

Company Registration No. 2466472 (England and Wales)

R DELAMORE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

Saffery Champness
CHARTERED ACCOUNTANTS

WEDNESDAY



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R DELAMORE LIMITED

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R DELAMORE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities and review of the business

The principal activity of the company continued to be that of the production of cuttings and young plants.

During the year the new nursery at Wisbech St Mary was completed and occupied. On 31 July 2005 the company acquired the young plant business and goodwill of Proculture Plants Ltd. On 31 December 2005, Delamore (Guernsey) Ltd, the 99% subsidiary undertaking was closed. On 31 March 2006, Ornamental Plants Ltd, the wholly owned subsidiary undertaking, was sold.

Results and dividends

The results for the year are set out on page 4.

Full details of the dividends paid and proposed are detailed in note 7 to the financial statements.

Future developments

The directors look forward to the company enjoying a full year of increased sales and cost savings from the new freehold nursery, which has replaced the old leasehold nursery in Wisbech.

Directors

The following directors have held office since 1 April 2005:

P J Wood
D R Payne
W M Eady

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of 50p each	
	31 March 2006	1 April 2005
PJ Wood	100,200	100,200
D R Payne	-	-
W M Eady	-	-

There are no schemes to benefit the directors by enabling them to buy shares in or debentures of the company.

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

R DELAMORE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2006

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the 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 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. 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



M D Bliss

Secretary

23 November 2006

R DELAMORE LIMITED

**INDEPENDENT AUDITORS' REPORT TO R DELAMORE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of the company for the year ended 31 March 2006 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 18 are properly prepared in accordance with that provision.


Saffery Champness

23 November 2006

Chartered Accountants
Registered Auditor

Stuart House
City Road
Peterborough
Cambridgeshire
PE1 1QF

R DELAMORE LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	2006 £	2005 £
Gross profit		1,830,738	1,865,464
Distribution costs		(441,829)	(381,403)
Administrative expenses		(781,458)	(702,906)
Operating profit	2	<u>607,451</u>	<u>781,155</u>
Non-trading debt due from subsidiary company written off		(81,500)	(100,000)
Profit on sale of subsidiary		<u>1,314,758</u>	<u>-</u>
		<u>1,233,258</u>	<u>(100,000)</u>
Profit on ordinary activities before interest		1,840,709	681,155
Other interest receivable and similar income		5,858	53,683
Interest payable and similar charges	3	(170,891)	(43,662)
Profit on ordinary activities before taxation		1,675,676	691,176
Tax on profit on ordinary activities	4	(206,747)	(236,590)
Profit on ordinary activities after taxation		<u>1,468,929</u>	<u>454,586</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial year	1,468,929	454,586
Prior year adjustment	<u>145,035</u>	<u>-</u>
Total gains and losses recognised since last financial statements	<u>1,613,964</u>	<u>454,586</u>

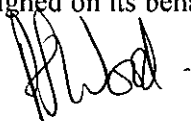
R DELAMORE LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2006**

		2006		2005 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		374,666		144,252
Tangible assets	7		5,000,433		3,929,373
Investments	8		16,517		691,759
			<u>5,391,616</u>		<u>4,765,384</u>
Current assets					
Stocks	9	1,384,000		1,292,475	
Debtors	10	3,552,381		2,975,769	
Cash at bank and in hand		1,078,152		-	
			<u>6,014,533</u>	<u>4,268,244</u>	
Creditors: amounts falling due within one year	11	(3,334,555)		(3,159,682)	
Net current assets			<u>2,679,978</u>		<u>1,108,562</u>
Total assets less current liabilities			<u>8,071,594</u>		<u>5,873,946</u>
Creditors: amounts falling due after more than one year	12		(2,880,000)		(1,956,000)
Provisions for liabilities and charges	13		(479,737)		(319,426)
			<u>4,711,857</u>		<u>3,598,520</u>
Capital and reserves					
Called up share capital	14		100,000		100,000
Share premium account	15		55,137		55,137
Profit and loss account	15		4,556,720		3,443,383
Shareholders' funds - equity interests	16		<u>4,711,857</u>		<u>3,598,520</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were authorised for issue and approved by the Board on 23 November 2006 and signed on its behalf by



P J Wood
Director

R DELAMORE LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	2006	2005
	£	£
Net cash inflow from operating activities	167,472	1,844,547
Returns on investments and servicing of finance		
Interest received	5,858	53,683
Interest paid	(170,891)	(43,662)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(165,033)	10,021
Taxation	62,232	(318,838)
Capital expenditure and financial investment		
Payments to acquire intangible assets	(268,064)	-
Payments to acquire tangible assets	(1,377,044)	(3,339,380)
Receipts from sales of tangible assets	60,278	39,435
Receipts from sales of investments	1,990,000	-
Net cash outflow for capital expenditure	405,170	(3,299,945)
Equity dividends paid	(263,700)	(367,665)
Net cash outflow before management of liquid resources and financing	206,141	(2,131,880)
Financing		
New long term bank loan	1,244,000	1,956,000
Exceptional item	(81,500)	(100,000)
Capital element of hire purchase contracts	(32,785)	(43,713)
Net cash inflow from financing	1,129,715	1,812,287
Increase/(decrease) in cash in the year	1,335,856	(319,593)

R DELAMORE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is capitalised and amortised on a straight-line basis over 20 years. Goodwill is the difference between the amounts paid on the acquisition of the business and the aggregate fair value of its separable net assets.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land & buildings	4% - 12.5% on cost
Plant and machinery	10% - 25% on cost
Greenhouses	4% - 12.5% on cost
Motor vehicles	25% on cost

Freehold land is not depreciated.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost.

1.7 Stock

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

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

R DELAMORE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

(continued)

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.10 Dividends

The accounting policy in respect of proposed dividends has been changed to reflect the requirements of the Financial Reporting Standard 21. As a result of this change a prior period adjustment has been made in respect of the proposed dividend on the ordinary shares at 31 March 2005 of £145,035. The creditor and the appropriation of profit at 31 March 2005 have been cancelled. The dividend has been debited to equity in the current year.

2	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	37,650	28,860
	Depreciation of tangible assets	305,984	297,947
	Operating lease rentals	126,287	118,025
	Auditors' remuneration	8,868	9,307
	and after crediting:		
	Profit on disposal of tangible assets	(60,278)	(13,508)
		<u> </u>	<u> </u>
3	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	149,956	27,857
	Hire purchase interest	2,951	3,934
	Other interest	17,984	11,871
		<u> </u>	<u> </u>
		<u>170,891</u>	<u>43,662</u>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

4 Taxation	2006	2005
	£	£
Domestic current year tax		
U.K. corporation tax	-	(82,181)
Adjustment for prior years	46,436	(655)
	<u>46,436</u>	<u>(82,836)</u>
Current tax charge	46,436	(82,836)
Deferred tax		
Deferred tax charge/credit current year	160,311	319,426
	<u>160,311</u>	<u>319,426</u>
	<u>206,747</u>	<u>236,590</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,675,676	691,176
	<u>1,675,676</u>	<u>691,176</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)	502,703	207,353
	<u>502,703</u>	<u>207,353</u>
Effects of:		
Non deductible expenses	17,626	42,394
Capital allowances in excess of depreciation	(196,156)	(317,541)
Tax losses utilised	90,975	(15,451)
Adjustments to previous periods	46,436	655
Disposal of subsidiary not taxable	(412,511)	-
Other tax adjustments	(2,637)	(246)
	<u>(456,267)</u>	<u>(290,189)</u>
Current tax charge	46,436	(82,836)
	<u>46,436</u>	<u>(82,836)</u>
5 Dividends	2006	2005
	£	£
Ordinary 'A' interim paid of 11p per share (2005 - 11p per share)	9,900	9,900
Ordinary 'A' final proposed of 222.95p per share (2005 - 120.85p per share)	200,657	108,765
	<u>210,557</u>	<u>118,665</u>
Ordinary interim paid of 131.85p per share (2005 - 183.83p per share)	145,035	202,216
	<u>145,035</u>	<u>202,216</u>
	<u>355,592</u>	<u>320,881</u>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

6 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2005	560,500
Additions	268,064
	<hr/>
At 31 March 2006	828,564
	<hr/>
Amortisation	
At 1 April 2005	416,248
Charge for the year	37,650
	<hr/>
At 31 March 2006	453,898
	<hr/>
Net book value	
At 31 March 2006	374,666
	<hr/> <hr/>
At 31 March 2005	144,252
	<hr/> <hr/>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

7 Tangible fixed assets

	Freehold land & buildings £	Assets under course of construction £	Plant and machinery £	Greenhouses £	Motor vehicles £	Total £
Cost						
At 1 April 2005	765,584	3,060,129	1,632,227	1,278,058	287,077	7,023,075
Additions	98,054	-	232,528	995,185	51,277	1,377,044
Disposals	(4,620)	-	-	(885,882)	(12,150)	(902,652)
Re-classification	(231,424)	(3,060,129)	(1,028,391)	2,773,960	-	(1,545,984)
At 31 March 2006	<u>627,594</u>	<u>-</u>	<u>836,364</u>	<u>4,161,321</u>	<u>326,204</u>	<u>5,951,483</u>
Depreciation						
At 1 April 2005	170,153	-	1,570,409	1,163,337	189,803	3,093,702
On disposals	(4,620)	-	-	(885,882)	(12,150)	(902,652)
Charge for the year	1,578	-	161,028	69,176	74,202	305,984
Re-classification	(165,533)	-	(1,410,514)	27,573	2,490	(1,545,984)
At 31 March 2006	<u>1,578</u>	<u>-</u>	<u>320,923</u>	<u>374,204</u>	<u>254,345</u>	<u>951,050</u>
Net book value						
At 31 March 2006	<u>626,016</u>	<u>-</u>	<u>515,441</u>	<u>3,787,117</u>	<u>71,859</u>	<u>5,000,433</u>
At 31 March 2005	<u>595,431</u>	<u>3,060,129</u>	<u>61,818</u>	<u>114,721</u>	<u>97,274</u>	<u>3,929,373</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2006	<u>-</u>
At 31 March 2005	<u>41,352</u>
Depreciation charge for the year	
At 31 March 2006	<u>41,352</u>
At 31 March 2005	<u>41,344</u>

Included in cost of land and buildings is freehold land of £374,747 (2005 - £373,362) which is not depreciated.

During the year the construction of the new nursery at Wisbech St Mary and the transfer of all operations to that site was completed. As part of this process the company reclassified items within tangible fixed assets and wrote off fully depreciated assets at the old site. This re-classification has had no effect on the carrying value of the tangible assets at the balance sheet date.

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

8 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2005	691,759
Disposals	(675,242)
	<hr/>
At 31 March 2006	<u>16,517</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Delamore (Guernsey) Limited	Guernsey	Ordinary	99

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2006 £	Profit for the year 2006 £
Delamore (Guernsey) Limited	<u>(157,770)</u>	<u>(260,368)</u>

Delamore (Guernsey) Ltd. ceased operations on 31 December 2005.

The company sold its subsidiary undertaking, Ornamental Plants Ltd., during the year. The profit on sale is shown as an exceptional item in the profit and loss account.

9 Stocks	2006 £	2005 £
Finished goods and goods for resale	<u>1,384,000</u>	<u>1,292,475</u>

R DELAMORE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

10 Debtors	2006	2005
	£	£
Trade debtors	2,641,228	2,264,653
Amounts owed by subsidiary undertakings	-	573,140
Corporation tax	-	82,181
Other debtors	883,465	26,010
Prepayments and accrued income	27,688	29,785
	<u>3,552,381</u>	<u>2,975,769</u>

Included in other debtors is £750,000 of consideration due on the sale of Ornamental Plants Ltd.

11 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	320,000	257,704
Net obligations under hire purchase contracts	-	32,785
Trade creditors	2,320,918	2,521,170
Corporation tax	26,487	-
Other taxes and social security costs	180,190	40,837
Accruals and deferred income	286,303	198,421
Proposed dividend	200,657	108,765
	<u>3,334,555</u>	<u>3,159,682</u>

Net obligations under finance leases and hire purchase contracts

Repayable within one year	-	32,785
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>32,785</u>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

12 Creditors: amounts falling due after more than one year	2006	2005
	£	£
Bank loans	2,880,000	1,956,000
	<u>2,880,000</u>	<u>1,956,000</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	3,200,000	1,956,000
	<u>3,200,000</u>	<u>1,956,000</u>
Included in current liabilities	(320,000)	-
	<u>(320,000)</u>	<u>-</u>
	<u>2,880,000</u>	<u>1,956,000</u>
Instalments not due within five years	1,600,000	676,000
	<u>1,600,000</u>	<u>676,000</u>
Loan maturity analysis		
In more than one year but not more than two years	320,000	320,000
In more than two years but not more than five years	960,000	960,000
In more than five years	1,600,000	676,000
	<u>1,600,000</u>	<u>676,000</u>

The bank overdraft is secured by an unscheduled Mortgage Debenture incorporating a fixed and floating charge over all current and future assets of the company.

The bank loan is secured by a first legal charge over the company's freehold land and buildings. The bank loans carries interest at a rate of 1.25% above National Westminster Bank plc base rate and is repayable by minimum annual installments of £320,000. The company can at its discretion, make additional repayments at any time during the loan term. The company also has the option of further drawdown to a maximum of the prepaid element of such instalments.

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2005	319,426
Profit and loss account	160,311
	<hr/>
Balance at 31 March 2006	479,737
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	564,746	319,426
Tax losses available	(85,009)	-
	<hr/>	<hr/>
	479,737	319,426
	<hr/> <hr/>	<hr/> <hr/>

14 Share capital

	2006 £	2005 £
Authorised		
90,000 Ordinary 'A' of 50p each	45,000	45,000
110,000 Ordinary of 50p each	55,000	55,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/> <hr/>	<hr/> <hr/>
Allotted, called up and fully paid		
90,000 Ordinary 'A' of 50p each	45,000	45,000
110,000 Ordinary of 50p each	55,000	55,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/> <hr/>	<hr/> <hr/>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2005 as previously reported	55,137	3,298,348
Prior year adjustment	-	145,035
	<hr/>	<hr/>
Balance at 1 April 2005 as restated	55,137	3,443,383
Profit for the financial year	-	1,468,929
Dividends		(355,592)
	<hr/>	<hr/>
Balance at 31 March 2006	<u>55,137</u>	<u>4,556,720</u>

The prior year adjustment relates to the change in accounting policy in respect of proposed final dividends to reflect the requirements of Financial Reporting Standard 21.

The directors have proposed a final dividend on the Ordinary shares of £257,347. This dividend has not been provided for within the current year financial statements as it had not been approved by the members at the balance sheet date.

16 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	1,468,929	454,586
Dividends	(355,592)	(320,881)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,113,337	133,705
Opening shareholders' funds	3,598,520	3,464,815
	<hr/>	<hr/>
Closing shareholders' funds	<u>4,711,857</u>	<u>3,598,520</u>

Opening shareholders' funds were originally £3,453,485 before adding prior year adjustments of £145,035.

17 Financial commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Expiry date:				
Within one year	-	126,286	-	31,572
	<hr/>	<hr/>	<hr/>	<hr/>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

18 Directors' emoluments	2006	2005
	£	£
Emoluments for qualifying services	250,638	233,466

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	122,570	121,772
------------------------------------	---------	---------

Directors' emoluments, as stated above, include £13,855 paid as fees in respect of a director's services (2004: £14,240).

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2006	2005
	Number	Number
Production and distribution	77	78
Sales	3	1
Administration	5	7
	<u>85</u>	<u>86</u>

Employment costs

	£	£
Wages and salaries	1,733,767	1,556,220
Social security costs	117,362	108,484
	<u>1,851,129</u>	<u>1,664,704</u>

20 Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005
	£	£
Operating profit	607,451	781,155
Depreciation of tangible assets	305,984	297,947
Amortisation of intangible assets	37,650	28,860
Profit on disposal of tangible assets	(60,278)	(13,508)
Increase in stocks	(91,525)	(267,670)
Increase in debtors	(658,793)	(252,933)
Increase in creditors within one year	26,983	1,270,696
Net cash inflow from operating activities	<u>167,472</u>	<u>1,844,547</u>

R DELAMORE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

21 Analysis of net (debt)/funds	1 April 2005	Cash flow	Other non-cash changes	31 March 2006
	£	£	£	£
Net cash:				
Cash at bank and in hand	-	1,078,152	-	1,078,152
Bank overdrafts	(257,704)	257,704	-	-
	<u>(257,704)</u>	<u>1,335,856</u>	<u>-</u>	<u>1,078,152</u>
Finance leases	(32,785)	32,785	-	-
Debts falling due within one year	-	(320,000)	-	(320,000)
Debts falling due after one year	(1,956,000)	(924,000)	-	(2,880,000)
	<u>(1,988,785)</u>	<u>(1,211,215)</u>	<u>-</u>	<u>(3,200,000)</u>
Net debt	<u>(2,246,489)</u>	<u>124,641</u>	<u>-</u>	<u>(2,121,848)</u>
22 Reconciliation of net cash flow to movement in net debt			2006	2005
			£	£
Increase/(decrease) in cash in the year			1,335,856	(319,593)
Cash inflow from increase in debt and lease financing			(1,211,215)	(1,912,287)
			<u>124,641</u>	<u>(2,231,880)</u>
Movement in net debt in the year			<u>124,641</u>	<u>(2,231,880)</u>
Opening net debt			(2,246,489)	(14,609)
			<u>(2,121,848)</u>	<u>(2,246,489)</u>
Closing net debt			<u>(2,121,848)</u>	<u>(2,246,489)</u>