

Registered

Registered number
3528421(England)

DOMESTAR PLC
REPORT AND ACCOUNTS
31 DECEMBER 2002

HAMMONDS
CHARTERED ACCOUNTANTS
21 BROADWALK
PINNERS ROAD
NORTH HARROW
MIDDLESEX
HA2 6ED



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COMPANIES HOUSE

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12/06/03

**DOMESTAR PLC
REPORT AND ACCOUNTS
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DOMESTAR PLC
COMPANY INFORMATION

Directors

Mrs. G. J. Golder
Mr. D. J. Golder

Secretary

Mrs. G. J. Golder

Auditors

Hammonds
21 Broadwalk
Pinner Road
North Harrow
Middlesex
HA2 6ED

Registered office

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DOMESTAR PLC DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2002.

Principal activities and review of the business

The company's principal activity during the year continued to be of importation and distribution of nursery products.

The company achieved a turnover of £427,714 for the year ended 31 December 2002 compared to £538,596 for the year ended 31 December 2001.

Results and dividends

The profit for the year, after taxation, amounted to £25,712. A final dividend of £20,000 was paid during the year.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
Mr. D. J. Golder	25,000	25,000
Mrs. G. J. Golder	25,000	25,000

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 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.

Auditors

A resolution to reappoint Hammonds as auditors will be put to the member at the Annual General Meeting.

This report was approved by the board on 9 June 2003.


Mrs. G. J. Golder
Director

DOMESTAR PLC
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF DOMESTAR PLC

We have audited the accounts of Domestar Plc for the year ended 31st December 2002 which comprise pages 4 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

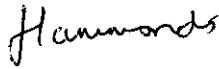
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hammonds
Chartered Accountants
21 Broadwalk
Pinner Road
North Harrow
Middlesex


Hammonds
Registered auditors

Date 10 June 2003

DOMESTAR PLC
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	427,714	538,596
Cost of sales		(364,788)	(462,853)
Gross profit		<u>62,926</u>	<u>75,743</u>
Distribution costs		(159)	(5,072)
Administrative expenses		(35,594)	(37,626)
Operating profit	3	<u>27,173</u>	<u>33,045</u>
Interest receivable		2,750	2,738
Interest payable	6	(156)	(30)
Profit on ordinary activities before taxation		<u>29,767</u>	<u>35,753</u>
Tax on profit on ordinary activities	7	(5,011)	(6,898)
Profit for the financial year		<u>24,756</u>	<u>28,855</u>
Dividends:			
ordinary dividend on equity shares	8	(20,000)	(15,000)
Retained profit for the financial year	14	<u>4,756</u>	<u>13,855</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

DOMESTAR PLC
BALANCE SHEET
AS AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	9	-	287
Current assets			
Stocks	10	5,941	9,629
Debtors	11	320,080	354,684
Cash at bank and in hand		36,748	35,622
		<u>362,769</u>	<u>399,935</u>
Creditors: amounts falling due within one year	12	(293,321)	(335,530)
Net current assets		<u>69,448</u>	<u>64,405</u>
		<u>69,448</u>	<u>64,692</u>
Capital and reserves			
Called up share capital	13	50,000	50,000
Profit and loss account	14	19,448	14,692
Shareholder's funds:			
Equity		<u>69,448</u>	<u>64,692</u>
	15	<u>69,448</u>	<u>64,692</u>

Mr D J Golder
Director

Approved by the board on 9 June 2003

DOMESTAR PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		27,173	33,045
Depreciation charges		287	287
Decrease in stocks		3,688	16,968
Decrease/(increase) in debtors		34,604	(177,185)
(Decrease)/increase in creditors		(40,459)	166,335
Net cash inflow from operating activities		<u>25,293</u>	<u>39,450</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		25,293	39,450
Returns on investments and servicing of finance	16	2,594	2,708
Taxation		(6,761)	(377)
		<u>21,126</u>	<u>41,781</u>
Equity dividends paid		(20,000)	(15,000)
		<u>1,126</u>	<u>26,781</u>
Increase in cash		<u>1,126</u>	<u>26,781</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		1,126	26,781
Change in net debt	17	<u>1,126</u>	<u>26,781</u>
Net funds at 1 January		35,622	8,841
Net funds at 31 December		<u>36,748</u>	<u>35,622</u>

DOMESTAR PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Equipment, Fixtures and Fittings	25% per annum
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Stocks

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

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity only.

DOMESTAR PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

3 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	287	287
Auditors' remuneration	975	975
4 Directors' emoluments	2002	2001
	£	£
Emoluments	18,928	12,373
5 Staff costs	2002	2001
	£	£
Wages and salaries	18,000	12,000
Social security costs	928	373
	18,928	12,373
Average number of employees during the year	Number	Number
Administration	2	2
6 Interest payable	2002	2001
	£	£
Bank loans and overdrafts	156	30

DOMESTAR PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

7 Taxation

	2002	2001
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	5,011	6,898
	<u>5,011</u>	<u>6,898</u>
Tax on profit on ordinary activities	<u>5,011</u>	<u>6,898</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>29,767</u>	<u>35,753</u>
Standard rate of corporation tax in the UK	16.52%	19.05%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	4,918	6,811
Effects of:		
Expenses not deductible for tax purposes	93	52
Capital allowances for period in excess of depreciation	-	35
	<u>5,011</u>	<u>6,898</u>
Current tax charge for period	<u>5,011</u>	<u>6,898</u>

8 Equity dividends

	2002	2001
	£	£
Equity dividends on ordinary shares - final paid	<u>20,000</u>	<u>15,000</u>

DOMESTAR PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

9 Tangible fixed assets

	Equipment, Fixtures & Fittings £
Cost	
At 1 January 2002	1,435
At 31 December 2002	<u>1,435</u>
Depreciation	
At 1 January 2002	1,148
Charge for the year	287
At 31 December 2002	<u>1,435</u>
Net book value	
At 31 December 2002	<u>-</u>
At 31 December 2001	<u>287</u>

10 Stocks

	2002 £	2001 £
Finished goods and goods for resale	<u>5,941</u>	<u>9,629</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11 Debtors

	2002 £	2001 £
Trade debtors	320,080	344,138
Other debtors	-	10,546
	<u>320,080</u>	<u>354,684</u>
Amounts due after more than one year included in: Trade debtors	<u>59,829</u>	<u>57,120</u>

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	282,234	324,500
Corporation tax	5,011	6,761
Other taxes and social security costs	4,431	2,624
Accruals and deferred income	1,645	1,645
	<u>293,321</u>	<u>335,530</u>

DOMESTAR PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

13 Share capital

			2002 £	2001 £
Authorised:				
Ordinary shares of £1 each			100,000	100,000

	2002 No	2001 No	2002 £	2001 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

14 Profit and loss account

		2002 £	2001 £
At 1 January		14,692	837
Retained profit		4,756	13,855
At 31 December		19,448	14,692

15 Reconciliation of movement in shareholder's funds

	2002 £	2001 £
At 1 January	64,692	50,837
Profit for the financial year	24,756	28,855
Dividends	(20,000)	(15,000)
At 31 December	69,448	64,692

16 Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	2,750	2,738
Interest paid	(156)	(30)
	2,594	2,708

17 Analysis of changes in net debt

	At 1 Jan 2002 £	Cash flows £	Non-cash changes £	At 31 Dec 2002 £
Cash at bank and in hand	35,622	1,126		36,748
Total	35,622	1,126	-	36,748