

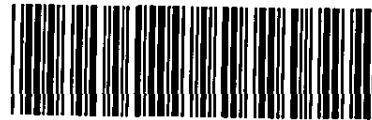
Suttons Seeds (Holdings) Limited

**Directors' report and consolidated
financial statements**

Registered number 1341694

30 June 2012

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

Principal activities

The company itself does not trade. These financial statements incorporate the results of the group. The principal activity of the group during the year was the marketing of seeds, plants, bulbs and horticultural sundries and has remained unchanged since last year.

Business review

The company had a difficult year in 2011/12, producing a loss before tax of £1,189,564 (2011: £981,613 loss).

Sales decreased by 14% compared to 2010/11. This reflected continued difficult market conditions experienced in the UK, not helped by poor weather conditions. Gross profit % improved despite a competitive market place and pressure on materials and labour prices. Operating costs decreased by 5% in the year.

Principal risks and uncertainties

The directors are keen to build on the strong brand the group has formed over its life time and are committed to ensuring that the group continues to develop both existing and new areas of the group's market.

The directors are also aware of the changing environmental and economic impacts on the business and its customers and the need to respond to those. With this in mind, the group continues to be at the forefront of innovation within the horticultural market thus ensuring it is in a position to provide its customers with first class products and services at competitive prices.

In common with all companies operating in the horticultural market, the group is exposed to exceptionally poor weather during its key selling season, however the group attempts to minimise this risk by offering a diverse range of products to cover periods outside of the key months. In addition to this, as a proportion of the group's sales are dependent on the mail, the group would be at risk from a prolonged and serious disruption to the postal service.

Proposed dividend

There was no dividend paid or proposed during the year (2011: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

P Aymard
P Blateryon
C Cuzenic
JP Faure
J Force
C Maffre
G Renard
E Rougier

Directors' report *(continued)*

Political and charitable contributions

During the year, the group made charitable contributions of £ 50(2011 £100)

Going Concern

The company is a subsidiary of Vilmorin et Cie SA and its ultimate holding company is Groupe Limagrain Holdings SA, both of which are registered in France. Due to the seasonal nature of the business, the company requires and receives working capital support from Groupe as and when required during the year. This support is expected for the foreseeable future. The company is operating in an uncertain economic climate at present, but costs are continually monitored and forecasts are regularly updated.

As a consequence, the directors believe that the company is well placed to manage its business risks despite the current uncertain economic outlook and that the company has adequate capacity to continue its operations for the foreseeable future. Accordingly, the Directors have continued to adopt the going concern basis in the preparation of these accounts.

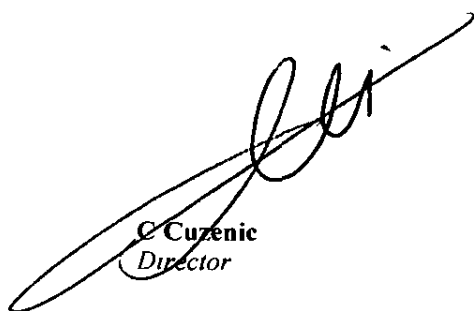
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



C Cuzenec
Director

Woodview Road
Paignton
Devon
TQ4 7NG

7th DECEMBER 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

Plym House
3 Longbridge Road
Plymouth
PL6 8LT
United Kingdom

Independent auditor's report to the members of Suttons Seeds (Holdings) Limited

We have audited the financial statements of Suttons Seeds (Holdings) Limited for the year ended 30 June 2012 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Suttons Seeds (Holdings) Limited (continued)

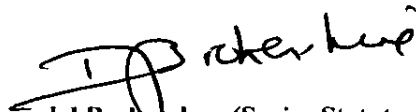
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



I J Brokenshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

12 December 2012

Plym House
3 Longbridge Road
Marsh Mills
Plymouth
PL6 8LT

Consolidated profit and loss account
for the year ended 30 June 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	16,516,567	19,263,057
Cost of sales		(8,019,959)	(10,018,637)
Gross profit		8,496,608	9 244 420
Distribution costs		(6,920,636)	(7,448,638)
Administrative expenses		(2,770,406)	(2,742,989)
Operating loss		(1,194,434)	(947,207)
Other interest receivable and similar income	6	20,119	17 081
Interest payable and similar charges	7	(15,249)	(51 487)
Loss on ordinary activities before taxation	3	(1,189,564)	(981,613)
Tax credit on loss on ordinary activities	8	-	10,625
Loss for the financial year		(1,189,564)	(970 988)

There were no acquisitions or discontinued operations during the year

The accompanying notes on pages 9 to 23 are an integral part of the financial statements

Consolidated and Company balance sheets
at 30 June 2012

	Note	Group		Company	
		2012 £	2011 £	2012 £	2011 £
Fixed assets					
Intangible assets	10	341,074	382,752	-	-
Tangible assets	11	624,894	713,045	-	-
Investments	12	5,403	5,403	304,942	2,367,506
		<u>971,371</u>	<u>1,101,200</u>	<u>304,942</u>	<u>2,367,506</u>
Current assets					
Stock	13	2,215,111	2,314,171	-	-
Debtors	14	1,993,279	2,739,514	512,101	512,101
Cash at bank and in hand		601,228	2,328,339	-	-
		<u>4,809,618</u>	<u>7,382,024</u>	<u>512,101</u>	<u>512,101</u>
Creditors amounts falling due within one year	15	<u>(5,159,592)</u>	<u>(6,524,263)</u>	<u>(1,520,646)</u>	<u>(1,520,646)</u>
Net current (liabilities)/assets		<u>(349,974)</u>	<u>857,761</u>	<u>(1,008,545)</u>	<u>(1,008,545)</u>
Total assets less current liabilities		<u>621,397</u>	<u>1,958,961</u>	<u>(703,603)</u>	<u>1,358,961</u>
 Pension liability	17	 1,325,000	 600,000	 -	 -
Capital and reserves					
Called up share capital	18	500,000	500,000	500,000	500,000
Profit and loss account	19	(1,203,603)	858,961	(1,203,603)	858,961
		<u>(703,603)</u>	<u>1,358,961</u>	<u>(703,603)</u>	<u>1,358,961</u>
Shareholder's (deficit)/funds		<u>621,397</u>	<u>1,958,961</u>	<u>(703,603)</u>	<u>1,358,961</u>

These financial statements were approved by the Board of Directors on 7th December 2012 and were signed on its behalf by


C Cuzenik
Director

Company number 1341694

Consolidated and Company statement of total recognised gains and losses
for the year ended 30 June 2012

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Loss for the financial year	(1,189,564)	(970,988)		-
Actuarial (loss)/gain recognised on pension scheme (<i>note 17</i>)	(873,000)	1,244,000	-	-
Release of deferred tax asset arising on losses in the pension scheme	-	(504,000)	-	-
Investment revaluation	-	-	(2,062,564)	(230,988)
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised losses relating to the financial year	(2,062,564)	(230,988)	(2,062,564)	(230,988)
	<hr/>	<hr/>	<hr/>	<hr/>

Consolidated and Company reconciliation of movements in shareholder's funds
for the year ended 30 June 2012

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Opening shareholder's funds	1,358,961	1,589,949	1,358,961	1,589,949
Loss for the financial period	(1,189,564)	(970,988)	-	-
Dividend paid	-	-	-	-
Other recognised (losses)/gains relating to the year (net)	(873,000)	740,000	-	-
Decrease in value of fixed asset investments	-	-	(2,062,564)	(230,988)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholder's (deficit)/ funds	(703,603)	1,358,961	(703,603)	1,358,961
	<hr/>	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The directors have reviewed the company's accounting policies and estimation techniques as required in FRS18 "Accounting Policies" and consider that they are the most appropriate for the group. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements except as noted below.

The amendment to FRS 17 'Retirement benefits' has been adopted in these financial statements and the disclosures it requires have been presented for both the current and comparative period. The amendment to FRS 17 also requires that quoted securities are valued at their current bid-price rather than their mid-market value. The group holds no quoted security investments, therefore there has been no impact on the accounts.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules with the exception of investments in subsidiary undertakings (see below).

Details of the subsidiary companies are given in note 12 to these financial statements. As 100% of the company's voting rights are controlled within the group headed by Groupe Limagrain Holdings SA, incorporated in France, the company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Groupe Limagrain Holdings SA, within which the company is included, can be obtained from the address given in note 21.

The company is a subsidiary of Vilmorin et Cie SA, which is incorporated in France. Consequently, the company is exempt under the terms of FRS 1 'Cash flow statements (revised)' from producing a cash flow statement as Vilmorin et Cie SA includes the company in its own published consolidated financial statements.

Going concern

At certain points during the year the group requires the financial support of their parent company owing to the seasonality of the business. The directors' have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future owing to the existence of a collective cash pooling function that operates within the group supported ultimately by the parent company. The directors' have no reason to believe this facility will not continue in the foreseeable future, thus they continue to adopt the going concern basis in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the company and its subsidiary undertakings.

Under s408 of the Companies Act 2006 Suttons Seeds (Holdings) Limited is exempt from the requirement to present its own profit and loss account.

Investments

Investments in subsidiaries are revalued on an annual basis so that they are equivalent to the underlying net assets.

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Intangible fixed assets and amortisation

Intangible fixed assets purchased are capitalised at their cost and amortised to £nil by equal annual instalments over their useful economic life of 10 years. The intangible asset recognised in the balance sheet is computer software that is to be amortised over its estimated useful life of 10 years. This amortisation policy is in accordance with guidelines set out by the ultimate parent company.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition

Depreciation is provided by the company to write off the cost, less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery	-	10% per annum
Motor vehicles	-	25% per annum
Fixtures, fittings and equipment	-	20-50% per annum

Short leasehold land and buildings are amortised over the period of the lease Freehold land is not depreciated

Impairment of tangible and intangible fixed assets

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is reviewed

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account unless they arise on a previously revalued fixed asset An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost

Stock

Stock is stated at the lower of cost and net realisable value In general, cost is determined on a first in first out basis and includes transport and handling costs An appropriate amount of direct labour and overhead is included in finished goods Where necessary, provision is made for obsolete, slow moving and defective stock

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied in so far as these goods are no longer liable for return and refund under the terms of sale or return agreements Mail order sales are included within turnover when the orders have been fulfilled

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange under the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Research and development expenditure

Product development costs are charged to the profit and loss account as incurred

Notes (continued)

1 Accounting policies (continued)

Pension scheme arrangements

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The scheme has been 'paid up' from 31st December 2006 and no further service accrual has applied since that date.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

As a result of the defined benefit scheme being 'paid up' with no further service accruing and being closed to new members, the company also operates a defined contribution scheme. The assets of this scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2 Turnover by geographical area

	2012 £	2011 £
United Kingdom	15,870,092	18,657,031
Other	646,475	606,026
	<u>16,516,567</u>	<u>19,263,057</u>

3 Loss on ordinary activities before taxation

	2012 £	2011 £
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	100,819	103,374
Amortisation of intangible fixed assets	42,528	31,515
Operating lease charges		
Land and buildings	398,000	398,000
Plant and machinery	105,234	113,597
	<u> </u>	<u> </u>
<i>Auditors' remuneration</i>		
Group - Audit	45,000	44,005
- Other services including taxation	8,000	11,850
	<u> </u>	<u> </u>

The company audit fee is borne by the trading subsidiary, Suttons Consumer Products Limited.

Notes (continued)

4 Remuneration of directors

	2012 £	2011 £
Directors' emoluments	<u>101,922</u>	<u>123,334</u>

5 Staff numbers and costs

The average number of employees (including directors) employed by the group during the year, analysed by category was as follows

	No. of employees	
	2012	2011
Administration	23	23
Warehouse and distribution	70	70
Sales and support staff	102	111
	<u>195</u>	<u>204</u>

The aggregate payroll costs for these employees were as follows

	2012 £	2011 £
Wages and salaries	4,037,063	3 729,320
Social security costs	321,190	319,540
Other pension costs	147,494	204,698
	<u>4,505,747</u>	<u>4,253 558</u>

6 Other interest receivable and similar income

	2012 £	2011 £
Bank interest	2,463	1,425
Other income	13,656	15,656
Interest on pension scheme obligation	4,000	-
	<u>20,119</u>	<u>17,081</u>

Notes (continued)

7 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	430	1,017
Payable to group undertakings	14,819	5,470
Interest on pension scheme obligations	-	45 000
	<u>15,249</u>	<u>51,487</u>

8 Taxation on profit on ordinary activities

<i>Analysis of charge in year</i>	2012 £	2011 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	(29,712)
Adjustment in respect of prior years	-	19,087
	<u>-</u>	<u>(10,625)</u>
Tax credit on profit on ordinary activities	-	(10,625)

Factors affecting current tax charge

The current tax charge for the period is higher (2011 higher) than the standard rate of corporation tax in the UK of 25.5% (2011 27.5%). The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(1,189,564)	(981 613)
Current tax at 25.5% (2011 27.5%)	(303,339)	(269 944)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1696	(629)
Capital allowances in excess of depreciation	9,837	(9,194)
Creation/(reversal) of timing differences	2,298	(6 079)
Creation of tax losses	289,508	256,665
Adjustments to tax charge in respect of previous periods	-	19 087
Differing tax rates	-	(531)
	<u>-</u>	<u>(10,625)</u>
Total current tax credit (see above)	-	(10,625)

Factors affecting future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax asset at 30 June 2012 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date) by £35,392. It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes (continued)

9 Result for the financial year

As permitted by Section s408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year dealt with in the accounts of Suttons Seeds (Holdings) Limited was £nil (2011 £nil)

10 Intangible fixed assets

The company has no intangible fixed assets. Details of those relating to the group are as follows

	Software £	Total £
Cost		
At 1 July 2011	414,267	414,267
Additions	850	850
	<hr/>	<hr/>
At 30 June 2012	415,117	415,117
	<hr/>	<hr/>
Depreciation		
At 1 July 2011	31,515	31,515
Charge for year	42,528	42,528
	<hr/>	<hr/>
At 30 June 2012	74,043	74,043
	<hr/>	<hr/>
Net book value		
At 30 June 2012	341,074	341,074
	<hr/>	<hr/>
At 1 July 2011	382,752	382,752
	<hr/>	<hr/>

Notes (continued)

11 Tangible fixed assets

The company has no tangible fixed assets. Details of those relating to the group are as follows

	Short leasehold land and buildings £	Plant, equipment and systems £	Total £
Cost			
At 1 July 2011	1,006,013	3,982,014	4,988,027
Additions	1,850	10,818	12,668
	<hr/>	<hr/>	<hr/>
At 30 June 2012	1,007,863	3,992,832	5,000,695
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2011	555,591	3,719,391	4,274,982
Charge for year	38,160	62,659	100,819
	<hr/>	<hr/>	<hr/>
At 30 June 2012	593,751	3,782,050	4,375,801
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2012	414,112	210,782	624,894
	<hr/>	<hr/>	<hr/>
At 1 July 2011	450,422	262,623	713,045
	<hr/>	<hr/>	<hr/>

12 Fixed asset investments

Group

	2012 £	2011 £
Cost and net book value		
At the beginning and end of year	5,403	5,403
	<hr/>	<hr/>

This represents investments in unlisted companies

Notes (continued)

12 Fixed assets investments (continued)

Company

These represent shares held in subsidiary undertakings in the United Kingdom and are revalued so that they are equivalent to the underlying net assets as shown in their financial statements at 30 June 2012

	£
At 30 June 2011	2,367,506
Revaluation during the period	(2,062,564)
	<hr/>
At 30 June 2012	304,942
	<hr/>

At 30 June 2012 the company held 100% of the ordinary share capital and voting rights of the following companies, all of whom are registered in England and Wales and are consolidated into these accounts

- Suttons Consumer Products Limited - principal activity is the distribution of seeds, plants, bulbs and horticultural sundries
- Suttons Seeds Limited - dormant
- Carters Tested Seeds Limited - dormant
- R&G Cuthbert Limited - dormant
- Samuel Dobie & Son Limited - dormant

13 Stock

The company has no stock Details of those relating to the group are as follows

	2012 £	2011 £
Bulk seed stock	761,849	777,394
Finished stock	849,448	760,499
Packaging and other stocks	603,814	776,278
	<hr/>	<hr/>
	2,215,111	2,314,171
	<hr/>	<hr/>

14 Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,495,403	2,363,878	-	-
Amounts owed by group undertakings	16,905	-	512,101	512,101
Other debtors	173,640	53,311	-	-
Prepayments and accrued income	307,331	322,325	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,993,279	2,739,514	512,101	512,101
	<hr/>	<hr/>	<hr/>	<hr/>

The amounts owed to the group and company by group undertakings do not have fixed repayment terms or dates

Notes (continued)

15 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	2,314,173	3,868,567	-	-
Amounts owed to group undertakings	55,044	42,037	1,520,646	1,520,646
Other tax and social security	109,139	115,478	-	-
Accruals and deferred income	2,681,236	2,498,181	-	-
	<u>5,159,592</u>	<u>6,524,263</u>	<u>1,520,646</u>	<u>1,520,646</u>

The amounts owed by the group and company to the parent company and fellow subsidiary undertakings do not have fixed repayment terms or dates

16 Deferred tax

The elements of deferred tax are as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Difference between accumulated depreciation and capital allowances	(28,615)	(65,261)	-	-
Other timing differences	74,516	80,131	-	-
Tax losses	432,515	242,664	-	-
	<u>478,417</u>	<u>257,534</u>	<u>-</u>	<u>-</u>

The potential deferred tax asset has not been recognised in the current or prior year as the directors believe that to do so would be imprudent. On this basis, a deferred tax asset of £371,000 has not been recognised in relation to the defined benefit pension scheme (2011 £156,000). The movement in the year is as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	-	504,000	-	-
Deferred tax release in the statement of recognised gains and losses	-	(504,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	-	-	-	-

Notes (continued)

17 Pension schemes

Defined contribution scheme

The group operates a defined contribution pension scheme. The pension cost charges for the period represents contributions payable by the group to this scheme and amounts to £147,494 (2011 £204,698)

Contributions amounting to £nil (2011 £19,229) were payable to the scheme at the year end

Defined benefit scheme

The group operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 1 July 2011 and was updated for FRS 17 purposes to 30 June 2012 by a qualified independent actuary. At 31 December 2006 the scheme became 'paid up' with no further service costs accruing to members.

The group paid £144,000 to the pension scheme in the year to 30 June 2012 (2011 £nil). The group expects to make a payment of £144,000 to the pension scheme during the year to 30 June 2013.

The information disclosed below is in respect of the whole of the plans for which the group is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2012 £	2011 £
Present value of funded defined benefit obligations	(6,225,000)	(5,835,000)
Fair value of plan assets	4,900,000	5,235,000
	<hr/>	<hr/>
Net liability	(1,325,000)	(600,000)
	<hr/>	<hr/>

Movements in present value of defined benefit obligation

	2012 £	2011 £
At 1 July	5,835,000	6,458,000
Interest cost	327,000	355,000
Actuarial losses/(gains)	375,000	(715,000)
Benefits paid	(312,000)	(263,000)
	<hr/>	<hr/>
	6,225,000	5,835,000
	<hr/>	<hr/>

The actuarial loss on obligation is made up of the effect of change in assumptions for valuing obligations at the end of the year and an amount due to experience over the year differing from that assumed at the start of the year.

Notes (continued)

17 Pension schemes (continued)

Movements in fair value of plan assets

	2012 £	2011 £
At 1 July	5,235,000	4,659,000
Expected return on plan assets	331,000	310,000
Actuarial gains	(498,000)	529,000
Contributions by employer	144,000	-
Benefits paid	(312,000)	(263,000)
	<u>4,900,000</u>	<u>5,235,000</u>

Expense recognised in the profit and loss account

	2012 £	2011 £
Interest on defined benefit pension plan obligation	327,000	355,000
Expected return on deferred benefit pension plan assets	(331,000)	(310,000)
Total	<u>(4,000)</u>	<u>45,000</u>

The expense is recognised in the following line items in the profit and loss account

	2012 £	2011 £
Interest (receivable)/ payable and similar charges	(4,000)	45,000
	<u>(4,000)</u>	<u>45,000</u>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is a loss of £873,000 (2011 gain £1,244,000)

Cumulative actuarial losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £3,170,000 (2011 £2,297,000)

Notes (continued)

17 Pension schemes (continued)

The fair value of the plan assets and the return on those assets were as follows

	2012 Fair value £	% total plan assets	2011 Fair value £	% total plan assets	2010 Fair value £	% total plan assets
Equities	3,199,000	65	3,188,000	61	2,646,000	57
Bonds	522,000	11	1,007,000	19	1,397,000	30
Other	1,179,000	24	1,040,000	20	616,000	13
	<u>4,900,000</u>	<u>100</u>	<u>5,235,000</u>	<u>100</u>	<u>4,659,000</u>	<u>100</u>
Actual return on plan assets	<u>331,000</u>		<u>576,000</u>		<u>238,000</u>	

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2012 %	2011 %	2010 %
Discount rate	4.70	5.60	5.50
Expected rate of return on plan assets	5.76	6.43	6.80
Expected return on plan assets as beginning of the period	8.00	8.00	8.00
Rate of increase in pensions in payment (Limited Price Indexation)			
LPI maximum 5%	2.00	2.90	3.50
LPI maximum 2.5%	2.40	2.40	2.40
Inflation assumption	2.10	2.90	3.50

In valuing the liabilities of the pension fund at 30 June 2012, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 30 June 2012 would have increased by £165,000 (2011: £120,000 (2%)) before deferred tax.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 20.6 years (2011: 20.9 years) (male), 22.8 years (2011: 24.2 years) (female)
- Future retiree upon reaching 65: 22.7 years (2011: 22.8 years) (male), 25.2 years (2011: 26.2 years) (female)

Notes (continued)

17 Pension schemes (continued)

History of plans

The history of the plans for the current and prior periods is as follows

Balance sheet

	2012 £	2011 £	2010 £	2009 £	2008 £
Present value of scheme liabilities	(6,225,000)	(5,835,000)	(6,458,000)	(6,438,000)	(6,257,000)
Fair value of scheme assets	4,900,000	5,235,000	4,659,000	4,419,000	4,951,000
Deficit	(1,325,000)	(600,000)	(1,799,000)	(2,019,000)	(1,306,000)

Experience adjustments

	2012 %	2011 %	2010 %	2009 %	2008 %
Experience adjustments on scheme liabilities as a percentage of scheme liabilities at the balance sheet date	3.0	3.9	1.0	2.0	5.0
Experience adjustments on scheme assets as a percentage of scheme assets at the balance sheet date	10	10.1	10.0	(30.0)	(25.0)

18 Share capital

Group and company

	2012 £	2011 £
Allotted, called up and fully paid		
500,000 ordinary shares of £1 each	500,000	500,000

Notes (continued)

19 Reserves

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
At 30 June 2011	858,961	1,089,949	858,961	1,089,949
Actuarial (loss)/gain recognised on the pension scheme (see note 17)	(873,000)	1,244,000	-	-
Release of deferred tax asset arising on losses in the pension scheme	-	(504,000)	-	-
Investment revaluation	-	-	(2,062,564)	(230,988)
Loss for the financial year	(1,189,564)	(970,988)	-	-
At 30 June 2012	(1,203,603)	858,961	(1,203,603)	858,961

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Profit and loss reserve excluding pension liability	121,397	1,458,961	(1,203,603)	858,961
Pension liability	(1,325,000)	(600,000)	-	-
Profit and loss reserve	(1,203,603)	858,961	(1,203,603)	858,961

20 Financial commitments

At 30 June 2012 and 2011 the group had annual commitments under non-cancellable operating leases as follows

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within one year	-	13,820	-	9,901
Expiring between two and five years inclusive	-	83,276	8,000	79,279
Expiring in over five years	390,000	-	390,000	-
	390,000	97,096	398,000	89,180

Notes *(continued)*

21 Ultimate holding company

The company is a subsidiary of Vilmorin et Cie SA, which is incorporated in France

The company's ultimate holding company is Groupe Limagrain Holdings SA, which is incorporated in France

The largest group in which the results of the company are consolidated is that headed by Groupe Limagrain Holdings SA. The smallest group in which they are consolidated is that headed by Vilmorin et Cie SA. The consolidated accounts of these groups are available to the public and may be obtained from

Groupe Limagrain Holdings SA
BPI
63720 Chappes
France