

REGISTERED NUMBER 02213321 (England and Wales)

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 August 2012
for
Farplants Group Limited and Subsidiaries

Terence L Smith & Co
Chartered Accountants
Statutory Auditors
38a Station Road
New Milton
Hampshire
BH25 6JX



Farplants Group Limited and Subsidiaries

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for the Year Ended 31 August 2012

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Farplants Group Limited and Subsidiaries

Company Information
for the Year Ended 31 August 2012

DIRECTORS:	Mr James Turner Mr David Ralph Tristram Mr Christopher Tellwright Mr Michael Guy Tristram Mr Jeffrey Neil Hooper
SECRETARY:	Mrs Nicola Aileen Bream
REGISTERED OFFICE	36a Station Road New Milton Hampshire BH25 6JX
REGISTERED NUMBER:	02213321 (England and Wales)
SENIOR STATUTORY AUDITOR.	Terence L Smith CA
AUDITORS:	Terence L Smith & Co Chartered Accountants Statutory Auditors 38a Station Road New Milton Hampshire BH25 6JX
BANKERS:	National Westminster Bank Plc 27 South Street Worthing Sussex BN11 3AR
SOLICITORS	Brook Oliver & Co 12a Stanford Road Lymington Hampshire SO41 9GF

continued

Farplants Group Limited and Subsidiaries

Report of the Directors
for the Year Ended 31 August 2012

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of horticultural sales and distribution

REVIEW OF BUSINESS

A very difficult year for the whole sector, with the weather providing the worst conditions since records began. Against this backdrop, the company still managed to outperform the market and secure growth in market share.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2012

FUTURE DEVELOPMENTS

Further growth in market share is planned, with new lines being added and investment in value-added and seasonal products.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2011 to the date of this report

Mr James Turner
Mr David Ralph Tristram
Mr Christopher Tellwright
Mr Michael Guy Tristram
Mr Jeffrey Neil Hooper

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

continued

Farplants Group Limited and Subsidiaries

Report of the Directors
for the Year Ended 31 August 2012

AUDITORS

The auditors, Terence L Smith & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'MGT', followed by a horizontal line.

Mr Michael Guy Tristram - Director

1 March 2013

continued

Report of the Independent Auditors to the Members of
Farplants Group Limited and Subsidiaries

We have audited the financial statements of Farplants Group Limited and Subsidiaries for the year ended 31 August 2012 on pages six to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 August 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
Farplants Group Limited and Subsidiaries

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



Terence L Smith CA (Senior Statutory Auditor)
for and on behalf of Terence L Smith & Co
Chartered Accountants
Statutory Auditors
38a Station Road
New Milton
Hampshire
BH25 6JX

1 March 2013

continued

Farplants Group Limited and Subsidiaries

Consolidated Profit and Loss Account
for the Year Ended 31 August 2012

	Notes	2012 £	£	2011 £	£
TURNOVER			18,599,202		20,281,503
Cost of sales			13,171,027		14,822,042
GROSS PROFIT			5,428,175		5,459,461
Distribution costs		3,297,546		3,312,501	
Administrative expenses		2,170,350		1,947,250	
			5,467,896		5,259,751
			(39,721)		199,710
Other operating income			39,446		24,686
OPERATING (LOSS)/PROFIT	3		(275)		224,396
Interest receivable and similar income			3,034		1
			2,759		224,397
Amounts written off investments	4		-		1
			2,759		224,396
Interest payable and similar charges	5		128,170		121,118
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(125,411)		103,278
Tax on (loss)/profit on ordinary activities	6		8,294		(20,431)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			(133,705)		123,709

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

continued

Farplants Group Limited and Subsidiaries

Consolidated Balance Sheet
31 August 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	8	1,499	1,499
Tangible assets	9	2,637,381	2,663,237
Investments	10	25	25
		<u>2,638,905</u>	<u>2,664,761</u>
CURRENT ASSETS			
Stocks	11	66,100	31,518
Debtors	12	4,116,441	4,481,299
Cash at bank and in hand		1,040	272,379
		<u>4,183,581</u>	<u>4,785,196</u>
CREDITORS			
Amounts falling due within one year	13	<u>4,572,035</u>	<u>4,978,551</u>
NET CURRENT LIABILITIES		<u>(388,454)</u>	<u>(193,355)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,250,451</u>	<u>2,471,406</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,439,470)	(1,535,014)
PROVISIONS FOR LIABILITIES	18	(25,147)	(16,853)
MINORITY INTERESTS	19	(5,000)	(5,000)
NET ASSETS		<u><u>780,834</u></u>	<u><u>914,539</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	175,000	175,000
Capital redemption reserve	21	15,000	15,000
Profit and loss account	21	590,834	724,539
SHAREHOLDERS' FUNDS	27	<u><u>780,834</u></u>	<u><u>914,539</u></u>

The financial statements were approved by the Board of Directors on 1 March 2013 and were signed on its behalf by



Mr Michael Guy Tristram - Director

The notes form part of these financial statements

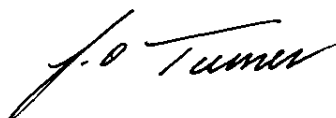
continued

Farplants Group Limited and Subsidiaries

Company Balance Sheet
31 August 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	2,571,866	2,597,722
Investments	10	69,642	69,642
		<u>2,641,508</u>	<u>2,667,364</u>
CURRENT ASSETS			
Debtors	12	193,694	315,889
Cash at bank		129,678	168,644
		<u>323,372</u>	<u>484,533</u>
CREDITORS			
Amounts falling due within one year	13	1,317,136	1,298,198
NET CURRENT LIABILITIES		<u>(993,764)</u>	<u>(813,665)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,647,744</u>	<u>1,853,699</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,439,470)	(1,535,014)
PROVISIONS FOR LIABILITIES	18	<u>(25,147)</u>	<u>(16,853)</u>
NET ASSETS		<u><u>183,127</u></u>	<u><u>301,832</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	175,000	175,000
Capital redemption reserve	21	15,000	15,000
Profit and loss account	21	(6,873)	111,832
SHAREHOLDERS' FUNDS	27	<u><u>183,127</u></u>	<u><u>301,832</u></u>

The financial statements were approved by the Board of Directors on 1 March 2013 and were signed on its behalf by



Mr James Turner - Director



Mr Michael Guy Tristram - Director

The notes form part of these financial statements

continued

Farplants Group Limited and Subsidiaries

Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	1	(321,796)	180,089
Returns on investments and servicing of finance	2	(125,136)	(121,117)
Taxation		-	(27,843)
Capital expenditure	2	(211,013)	(587,529)
		(657,945)	(556,400)
Financing	2	3,227	438,808
Decrease in cash in the period		(654,718)	(117,592)
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(654,718)	(117,592)
Cash inflow from increase in debt		(98,852)	(610,227)
Change in net debt resulting from cash flows		(753,570)	(727,819)
Movement in net debt in the period		(753,570)	(727,819)
Net debt at 1 September		(1,964,884)	(1,237,065)
Net debt at 31 August		(2,718,454)	(1,964,884)

The notes form part of these financial statements

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating (loss)/profit	(275)	224,396
Depreciation charges	219,124	141,968
Loss on disposal of fixed assets	17,745	24,522
(Increase)/decrease in stocks	(34,582)	183
Decrease/(increase) in debtors	460,483	(711,666)
(Decrease)/increase in creditors	(984,291)	500,686
Net cash (outflow)/inflow from operating activities	(321,796)	180,089

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	3,034	1
Interest paid	(128,170)	(121,118)
Net cash outflow for returns on investments and servicing of finance	(125,136)	(121,117)
Capital expenditure		
Purchase of tangible fixed assets	(211,013)	(588,576)
Sale of tangible fixed assets	-	1,047
Net cash outflow for capital expenditure	(211,013)	(587,529)
Financing		
New loans in year	98,852	468,808
Amounts owed by Farplants Ltd	(95,625)	(30,000)
Net cash inflow from financing	3,227	438,808

The notes form part of these financial statements

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 11 £	Cash flow £	At 31 8 12 £
Net cash			
Cash at bank and in hand	272,379	(271,339)	1,040
Bank overdrafts	(665,896)	(383,379)	(1,049,275)
	<u>(393,517)</u>	<u>(654,718)</u>	<u>(1,048,235)</u>
 Debt			
Debts falling due within one year	(36,353)	(194,396)	(230,749)
Debts falling due after one year	(1,535,014)	95,544	(1,439,470)
	<u>(1,571,367)</u>	<u>(98,852)</u>	<u>(1,670,219)</u>
 Total	<u><u>(1,964,884)</u></u>	<u><u>(753,570)</u></u>	<u><u>(2,718,454)</u></u>

The notes form part of these financial statements

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Associated Society

Services are provided for value to the group by the associated co-operative Farplants Limited on an arms length basis

Turnover

Turnover represents the net invoiced sales of goods and services relating to the year, excluding value added tax

Goodwill

Goodwill arises on consolidation and relates to the purchase of the share capital of Pride of Place Plants Limited in 2000

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 10% on reducing balance and not provided
Long leasehold	- 4% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 25% on reducing balance

Depreciation is not provided on freehold property as, in the opinion of the directors, the market value of the property is in excess of cost. However, depreciation has been provided on certain integral features at a rate of 10% on the reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	2012 £	2011 £
Wages and salaries	2,339,643	2,217,345
Social security costs	161,756	153,467
Other pension costs	65,847	58,228
	<u>2,567,246</u>	<u>2,429,040</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2012	2011
Selling and distribution	39	31
Administration	20	21
Management	1	2
	<u>60</u>	<u>54</u>

3 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging

	2012 £	2011 £
Hire of plant and machinery	-	1,306
Depreciation - owned assets	219,124	141,968
Loss on disposal of fixed assets	17,745	24,522
Auditors' remuneration	10,817	13,261
Foreign exchange differences	12	-
Hire of plant & machinery	-	1,306
Rents payable under operating leases	1,300	13,591
Hire of motor vehicles	75,256	75,604
	<u> </u>	<u> </u>
Directors' remuneration	<u> </u>	<u> </u>

The amount shown for auditors' remuneration relates to the fee for audit services only. In addition, the following services are provided by an associated accountancy business

	2012 £	2011 £
Company secretarial	-	650
Tax related services	-	500
Accountancy	3,640	3,552
Consultancy services	-	375

Charges for these services are included with the cost of professional fees

4 AMOUNTS WRITTEN OFF INVESTMENTS

	2012 £	2011 £
Investments written off	<u> </u>	<u> 1</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	47,120	48,435
Bank loan interest	81,050	76,789
VAT supplement	-	(4,106)
	<u>128,170</u>	<u>121,118</u>

6 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	-	(12,192)
Deferred tax	8,294	(8,239)
Tax on (loss)/profit on ordinary activities	<u>8,294</u>	<u>(20,431)</u>

7 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(118,705) (2011 - £12,973 profit)

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 September 2011 and 31 August 2012	<u>1,499</u>
NET BOOK VALUE	
At 31 August 2012	<u>1,499</u>
At 31 August 2011	<u>1,499</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

9 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 September 2011	2,449,225	1,383	351,271
Additions	102,681	-	38,659
Disposals	-	-	(5,310)
At 31 August 2012	2,551,906	1,383	384,620
DEPRECIATION			
At 1 September 2011	100,358	856	235,093
Charge for year	150,404	61	8,797
Eliminated on disposal	-	-	(4,196)
At 31 August 2012	250,762	917	239,694
NET BOOK VALUE			
At 31 August 2012	2,301,144	466	144,926
At 31 August 2011	2,348,867	527	116,178

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2011	361,639	172,940	3,336,458
Additions	3,197	66,476	211,013
Disposals	(64,231)	-	(69,541)
At 31 August 2012	300,605	239,416	3,477,930
DEPRECIATION			
At 1 September 2011	313,378	23,536	673,221
Charge for year	15,856	44,006	219,124
Eliminated on disposal	(47,600)	-	(51,796)
At 31 August 2012	281,634	67,542	840,549
NET BOOK VALUE			
At 31 August 2012	18,971	171,874	2,637,381
At 31 August 2011	48,261	149,404	2,663,237

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

9 TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 September 2011	2,383,710	1,383	351,271
Additions	102,681	-	38,659
Disposals	-	-	(5,310)
At 31 August 2012	2,486,391	1,383	384,620
DEPRECIATION			
At 1 September 2011	100,358	856	235,093
Charge for year	150,404	61	8,797
Eliminated on disposal	-	-	(4,196)
At 31 August 2012	250,762	917	239,694
NET BOOK VALUE			
At 31 August 2012	2,235,629	466	144,926
At 31 August 2011	2,283,352	527	116,178

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2011	361,639	172,940	3,270,943
Additions	3,197	66,476	211,013
Disposals	(64,231)	-	(69,541)
At 31 August 2012	300,605	239,416	3,412,415
DEPRECIATION			
At 1 September 2011	313,378	23,536	673,221
Charge for year	15,856	44,006	219,124
Eliminated on disposal	(47,600)	-	(51,796)
At 31 August 2012	281,634	67,542	840,549
NET BOOK VALUE			
At 31 August 2012	18,971	171,874	2,571,866
At 31 August 2011	48,261	149,404	2,597,722

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

10 FIXED ASSET INVESTMENTS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Shares in group undertakings	-	-	14,102	14,102
Other investments not loans	25	25	25	25
Other loans	-	-	55,515	55,515
	<u>25</u>	<u>25</u>	<u>69,642</u>	<u>69,642</u>

Additional information is as follows

Group

	Unlisted investments £
COST	
At 1 September 2011 and 31 August 2012	<u>25</u>
NET BOOK VALUE	
At 31 August 2012	<u>25</u>
At 31 August 2011	<u>25</u>

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 September 2011 and 31 August 2012	<u>14,102</u>	<u>25</u>	<u>14,127</u>
NET BOOK VALUE			
At 31 August 2012	<u>14,102</u>	<u>25</u>	<u>14,127</u>
At 31 August 2011	<u>14,102</u>	<u>25</u>	<u>14,127</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

10 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Farplants Sales Limited

Nature of business Horticultural Wholesaler

	% holding	2012 £	2011 £
Class of shares			
Ordinary £1 shares	100 00		
Aggregate capital and reserves		605,308	620,307
(Loss)/profit for the year		(14,999)	110,736

Wallock Limited

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary £1 shares	50 00		
Aggregate capital and reserves		10,000	10,000

Pride of Place Plants Limited

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary £1 shares	100 00		
Aggregate capital and reserves		2	2

Company

	Other loans £
At 1 September 2011 and 31 August 2012	55,515

11 STOCKS

	Group	
	2012 £	2011 £
Stocks	66,100	31,518

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

12 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	3,253,441	3,816,534	72,076	265,385
Bad debt provision	(9,354)	-	-	-
Amounts owed by associates	305,661	210,036	104,001	35,000
Other debtors	379,527	291,791	-	-
Tax	12,192	12,192	12,192	12,192
VAT	-	-	3,757	-
Prepayments	174,974	150,746	1,668	3,312
	<u>4,116,441</u>	<u>4,481,299</u>	<u>193,694</u>	<u>315,889</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,280,024	702,249	230,749	36,353
Trade creditors	2,104,112	2,176,123	2,327	17,748
Amounts owed to group undertakings	-	-	635,236	706,298
Social security and other taxes	46,852	44,993	-	6,627
VAT	113,495	79,358	-	4,842
Other creditors	8,579	36,004	8,579	36,004
Pensions	8,089	6,581	-	594
Accrued expenses	581,713	1,464,626	11,074	21,115
Deferred SEEDA grants	429,171	468,617	429,171	468,617
	<u>4,572,035</u>	<u>4,978,551</u>	<u>1,317,136</u>	<u>1,298,198</u>

14 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 15)	<u>1,439,470</u>	<u>1,535,014</u>	<u>1,439,470</u>	<u>1,535,014</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year or on demand				
Bank overdrafts	1,049,275	665,896	-	-
Bank loans	230,749	36,353	230,749	36,353
	<u>1,280,024</u>	<u>702,249</u>	<u>230,749</u>	<u>36,353</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>858,213</u>	<u>827,940</u>	<u>858,213</u>	<u>827,940</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>581,257</u>	<u>707,074</u>	<u>581,257</u>	<u>707,074</u>

16 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Within one year	1,300	1,300	7,400	28,117
Between one and five years	-	-	82,136	31,441
	<u>1,300</u>	<u>1,300</u>	<u>89,536</u>	<u>59,558</u>

Company

	Land and buildings	
	2012 £	2011 £
Expiring		
Within one year	<u>1,300</u>	<u>1,300</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	<u>1,670,219</u>	<u>1,571,367</u>	<u>1,670,219</u>	<u>1,571,367</u>

Bank borrowing is secured by

Specific equitable charge dated 5 May 1989 over Todington Lane, Littlehampton

First legal mortgage dated 23 January 1998 over Farplants building at Walberton Nursery, Yapton Lane, Walberton, and a first legal mortgage over Freehold land at the back of Star Nurseries, Lake Lane, Barnham

An unlimited inter-company guarantee dated 24 March 1992 between Farplants Ltd, Farplants Group Ltd and Farplants Sales Ltd, and an unlimited inter-company guarantee dated 23 January 1998 between Farplants Sales Ltd, Farplants Group Ltd and Wallock Ltd

There is also a Debenture given by Farplants Group Ltd Ltd dated 23 August 1988

Assets held under hire purchase are secured as to title in the particular asset

18 PROVISIONS FOR LIABILITIES

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Deferred tax	<u>25,147</u>	<u>16,853</u>	<u>25,147</u>	<u>16,853</u>

Group

	Deferred tax £
Balance at 1 September 2011	16,853
Timing differences	<u>8,294</u>
Balance at 31 August 2012	<u>25,147</u>

Company

	Deferred tax £
Balance at 1 September 2011	16,853
Timing differences	<u>8,294</u>
Balance at 31 August 2012	<u>25,147</u>

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

19 MINORITY INTERESTS

The minority interest represents 50% of the issued share capital of Wallock Limited

20 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £ 175,000	2011 £ 175,000
175,000	Ordinary			

21 RESERVES

Group

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 September 2011	724,539	15,000	739,539
Deficit for the year	(133,705)		(133,705)
At 31 August 2012	590,834	15,000	605,834

Company

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 September 2011	111,832	15,000	126,832
Deficit for the year	(118,705)		(118,705)
At 31 August 2012	(6,873)	15,000	8,127

22 PENSION COMMITMENTS

The group has a commitment to make payments into a defined contribution pension scheme on behalf of its employees. Contributions payable within the next 12 months amount to £67,067 (2011 £63,505). Pension contributions outstanding at the year end amount to £8,089 (2011 £6,581).

23 CONTINGENT LIABILITIES

The company has entered into a cross guarantee and debenture in respect of bank borrowing of the subsidiary company Farplants Sales Limited, the associated co-operative Farplants Limited and the associated company Wallock Limited. The net liability at the balance sheet date amounted to £1,919,267 (2011 - £1,194,092).

The bank has also guaranteed a balance due to West Sussex County Council amounting to £5,878 71.

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

24 TRANSACTIONS WITH DIRECTORS

All the directors are interested, as participants in and suppliers to, the associated horticultural co-operative Farplants Limited in the ordinary course of business

No transactions took place with the following related parties-

Mr D R Tristram and Mr C Tellwright are directors of Pride of Place Plants Limited

Mr J Turner, Mr C Tellwright, Mr D R Tristram and Mr M G Tristram are directors of Wallock Limited

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

25 RELATED PARTY DISCLOSURES

All transactions were carried out in the normal course of trading on an arms length basis and are listed below, -

	2012	2011
	£	£
Sales		
Binsted Nursery	176,076	151,662
Fleurie Nursery Limited	262,692	191,064
Star Nurseries Limited	134,429	110,850
Walberton Nursery Limited	124,745	114,753
Toddington Nurseries Limited	190,358	151,577
Keith Butters Limited	458,307	-
Purchases		
Binsted Nursery	2,690,143	3,067,584
Fleurie Nursery Limited	3,171,823	3,294,457
Star Nurseries Limited	1,595,148	1,830,239
Walberton Nursery Limited	2,127,868	2,328,367
Toddington Nurseries Limited	2,760,562	2,962,703
Farplants Limited	16,600	16,600
Debtor balance at year end		
Binsted Nursery	30,418	10,849
Fleurie Nursery Limited	89,723	61,137
Star Nurseries Limited	27,641	20,490
Walberton Nursery Limited	34,148	22,606
Toddington (Nurseries) Limited	60,343	25,451
Creditor balance at year end		
Binsted Nursery	351,350	363,858
Fleurie Nursery Limited	375,027	305,522
Star Nurseries Limited	242,122	287,143
Walberton Nursery Limited	474,685	461,698
Toddington Nurseries Limited	339,738	418,181
Farplants Limited	9,600	-

There is also a balance due from Farplants Limited, an associated company, which at the year end stood at £305,661 (2011 £210,036) A management charge of £8,000 (2011 - £nil) was made by Farplants Limited during the year and a service charge was made to that company of £60,000 (2011 - £30,000)

An amount of £24,750 (2011 £13,000) was paid to Money Partner for professional services This business is owned by Mrs N A Bream, a director of Farplants Sales Limited

An indeterminate lease has been agreed with Walberton Nursery Limited for annual ground rent of £1,300 for the Walberton site

continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

26 ULTIMATE CONTROLLING PARTY

The company is controlled by the following -

Binsted Nurseries LLP
Fleurie Holdings Limited
Star Nurseries Limited
Toddington Nurseries Limited
Walberton Nursery Limited

There is no overall individual control

27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 £	2011 £
(Loss)/profit for the financial year	(133,705)	123,709
Net (reduction)/addition to shareholders' funds	(133,705)	123,709
Opening shareholders' funds	914,539	790,830
Closing shareholders' funds	780,834	914,539

Company

	2012 £	2011 £
(Loss)/profit for the financial year	(118,705)	12,973
Net (reduction)/addition to shareholders' funds	(118,705)	12,973
Opening shareholders' funds	301,832	288,859
Closing shareholders' funds	183,127	301,832

continued

Detailed Financial Statements
for the Year Ended 31 August 2012
for
Farplants Group Limited and Subsidiaries

Farplants Group Limited and Subsidiaries
Consolidated Trading and Profit and Loss Account
for the Year Ended 31 August 2012

	Notes	2012 £	2011 £
TURNOVER	1	18,599,202	20,281,503
Cost of sales	2	13,171,027	14,822,042
GROSS PROFIT		5,428,175	5,459,461
Distribution costs	3	3,297,546	3,312,501
Administrative expenses			
Establishment costs	4	124,489	98,922
Administrative expenses	5	1,796,446	1,668,881
Other expenses	6	15,658	11,892
Finance costs	7	14,633	25,587
Depreciation	8	219,124	141,968
		2,170,350	1,947,250
		5,467,896	5,259,751
		(39,721)	199,710
Other operating income	9	39,446	24,686
OPERATING (LOSS)/PROFIT		(275)	224,396
Finance income	10	3,034	1
		2,759	224,397
Amounts written off investments	11	-	1
		2,759	224,396
Finance costs	12	128,170	121,118
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(125,411)	103,278

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continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Trading and Profit and Loss Account
for the Year Ended 31 August 2012

	2012 £	2011 £
1 TURNOVER		
Sales	17,492,572	19,679,636
Service charge - Farplants Ltd	60,000	30,000
Sundry sales	782,299	442,276
Members' levies	708,589	550,629
Quantity discount	(444,258)	(421,038)
	<u>18,599,202</u>	<u>20,281,503</u>
2 COST OF SALES		
Trade purchases Member growers	11,933,847	13,723,907
Trade purchases Third party	1,025,581	843,609
Sundry purchases	211,599	254,526
	<u>13,171,027</u>	<u>14,822,042</u>
3 DISTRIBUTION COSTS		
Wages	1,185,092	1,097,794
Social security	34,237	31,896
Pensions	6,594	5,360
Hire of plant and machinery	-	1,306
Maint of plant & equipment	1,731	2,942
Transport	2,030,863	2,130,727
Motor expenses	18,062	17,945
Marketing	19,959	23,586
Motor, travel & subsistence	266	299
Telephone	742	646
	<u>3,297,546</u>	<u>3,312,501</u>
4 ESTABLISHMENT COSTS		
Rent and rates	28,770	44,376
Insurance	28,427	23,120
Light and heat	40,900	30,064
Repairs to property	26,392	1,362
	<u>124,489</u>	<u>98,922</u>

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continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Trading and Profit and Loss Account
for the Year Ended 31 August 2012

	2012 £	2011 £
5 ADMINISTRATIVE EXPENSES		
Wages	1,154,551	1,119,551
Social security	127,519	121,571
Pensions	59,253	52,868
Professional fees	105,217	77,609
Telephone	26,693	29,518
Post, stationery & advertising	41,974	43,136
Motor, travel & subsistence	12,396	12,048
Motor expenses	102,215	92,920
Repairs and renewals	21,806	20,487
Cleaning and laundry	5,912	6,296
Security	1,953	2,968
Computer costs	17,296	15,976
Sundry expenses	18	129
Subscriptions	399	-
Professional fees	90,170	35,821
Auditors' remuneration	10,817	13,261
Donations	500	200
Foreign exchange losses	12	-
Profit/loss on sale of tangible fixed assets	17,745	24,522
	<u>1,796,446</u>	<u>1,668,881</u>
6 OTHER EXPENSES		
Entertainment	6,304	7,362
Bad debts	9,354	4,530
	<u>15,658</u>	<u>11,892</u>
7 FINANCE COSTS		
Bank charges	<u>14,633</u>	<u>25,587</u>
8 DEPRECIATION		
Freehold property	150,404	100,358
Long leasehold	61	61
Plant and machinery	8,797	3,556
Fixtures and fittings	15,856	14,457
Computer equipment	44,006	23,536
	<u>219,124</u>	<u>141,968</u>
9 OTHER OPERATING INCOME		
Grant income	<u>39,446</u>	<u>24,686</u>

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continued

Farplants Group Limited and Subsidiaries

Notes to the Consolidated Trading and Profit and Loss Account
for the Year Ended 31 August 2012

	2012 £	2011 £
10 FINANCE INCOME		
Deposit account interest	<u>3,034</u>	<u>1</u>
11 AMOUNTS WRITTEN OFF INVESTMENTS		
Investments written off	<u>-</u>	<u>1</u>
12 FINANCE COSTS		
Bank interest	47,120	48,435
Bank loan interest	81,050	76,789
VAT supplement	-	(4,106)
	<u>128,170</u>	<u>121,118</u>

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