25

d. Stocks

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

e. Deferred taxation

Deferred taxation is provided using the liability method on timing differences between the tax and accounting treatments where these are likely to crystallise in the foreseeable future.

f. Leasing

Where assets are acquired under finance leasing arrangements they are capitalised as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the sum of digits method.

Depreciation on the relevant assets is charged to the profit and loss account in the same manner as for owned assets.

All other leases are operating leases and the annual rentals are charged to the profit and loss account over the lease term.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

1. Accounting policies (continued)

g. Pension schemes

The company operates pension schemes under which contributions by employees and by the company are held in trust funds separated from the company's finances. The pension cost charge represents the contributions payable by the company under the rules of the schemes.

h. Foreign currency

Foreign currency transactions are translated into sterling at the ruling rate on the date of the transaction. All foreign currency monetary assets and liabilities outstanding at the period end are translated into sterling at the rate prevailing at that date.

2. Staff costs

1998 1997
Numbers

a. Employees

The average monthly number of employees during the period was:-

Production	103	99
Sales	8	8
Administration	16	16
	<hr/>	<hr/>
	127	123
	<hr/>	<hr/>

The costs incurred during the period were:

	£	£
Wages and salaries - Employed	1,870,783	1,492,433
- Gang labour	926,549	856,359
Social security costs	174,146	126,950
Other pension costs	162,054	395,308
	<hr/>	<hr/>
	3,133,532	2,871,050
	<hr/>	<hr/>

b. Directors

1998 1997
£ £

Aggregate emoluments	418,421	147,671
Company pension contributions to money purchase schemes	88,200	360,200
	<hr/>	<hr/>

Retirement benefits are accruing to 6 (1997: 6) of the directors under money purchase pension schemes.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

2.	Staff costs (continued)	1998	1997
		£	£
	Highest paid director		
	Aggregate emoluments and benefits	114,305	66,913
	Company pension contributions to money purchase schemes	22,200	70,200
		<hr/>	<hr/>
3.	Income from participating interest	1998	1997
		£	£
	Income from participating interest	5,000	-
		<hr/>	<hr/>
4.	Interest receivable and similar income	1998	1997
		£	£
	Interest receivable	127	-
		<hr/>	<hr/>
5.	Interest payable and similar charges	1998	1997
		£	£
	Bank loans and overdrafts	47,436	60,260
	Finance leases and hire purchase contracts	5,766	6,327
		<hr/>	<hr/>
		53,202	66,587
		<hr/>	<hr/>
6.	Profit on ordinary activities before taxation	1998	1997
		£	£
	This is stated after charging:-		
	Depreciation of tangible owned assets	177,588	126,777
	Depreciation of tangible assets held under finance leases and hire purchase contracts	28,908	54,915
	Hire of plant and machinery - operating leases	78,946	58,737
	Hire of other assets - operating leases	58,000	21,500
	Auditors' remuneration	8,080	7,840
	Staff costs (see note 2)	3,133,532	2,871,050
		<hr/>	<hr/>
	and after crediting:-		
	Profit on sale of tangible fixed assets	64,604	8,760
		<hr/>	<hr/>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

7.	Taxation			1998	1997	
				£	£	
	U.K. corporation tax:					
	Current at 21.48 % (1997: 24.17%)			62,800	73,000	
	Deferred at 33.5 % (1997: 35.25%)			41,535	26,709	
	Under/(over) provision in respect of prior years			(412)	2,846	
				<hr/>	<hr/>	
				103,923	102,555	
				<hr/>	<hr/>	
8.	Tangible fixed assets					
				Plant and machinery held under finance leases and hire purchase contracts	Total	
		Freehold land and buildings	Property improve- ments	£	£	
		£	£	£	£	
	Cost					
	At 2nd February 1997	431,266	936,234	807,791	465,997	2,641,288
	Additions	-	255,413	113,618	17,881	386,912
	Disposals	(301,543)	(8,539)	(19,978)	-	(330,060)
	Transfer	17,684	-	55,964	(73,648)	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 1st February 1998	147,407	1,183,108	957,395	410,230	2,698,140
	Depreciation					
	At 2nd February 1997	55,282	348,620	557,218	326,563	1,287,683
	Charge for the period	1,640	55,540	120,408	28,908	206,496
	Disposals	(40,646)	(8,539)	(19,978)	-	(69,163)
	Transfers	11,353	-	51,499	(62,852)	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 1st February 1998	27,629	395,621	709,147	292,619	1,425,016
	Net book value					
	At 1st February 1998	119,778	787,487	248,248	117,611	1,273,124
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Net book value					
	At 2nd February 1997	375,984	587,614	250,573	139,434	1,353,605

Depreciation has not been charged on freehold land, which is stated at cost of £88,723 (1997: £275,558).

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

9. Fixed asset investments	1998	1997
	£	£
Participating interests:-		
The Anglia Group of Nurseries Ltd:		
2 ordinary shares of £5 valued at cost	10	10
Albona Ltd:		
1 ordinary share of £1 valued at cost	1	1
Other investments:-		
Nuclear Stock Association Ltd:		
50 ordinary shares of £1 valued at cost	50	50
	<hr/>	<hr/>
Net book value	61	61
	<hr/>	<hr/>

The company holds more than 10% of the equity of the following companies:-

Name of undertaking	Anglia Group of Nurseries Ltd	Albona Ltd	Ballerina Trees Ltd
Country of incorporation	England	England	England
Proportion of ordinary shares held	33 ¹ / ₃ %	50%	10%

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

Details of these companies capital and reserves, and profit or loss for the latest financial year are not reproduced as this information is not material to the abbreviated accounts.

10. Stocks	1998	1997
	£	£
Stocks comprise:-		
Ornamental shrubs, conifers and trees	1,971,002	1,662,791
Consumables	333,449	288,798
	<hr/>	<hr/>
	2,304,451	1,951,589
	<hr/>	<hr/>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

11. Debtors	1998 £	1997 £
Amounts falling due within one year:		
Trade debtors	122,355	94,134
Amounts owed by undertakings in which the company has a participating interest	4,873	1,446
Other debtors	100,349	115,754
Prepayments and accrued income	13,570	13,991
	<hr/>	<hr/>
	241,147	225,325
	<hr/>	<hr/>
12. Creditors	1998 £	1997 £
a. Amounts falling due within one year:		
Bank loans and overdrafts	850,511	1,133,773
Obligations under finance leases and hire purchase contracts	21,822	38,749
Trade creditors	478,912	446,430
Corporation tax	62,800	73,000
Other creditors	189,371	21,009
Taxation and social security payable	55,291	36,737
Accruals and deferred income	32,978	39,731
	<hr/>	<hr/>
	1,691,685	1,789,429
	<hr/>	<hr/>
b. Amounts falling due after more than one year:		
Bank loans	10,023	42,677
Obligations under finance leases and hire purchase contracts	7,611	14,599
	<hr/>	<hr/>
	17,634	57,276
	<hr/>	<hr/>

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

12. Creditors (continued)	1998 £	1997 £
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c. Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:-

In one year or less, or on demand	850,511	1,133,773
Between two and five years	10,023	42,677
	<hr/> 860,534	<hr/> 1,176,450

Bank overdrafts amounting to £818,196 (1997: £1,097,024) are secured by a fixed and floating charge on the assets of the company given under debenture dated 16th December 1993.

The bank loans are secured by fixed charges on the company's freehold property.

d. Obligations under finance leases and hire purchase contracts	1998 £	1997 £
---	-----------	-----------

Net obligations under finance leases and hire purchase contracts are repayable as follows:-

Amounts due within one year	21,822	38,749
Amounts due in years two to five	7,611	14,599
	<hr/> 29,433	<hr/> 53,348

Obligations under finance leases and hire purchase contracts are secured by related assets.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

13. Deferred taxation

Deferred taxation provided in the abbreviated accounts is as follows:-

	Amount provided	
	1998	1997
	£	£
Excess of tax allowances over accumulated depreciation on eligible assets	96,749	48,345
Other timing differences	13,864	20,733
	<hr/>	<hr/>
	110,613	69,078
	<hr/>	<hr/>

Deferred taxation is fully provided and there are no amounts unprovided.

The movements on the provision for deferred taxation are as follows:-

	£	£
Provision at 2nd February 1997 at 35.25%		69,078
Movement due to a change in the rate of tax	(3,429)	
Transfer from profit and loss account	44,964	41,535
	<hr/>	<hr/>
Provision at 1st February 1998 at 33.5%		110,613
		<hr/>

14. a. Called up share capital

Authorised, allotted, called up and fully paid

Equity: 1,000 ordinary shares of £1 each

Non-equity: 5,000 deferred shares of £1 each

1998	1997
£	£
1,000	1,000
5,000	5,000
<hr/>	<hr/>
6,000	6,000
<hr/>	<hr/>

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 31st December 2002. Upon expiration of this period the shares shall be converted into ordinary shares and become entitled to all rights attached thereto.

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

14. (Continued)

b.	Reconciliation of movement in shareholders' funds	1998 £	1997 £
	Profit for the financial period	383,946	270,492
	Opening shareholders' funds	1,615,018	1,344,526
		<hr/>	<hr/>
	Closing shareholders' funds	1,998,964	1,615,018
		<hr/>	<hr/>
	Represented by:		
	Equity interests	1,993,964	1,610,018
	Non-equity interests	5,000	5,000
		<hr/>	<hr/>
		1,998,964	1,615,018
		<hr/>	<hr/>

15. Reserves

	Profit and loss account £
At 2nd February 1997	1,609,018
Retained profit for the period	383,946
	<hr/>
At 1st February 1998	1,992,964
	<hr/>

16. Transactions with directors

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

For the purpose of section 232 of the Companies Act 1985 the following directors have declared their material interests:

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

DARBY NURSERY STOCK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 1st FEBRUARY 1998

17. Contingent liabilities

An indemnity of £30,000 has been provided to H.M. Customs & Excise re payment of VAT on imports.

18. Pension commitments

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 £162,054 (1997: £395,308).

Contributions totalling £2,957 (1997: £1,278) were payable to the funds at the period end and are included in creditors.

19. Commitments under operating leases

At 1st February 1998 the company had annual commitments under non-cancellable operating leases as set out below:-

	1998		1997	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:-				
Within one year	-	3,183	-	-
Between two and five years	-	2,546	-	5,223
After more than five years	58,000	-	21,500	506
	<hr/>	<hr/>	<hr/>	<hr/>
	58,000	5,729	21,500	5,729
	<hr/>	<hr/>	<hr/>	<hr/>