

**WILLIAM SINCLAIR
HORTICULTURE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000
REG NO. 7633**

Pannell Kerr Forster

PANNELL KERR FORSTER



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WILLIAM SINCLAIR HORTICULTURE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

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**WILLIAM SINCLAIR HORTICULTURE LIMITED
DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 30 June 2000.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was **£2,115,856**.

Dividends	£
Interim dividends of 66.86p per share (paid)	341,000
The directors now recommend a final dividend of £2.09 per share	1,067,000
	<hr/> 1,408,000 <hr/>

REVIEW OF THE BUSINESS

The company's principal activities during the year were those of a horticultural and fertiliser merchant, pulverised bark processor and perlite and vermiculite merchant.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:-

P J F Barton	(Chairman)
T R Dick	
N F Uzzell	
P J Williams	(resigned 7 December 1999)
P T Davenport	
I P Yarrow	(appointed 1 July 1999)
F S Carrington	(appointed 28 September 1999)
R Barlow	(appointed 23 May 2000)
S D Harper	(appointed 23 May 2000)

No director had any declarable interest in the shares of the company during the year.

Mr P J F Barton and Mr P T Davenport are directors of the ultimate parent company in whose accounts their interests are shown.

**WILLIAM SINCLAIR HORTICULTURE LIMITED
DIRECTORS' REPORT**

The interests in the shares of William Sinclair Holdings plc of the other directors who held office at the year end are as follows:-

	<u>30 June 2000</u>		<u>30 June 1999</u>	
	<u>Beneficial holding</u>	<u>Share option</u>	<u>Beneficial holding</u>	<u>Share option</u>
T R Dick	4,070	50,000	4,070	50,000
P J Williams	-	-	5,148	14,722
N F Uzzell	13,539	-	13,539	-
R Barlow	1,858	15,000	-	-
F S Carrington	-	15,000	-	-
S D Harper	-	15,000	-	-
I P Yarrow	1,154	15,000	-	-

In addition to the above Mr N F Uzzell has a non-beneficial interest in 57,178 shares (1999 : 90,285) arising from his role as trustee of an approved profit sharing scheme.

STATEMENT OF 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;
- ◆ state whether applicable 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 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.

AUDITORS

A resolution to reappoint the auditors, Pannell Kerr Forster, will be proposed at the Annual General Meeting.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company has given charitable donations of **£250** (1999 : £245) during the year.

**WILLIAM SINCLAIR HORTICULTURE LIMITED
DIRECTORS' REPORT**

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and regular company circulars. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

PAYMENTS POLICY

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions.

The number of days purchases outstanding at 30 June 2000 was 49.

BY ORDER OF THE BOARD



E W DAWE
Secretary

26 September 2000
Lincoln

**WILLIAM SINCLAIR HORTICULTURE LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

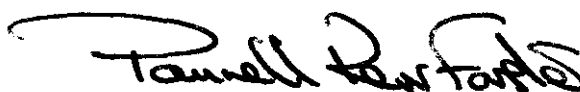
Basis of opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Registered Auditors

26 September 2000
Lincoln

WILLIAM SINCLAIR HORTICULTURE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	37,777,022	35,955,123
OPERATING CHARGES	3	34,539,270	33,285,383
OPERATING PROFIT		<u>3,237,752</u>	<u>2,669,740</u>
NET INTEREST PAYABLE	5	217,549	173,472
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,020,203</u>	<u>2,496,268</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	904,347	792,525
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,115,856</u>	<u>1,703,743</u>
DIVIDENDS	7	1,408,000	1,146,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>707,856</u></u>	<u><u>557,743</u></u>

The movement on reserves is shown in note 16 to the financial statements.

All amounts relate to continuing operations.

WILLIAM SINCLAIR HORTICULTURE LIMITED
YEAR ENDED 30 JUNE 2000

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the financial year	2,115,856	1,703,743
Unrealised surplus on revaluation of properties	-	426,164
Unrealised revaluation surplus on group asset transfer	-	57,147
Total recognised gains	<u>2,115,856</u>	<u>2,187,054</u>

STATEMENT OF HISTORICAL COST PROFITS AND LOSSES

	<u>2000</u>	<u>1999</u>
	£	£
Reported profit on ordinary activities before taxation	3,020,203	2,496,268
Differences between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	20,336	(650)
Historical cost profit on ordinary activities before taxation	<u>3,040,539</u>	<u>2,495,618</u>
Historical cost profit for the year retained after taxation and dividends	<u>728,192</u>	<u>557,093</u>

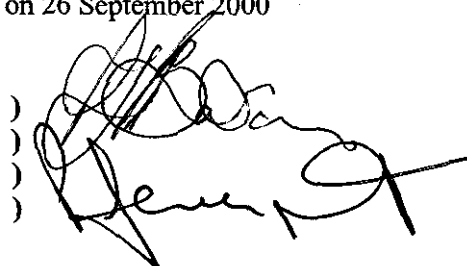
WILLIAM SINCLAIR HORTICULTURE LIMITED
BALANCE SHEET
30 JUNE 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>	
		£	£	£
FIXED ASSETS				
Tangible assets	8	8,953,035		8,332,924
Investments	9	2,581,485		2,561,020
		11,534,520		10,893,944
CURRENT ASSETS				
Stocks	10	5,039,744		4,281,536
Debtors	11	10,265,413		9,795,392
Cash at bank and in hand		2,892,958		3,536,917
		18,198,115		17,613,845
CREDITORS				
Amounts falling due within one year	12	14,011,320		13,427,512
NET CURRENT ASSETS			4,186,795	4,186,333
TOTAL ASSETS LESS				
CURRENT LIABILITIES			15,721,315	15,080,277
CREDITORS				
Amounts falling due after one year	12		158,057	210,875
PROVISION FOR LIABILITIES				
AND CHARGES	14		511,000	525,000
NET ASSETS			15,052,258	14,344,402
CAPITAL AND RESERVES				
Called up equity share capital	15		510,000	510,000
Capital reserve	16	124,572		124,572
General reserve	16	1,091,999		1,091,999
Revaluation reserve	16	2,462,079		2,462,079
Profit and loss account	16	10,863,608		10,155,752
			14,542,258	13,834,402
EQUITY SHAREHOLDERS FUND	17		15,052,258	14,344,402

Approved by the Board on 26 September 2000

P J F BARTON)

P T DAVENPORT)



WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

1 ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain freehold and leasehold property, and in accordance with applicable accounting standards.

(b) Deferred Taxation

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

(c) Turnover

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(d) Depreciation

Freehold land is not depreciated except where the operations carried out suggest land values will decrease. Depreciation is charged on other tangible assets at fixed rates calculated to write off the cost or valuation over the period of their expected useful lives. The principal rates are:

Freehold land and buildings	-	2% and 10% on cost
Short leasehold property	-	5 years, 10 years and over the period of the lease
Plant and machinery	-	10%, 12½%, 20% and 33⅓ % on cost
Motor vehicles	-	30% straight line/reducing balance

(e) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

(f) Research and Development

Expenditure on pure and applied research is written off in the year in which it is incurred.

Development expenditure incurred against a clearly defined project is carried forward to the extent that costs are recoverable against future revenues and if the project is assessed as commercially viable. The amortisation period for such expenditure is limited to a maximum of five years. All other expenditure is written off in the year in which it is incurred.

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

1 ACCOUNTING POLICIES (continued)

(g) Foreign Currencies

Current assets and liabilities for settlement in foreign currencies have been converted into sterling at the rates at which such currencies could have been sold or purchased at the year end except to the extent that overseas debts were covered by appropriate forward currency contracts.

(h) Pension Costs

Contributions payable to the group's defined benefit scheme are charged to the profit and loss account so far to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

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

(i) Cashflow Statement

The company has not prepared a cashflow statement as the company has taken advantage of the exemption contained in Financial Reporting Standard No 1, in that the company is a wholly owned subsidiary of a parent undertaking which publishes a consolidated cashflow statement dealing with the cashflows of the group.

(j) Leases and Hire Purchase Contracts

Assets acquired under finance leases and hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the lease term.

(k) Investments

Investments are shown at cost.

2 TURNOVER

	<u>2000</u>	<u>1999</u>
	£	£
The analysis of turnover by geographical market was as follows:		
United Kingdom	34,684,398	32,387,247
Europe	272,887	240,851
Middle and Far East	2,787,828	3,177,539
Other	31,909	149,486
	<u>37,777,022</u>	<u>35,955,123</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

3 OPERATING CHARGES

	<u>2000</u>	<u>1999</u>
	£	£
Operating profit is stated after charging (or crediting):		
Change in stocks of finished goods	201,278	(128,803)
Raw materials and consumables	14,663,976	14,925,512
Staff costs (note 4)	5,894,131	5,609,659
Depreciation (note 8)	1,178,433	1,060,645
Income from joint arrangement	(95,993)	(140,184)
Other operating charges	12,697,445	11,958,554
	<u>34,539,270</u>	<u>33,285,383</u>

	<u>2000</u>	<u>1999</u>
	£	£
Other operating charges include:-		
Auditors' remuneration - audit fee	25,208	24,850
- other services	6,410	3,850
(Profit) on disposal of fixed assets	(57,595)	(45,440)
Research and development	102,010	94,217
Operating lease rentals - plant	287,521	292,342
	<u>287,521</u>	<u>292,342</u>

4 STAFF COSTS

	<u>2000</u>	<u>1999</u>
	£	£
Wages and salaries	5,179,674	4,935,749
Social security costs	478,114	435,643
Pension costs	142,844	143,959
Other life and sickness insurance	93,499	94,308
	<u>5,894,131</u>	<u>5,609,659</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

4 STAFF COSTS (continued)

	<u>2000</u>	<u>1999</u>
	<u>Number</u>	<u>Number</u>
The average weekly number of employees during the year was made up as follows:		
Administration	127	126
Production	170	180
	297	306
	<u>2000</u>	<u>1999</u>
	£	£
Directors emoluments:-		
Aggregate emoluments	263,043	255,734

The amount attributable in aggregate emoluments to the highest paid director is **£89,663** (1999 : £90,187).

The amount attributable to accrued pension benefits for the highest paid director is **£11,569** (1999 : £9,715).

There are **6** (1999 : 5) directors for whom final salary retirement benefits are accruing.

There are **2** (1999 : Nil) directors for whom money purchase retirement benefits are accruing.

5 NET INTEREST PAYABLE

	<u>2000</u>	<u>1999</u>
	£	£
Bank interest receivable	(6,728)	(34,102)
Interest payable to group companies	188,918	177,675
Hire purchase interest	22,795	22,536
Other loan interest	12,564	7,363
	217,549	173,472

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u>	<u>1999</u>
	£	£
Corporation tax on the profit for the year at 30% (1999 : 30.75%)	924,000	778,000
Deferred taxation	(14,000)	30,000
	<hr/>	<hr/>
	910,000	808,000
Over provision in previous year	(5,653)	(15,475)
	<hr/>	<hr/>
	<u>904,347</u>	<u>792,525</u>

7 DIVIDENDS

	<u>2000</u>	<u>1999</u>
	£	£
Interim dividend 66.86p (1999 : 61.96p) per ordinary share	341,000	316,000
Proposed final dividend £2.09 (1999 : £1.6275) per ordinary share	1,067,000	830,000
	<hr/>	<hr/>
	<u>1,408,000</u>	<u>1,146,000</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

8 FIXED ASSETS - TANGIBLE

	<u>Freehold property</u>	<u>Short leasehold property</u>	<u>Plant & equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost or valuation					
At 1 July 1999	4,244,027	1,342,152	12,034,208	259,353	17,879,740
Additions	50,263	212,289	1,285,835	19,780	1,568,167
Inter group transfers	130,000	149,000	-	17,622	296,622
Disposals	-	(2,250)	(137,401)	(93,572)	(233,223)
At 30 June 2000	<u>4,424,290</u>	<u>1,701,191</u>	<u>13,182,642</u>	<u>203,183</u>	<u>19,511,306</u>
Depreciation					
At 1 July 1999	24,739	393,643	8,916,452	211,982	9,546,816
Charge for year	80,078	114,767	953,748	29,840	1,178,433
Inter group transfers	-	6,559	-	16,340	22,899
Disposals	-	(2,250)	(101,969)	(85,658)	(189,877)
At 30 June 2000	<u>104,817</u>	<u>512,719</u>	<u>9,768,231</u>	<u>172,504</u>	<u>10,558,271</u>
Net book amounts					
At 30 June 2000	<u>4,319,473</u>	<u>1,188,472</u>	<u>3,414,411</u>	<u>30,679</u>	<u>8,953,035</u>
At 30 June 1999	<u>4,219,288</u>	<u>948,509</u>	<u>3,117,756</u>	<u>47,371</u>	<u>8,332,924</u>

The net book amount of assets included £339,424 (1999 : £279,005) in respect of assets held under hire purchase contracts. Depreciation charged in the year on those assets amounted to £87,436 (1999 : £70,808).

Included in the cost or valuation of freehold property is an amount of £1,100,000 (1999 : £1,080,000) relating to land which has not been depreciated.

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

8 FIXED ASSETS – TANGIBLE (continued)

	<u>2000</u>	<u>1999</u>
	£	£
Analysis of cost and valuation		
Freehold property		
At cost	433,290	253,027
At valuation	3,991,000	3,991,000
	4,424,290	4,244,027
	<u>2000</u>	<u>1999</u>
	£	£
Leasehold property:		
At cost	1,231,191	872,152
At valuation	470,000	470,000
	1,701,191	1,342,152

On an historical cost basis, freehold and leasehold property at valuation would have been included at:-

	<u>2000</u>		<u>1999</u>	
	<u>Freehold</u>	<u>Leasehold</u>	<u>Freehold</u>	<u>Leasehold</u>
	£	£	£	£
Cost	3,095,443	726,479	2,915,181	437,853
Depreciation based on cost	(657,587)	(270,186)	(594,912)	(218,655)
Net historical cost value	2,437,856	456,293	2,320,269	219,198

Freehold and leasehold property were externally valued at open market value on an existing use basis by a Chartered Surveyor on 30 June 1999. The directors are not aware of any factors that would impact on the valuation undertaken.

No value is attributed to unharvested peat deposits contained within the relevant freehold and leasehold properties.

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

9 FIXED ASSET INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Boothby and Penicuik Peat Company Limited	2,475,028	2,475,028
Bark Products (Scotland) Limited	2,500	2,500
OU Alutaguse Turvas	103,957	83,492
	<u>2,581,485</u>	<u>2,561,020</u>

The investment in Boothby and Penicuik Peat Company Limited is in 600,000 ordinary shares of £1 each. This represents 100% of the issued ordinary share capital of the company. The company did not trade during the year. Boothby and Penicuik Peat Co. Limited is a subsidiary undertaking.

The investment in Bark Products (Scotland) Limited is in 2,500 ordinary shares of £1 each. This represents 50% of the issued ordinary share capital of the company. The company is a pulverised bark processor. The aggregate of capital and reserves of the company at 30 June 2000 is £139,527 (1999: £110,414). Bark Products (Scotland) Limited is a participating interest.

The investment in OU Alutaguse Turvas is in 20,000 (1999 : 10,000) ordinary shares of 1 Estonian Kroon each. This represents 50% of the issued share capital of the company. The company's year end was 31 December 1999. The aggregate of capital and reserves of the company at that date amounted to £70,000 (1999 : (£7,000)). The trading result for the year ended 31 December 1999 was £5,000 (1999 : (£15,000)). The company is incorporated in Estonia and is treated as a trade investment.

10 STOCKS

	<u>2000</u>	<u>1999</u>
	£	£
Raw materials and consumables	3,145,651	2,186,165
Finished goods and goods for resale	1,894,093	2,095,371
	<u>5,039,744</u>	<u>4,281,536</u>

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

11 DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Due within one year		
Trade debtors	9,186,875	9,149,359
Amounts due from group undertakings	120,495	83,450
Other debtors	139,153	150,194
Prepayments and accrued income	818,890	412,389
	<u>10,265,413</u>	<u>9,795,392</u>

Other debtors include amounts due from a joint arrangement of £125,993 (1999 : £147,684). This joint arrangement was established to promote select lines in the company's product range.

12 CREDITORS

	<u>2000</u>	<u>1999</u>
	£	£
Amounts falling due within one year		
Trade creditors	4,603,855	3,848,316
Amounts due to group undertakings	4,086,255	4,052,814
Amounts due to participating interest	226,477	308,670
Amounts due to joint arrangement	183,541	271,009
Corporation tax	635,382	784,743
Other taxation and social security	876,077	942,403
Dividends payable	1,067,000	830,000
Other creditors	224,411	296,785
Hire purchase creditors	152,560	108,752
Accruals and deferred income	1,955,762	1,984,020
	<u>14,011,320</u>	<u>13,427,512</u>
Amounts falling due after more than one year:-	£	£
Hire purchase creditor	124,502	61,821
Other creditors	33,555	149,054
	<u>158,057</u>	<u>210,875</u>

Hire purchase creditors are secured on the assets to which they relate.

Other creditors include £122,412 (1999 : £122,412) due within one year and £33,555 (1999 : 149,054) due after more than one year secured on plant and machinery.

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

13 LEASE COMMITMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Finance leases and hire purchase contracts		
The company had obligations under finance leases and hire purchase contracts net of finance charges at the balance sheet date as follows:		
Payable within one year	152,560	108,752
Payable between two and five years	124,502	61,821
	277,062	170,573
 Operating leases		
The company had operating lease commitments to pay during the next year in respect of equipment leases:		
Expiring between two and five years	215,565	326,120

14 PROVISION FOR LIABILITIES AND CHARGES

	<u>2000</u>
	£
Deferred taxation	
At 1 July 1999	525,000
Credited to profit and loss account	(14,000)
At 30 June 2000	511,000

Deferred taxation provision and the amount unprovided comprise:-

	<u>2000</u>		<u>1999</u>	
	<u>Provision</u>	Not <u>provided</u>	<u>Provision</u>	Not <u>provided</u>
	£	£	£	£
Accelerated capital allowances	527,000	-	539,000	-
Short term timing differences	(16,000)	-	(14,000)	-
	511,000	-	525,000	-

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

15 CALLED UP SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised:-		
630,000 ordinary shares of £1 each	630,000	630,000
Allotted, called up and fully paid		
510,000 ordinary shares of £1 each	510,000	510,000

16 RESERVES

	<u>Capital reserve</u>	<u>Revaluation reserve</u>	<u>General reserve</u>	<u>Profit and loss account</u>	<u>Total reserves</u>
	£	£	£	£	£
At 1 July 1999	124,572	2,462,079	1,091,999	10,155,752	13,834,402
Retained profit for the financial year	-	-	-	707,856	707,856
At 30 June 2000	124,572	2,462,079	1,091,999	10,863,608	14,542,258

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the financial year	2,115,856	1,703,743
Dividends	(1,408,000)	(1,146,000)
	707,856	557,743
Other recognised gains	-	483,311
Net addition to shareholders' funds	707,856	1,041,054
Opening shareholders' funds	14,344,402	13,303,348
Closing shareholders' funds	15,052,258	14,344,402

WILLIAM SINCLAIR HORTICULTURE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2000

18 CAPITAL COMMITMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Contracted but not provided for	<u>720,000</u>	<u>219,500</u>

19 PARENT AND CONTROLLING COMPANY

The company's controlling and ultimate parent company is William Sinclair Holdings plc which is incorporated in Great Britain and consequently the company is exempt from the obligation to prepare group accounts.

The only group in which the results of William Sinclair Horticulture Limited are consolidated is that headed by William Sinclair Holdings plc. The accounts of that company are available to the public and can be obtained from Firth Road, Lincoln.

20 PENSION SCHEME

The company participates in the pension scheme operated by the parent company. The Group operates a single pension scheme which provides benefits based on final pensionable pay (defined benefit basis) for all eligible employees who joined the scheme prior to 18 November 1996. Eligible employees who joined the scheme after that date have been admitted with their benefits based on contributions made (defined contribution basis). The assets of the scheme are held separately from those of the Group.

The contributions to provide benefits under the defined contribution element of the scheme are decided by the Principal Employer while contributions to provide benefits under the defined benefit element are determined by a qualified actuary on the basis of regular valuations using the projected unit credit method.

Further details of the scheme are given in the financial statements of the parent company.

21 CONTINGENCIES

The company is party to an omnibus guarantee and set off agreement in respect of its own and all other group companies' bank accounts.

22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8, paragraph 3(c) not to disclose transactions with the parent company, fellow subsidiaries or investees of the group.