

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

REGISTRATION NO: 3020821

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

Verinder & Associates
Chartered Accountants

1-3 Crosby Road South
Liverpool L22 1RG



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HARTLEY'S FARM SHOP AND NURSERIES LIMITED

DIRECTORS REPORT

The Director presents his report and the financial statements for the year ended 31st December 2000.

1. Activities

The principal activity of the Company throughout the period was of Garden Centre and Farm Produce Shop.

2. Review of the Business

The Company has performed satisfactorily during the year. Further details of the Company's performance are set out in the Profit and Loss Account on page 3. The position at the end of the year is set out in the Balance Sheet on page 4.

3. Dividends and Transfers to Reserves

The Director paid a Dividend of £15,000 (1999 £10,000). The Profit before taxation in the Profit and Loss Account for the year is £19,587 (1999 £26,700) and a Profit of £885 was transferred to Reserves (1999 £11,521).

4. Fixed Assets

In the year Plant & Machinery was acquired to the value of £17,584. Movements in the year are shown in note 8 to the financial statements.

5. Directors

The Directors of the Company and their shareholdings during the year were as follows:-

	£1 Ordinary Shares	
	<u>2000</u>	<u>1999</u>
William John Hartley	2,400	2,400
Ann Louise Hartley (appointed 4/8/00)	100	100

No Director had any material interest during the year in any contract with the Company which is of significance to the business of the Company

6. **Statement of Director's Responsibilities**

Company Law requires the Director to prepare financial statements for each financial year, which give a fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, the director is required to

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is 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.

7. **Political and Charitable Donations**

No political contributions were made during the year. Charitable donations amounted to less than £200.

8. **Future Prospects**

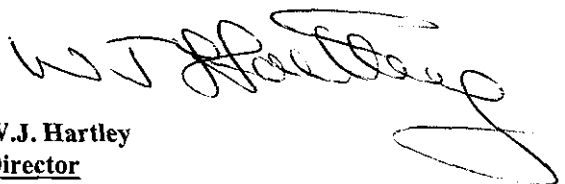
The Directors consider that the Company will improve its performance in the next financial year and will be able to take advantage of any upturn in the economy generally.

9. **Close Company Status**

The Company is a Close Company within the meaning of the Income Tax and Corporation Taxes Act 1988.

7th August 2001

Signed on Behalf of the Board


W.J. Hartley
Director

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
SALES - Continuing Operations		429,185	388,805
Operating Profit - Continuing Operations	2	18,876	26,309
Interest Receivable and Similar Income	4	711	391
Profit on Ordinary Activities Before Taxation		19,587	26,700
Taxation on Profit On Ordinary Activities	5	(3,702)	(5,179)
Profit on Ordinary Activities After Taxation		15,885	21,521
Dividends Paid	6	(15,000)	(10,000)
Retained Profit for the Year		885	11,521
Profit and Loss Account B/Fwd		45,366	33,845
Profit and Loss Account C/Fwd		46,251	45,366

The Company has no recognised gains and losses other than those included in the Profit above, and therefore no separate statement of total recognised gains and losses has been presented. There has been no discontinued activities or acquisitions in the current or preceding period.

There is no difference between the profit on ordinary activities before taxation and the retained Profit for the year stated above, and their historical cost equivalents.

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2000

	Notes	£	2000 £	£	1999 £
<u>FIXED ASSETS</u>					
Intangible Fixed Assets	7		3,200		4,000
Tangible Fixed Assets	8		59,332		59,855
				62,532	63,855
<u>CURRENT ASSETS</u>					
Stock	9		19,385		17,910
Debtors	10		6,683		5,444
Cash at Bank and In Hand			31,592		28,096
			57,660		51,450
<u>CREDITORS: Amounts Falling Due Within One Year</u>					
	11		23,778		27,117
<u>NET CURRENT ASSETS</u>					
				33,882	24,333
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
				96,414	88,188
<u>CREDITORS: Amounts Falling Due After More Than One Year</u>					
	12		47,663		40,322
			48,751		47,866
<u>SHARE CAPITAL AND RESERVES</u>					
Share Capital - Equity	13		2,500		2,500
Profit and Loss Account - Equity			46,251		45,366
Shareholders' Funds	14		48,751		47,866

For the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985. No notice has been deposited under subsection (2) of section 249B.

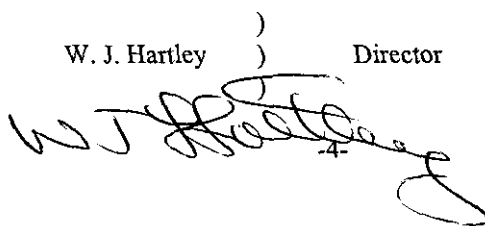
The director acknowledges his responsibility for:

- ensuring that the company keeps proper accounting records which comply with section 221, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 2000 and of its Profit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

W. J. Hartley

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Director

7th August 2001



HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

1. Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules and comply with applicable Statements of Standard Accounting Practice and Financial Reporting Standards.

1.2 Depreciation/Amortisation

Depreciation is provided so as to write off the assets cost, or valuation over its estimated useful economic life. The following rates have been used;

Motor Vehicles	@	25% per annum reducing balance method
Plant/Equipment	@	25% per annum reducing balance method
Building Improvements	@	NIL% per annum

Amortisation is charged by equal monthly instalments commencing with the year of acquisition at rates estimated to write off assets over their estimated useful lives by the straight line method at the following rates per annum;

Goodwill	@	10% straight line basis
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1.3 Stock and Work in Progress

Stock is stated at the lower of cost and net realisable value.

1.4 Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

1.5 Turnover

Turnover is derived from the Company's ordinary activities and is stated net of Value Added Tax.

1.6 Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.7 Pension

The Company contributes to a defined contribution pension scheme in respect of the director and one employee. The cost to the company amounted to £2,172, which relates to the contribution paid by the company.

1.8 Operating Leases

Operating Leases are charged to the Profit and Loss Account over the lease term on a straight line basis

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

(Continued)

2. Operating Profit

	2000	1999
	£	£
<u>Continuing Operations</u>		
Sales	429,185	388,805
Cost of Sales	250,345	230,560
Gross Profit	178,840	158,245
Administrative Expenses	159,964	131,936
Operating Profit	18,876	26,309

Costs and Expenses Include the Following:-

	£	£
Depreciation	18,107	18,267
Staff Costs (see note 3)	86,350	74,199
Amortisation	800	800
Auditors Remuneration	-	500

3. Staff Costs (Including Directors Emoluments)

	£	£
Wages and Salaries	80,340	70,890
Social Security Costs	3,838	2,109
Pension Costs	2,172	1,200
	86,350	74,199

**Average Number of Persons Employed by the Company
During the Year:-**

	<u>No:</u>	<u>No:</u>
Management	2	2
Assistants	12	12
	14	14

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

(Continued)

3. Staff Costs (Continued)

Directors Emoluments Including Pension Contributions:-

	2000	1999
	£	£
Fees	-	-
Other Emoluments	6,486	6,000
	6,486	6,000

4. Interest Receivable and Similar Income

	£	£
Bank Interest Received	711	391

5. Tax on Profit on Ordinary Activities

	£	£
Corporation Tax @ 20/21% on Profits on Ordinary Activities	3,702	5,179

6. Dividend

	£	£
A Dividend was voted on £1 Ordinary Shares on 31st December 2000/1999	15,000	10,000

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

(Continued)

7. Intangible Fixed Assets

	Goodwill £
Balance At 01.01.2000	8,000
Balance At 31.12.2000	8,000
<u>Amortisation</u>	
Balance At 01.01.2000	4,000
Charge for Year	800
Balance At 31.12.2000	4,800
<u>Net Book Value</u>	
As At 31st December 2000	3,200
As At 31st December 1999	4,000

8. Tangible Fixed Assets

	Total £	Plant/ Machinery/ Equipment £	Building Improvements £	Motor Vehicles £
<u>At Cost</u>				
Opening Balance @ 01.01.2000	112,830	102,667	5,011	5,152
Additions	17,584	17,584	-	-
Disposals				
Closing Balance @ 31.12.2000	130,414	120,251	5,011	5,152
<u>Depreciation</u>				
Opening Balance @ 01.01.2000	52,975	50,282	-	2,693
Charge for Year	18,107	17,492	-	615
Closing Balance @ 31.12.2000	71,082	67,774	-	3,308
Net Book Value At 31.12.2000	59,332	52,477	5,011	1,844
Net Book Value At 31.12.1999	59,855	52,385	5,011	2,459

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

(Continued)

9.	<u>Stock</u>	2000	1999
		£	£
	Finished Goods and Goods for Resale	19,385	17,910
10.	<u>Debtors</u>	£	£
	Prepayments and Accrued Income	6,683	5,444
	All Debts are Due Within One Year.		
11.	<u>Creditors: Amounts Falling Due Within One Year</u>	£	£
	Bank Loans and Overdrafts	127	2,691
	Trade Creditors	12,105	13,632
	Corporation Tax	3,702	5,179
	Other Taxes and Social Security Costs	5,397	2,847
	Accruals and Deferred Income	2,447	2,768
		23,778	27,117
12.	<u>Creditors: Amounts Falling Due After More Than One Year</u>	£	£
	Directors Loan Account	47,663	40,322
	Borrowings Repayable Beyond One Year are as follows:-		
		£	£
	Due Between Two and Five Years		
	- Directors Loan Account	47,663	40,322

HARTLEY'S FARM SHOP AND NURSERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

(Continued)

13. Share Capital

	<u>Authorised</u>		<u>Allotted, Called Up</u>	
	<u>No. of Shares</u>	<u>£</u>	<u>and Fully Paid</u>	
			<u>No. of Shares</u>	<u>£</u>
<u>2000 and 1999</u>				
Ordinary Shares of £1 each	2,500	2,500	2,500	2,500

14. Reconciliation of Movements in Shareholders Funds

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Opening Shareholders' Funds	47,866	36,345
Profit for the Year	15,885	21,521
Dividend Paid	(15,000)	(10,000)
Closing Shareholders' Funds	48,751	47,866

15. Capital Commitments

	<u>£</u>	<u>£</u>
Contracted for but not yet committed	NIL	NIL

16. Future Commitments Under Operating Leases

	<u>£</u>	<u>£</u>
<u>Vehicle</u>		
Operating Leases which expire:-		
Within One Year	1,188	943

17. Contingent Liabilities

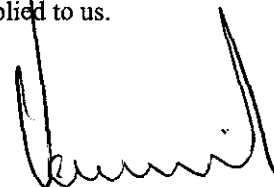
There were no Contingent Liabilities at 31st December 2000 (1999 £NIL).

18. Related Parties

During the year the company director Mr. W. J. Hartley provided further finance to the Company to the value of £7,341. The year end balance on the directors loan account was £47,663. No amounts were written off during the year in respect of related parties, and no provisions are necessary.

ACCOUNTANTS REPORT
ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF
HARTLEY'S FARM SHOP AND NURSERIES LIMITED

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 30th December 2000 set out on pages 3 to 10 and you consider that the Company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



VERINDER & ASSOCIATES
CHARTERED ACCOUNTANTS

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Liverpool L22 1RG