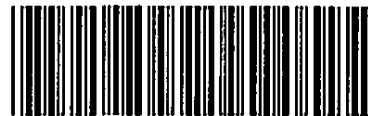


Company Registration No. 02466472 (England and Wales)

R DELAMORE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012

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COMPANIES HOUSE

R DELAMORE LIMITED

COMPANY INFORMATION

Directors

W M Eady
J Banton
P Murray
K G Oakley
C Finlay (appointed 03/12/2012)

Company number

02466472

Registered office

Station Road
Wisbech St Mary
Wisbech
Cambridgeshire
PE13 4RY

Independent Auditors

Saffery Champness
Unex House
Bourges Boulevard
Peterborough
Cambridgeshire
PE1 1NG

Bankers

The Royal Bank of Scotland
1st Floor
Conqueror House
Vision Park, Histon
Cambridge
CB24 9NL

R DELAMORE LIMITED

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R DELAMORE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2012

The directors present their report and financial statements for the year ended 30 November 2012

Principal activities and review of the business

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

Management took a decision to withdraw from supplying retail customers direct due to the level of complexity required to manage their requirements at short notice and the consequent impact on the main business. Retail sales accounted for £1.5 million of sales in 2011.

The 2012 season was significantly impacted by poor weather in April and May after a significant level of production had already been committed. As a result anticipated sales for this period did not materialise and the business suffered higher than the expected level of waste in common with much of the industry.

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The key business risks and uncertainties associated with the company relate to the weather over the key spring sales season between February and May. Long periods of poor weather can significantly impact the total sales activity for the season. In order to help mitigate the impact management reviews both short and long term weather forecasts and the sales team keep in regular contact with customers to form a view on the progress of the season. Based on this information management forecasts sales on a weekly basis and adjust production to match changes in anticipated sales activity. The biggest risk occurs at the end of the season when there is less opportunity to adjust production if demand is suddenly depressed due to adverse market conditions.

Results and dividends

The results for the year are set out on page 5. Full details of the dividends paid and proposed are detailed in note 7 to the financial statements.

Future developments

During 2012 the company has undertaken a full review of the production process and identified a number of areas in which to improve customer service in terms of quality of product produced and timeliness of delivery. The company has documented all production processes and staff are being trained against training plans for each process.

The business continues to review its customer base and product offering to ensure it optimises its performance.

The directors are confident that the changes in staff and greater emphasis on customer service levels will improve the performance of the business during 2013 and beyond.

Directors

The following directors have held office since 1 December 2011:

W M Eady

J Banton

P Murray

K G Oakley (appointed 01/03/2012)

C Finlay (appointed 03/12/2012)

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

R DELAMORE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditors

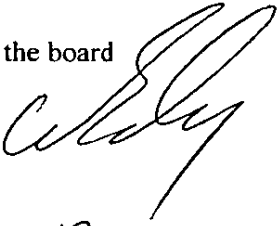
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

Going concern

The company undertook a restructure of its bank facility in February 2013 The existing multi option facility of £1 25 million and short term loan of £340,000 were repaid from the proceeds of a new long term loan of £2 24 million repayable over 10 years A multi option facility of £350,000 was also provided until 31 July 2013 and has since been replaced by a £1 million invoice discounting facility In addition to the invoice discounting facility the company also has access to additional working capital funds from its shareholders in order to allow it to meet its future growth plans The company's forecasts and projections, taking into account future changes in trading performance, show the company should be able to operate within the levels of its current facilities The directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future Thus they continue to adopt the going concern basis of accounting when preparing the accounts

On behalf of the board

W M Eady
Director


20-8-13

R DELAMORE LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2012

We have audited the financial statements of R Delamore Limited for the year ended 30 November 2012 set out on pages 5 to 17. 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 an 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 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 Directors' Responsibilities Statement set out on page 2, 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 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 Directors' Report 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 company's affairs as at 30 November 2012 and of its 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 matters prescribed by Companies Act 2006

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

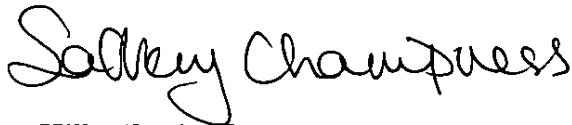
R DELAMORE LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF R DELAMORE LIMITED**

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



**Jane Hill (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

20-8-13

**Chartered Accountants
Statutory Auditors**

Unex House
Bourges Boulevard
Peterborough
Cambridgeshire
PE1 1NG

R DELAMORE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

		2012	2011
	Notes	£	£
Turnover	2	7,176,639	9,428,915
Cost of sales		(6,290,876)	(6,947,458)
Gross profit		885,763	2,481,457
Distribution costs		(485,024)	(483,554)
Administrative expenses		(1,236,117)	(1,418,067)
Other operating income		15,995	8,953
Operating (loss)/profit	3	(819,383)	588,789
Other interest receivable and similar income	4	2,636	3,385
Interest payable and similar charges	5	(17,209)	(3,003)
(Loss)/profit on ordinary activities before taxation		(833,956)	589,171
Tax on loss/(profit) on ordinary activities	6	206,203	(114,454)
(Loss)/profit for the year	16	(627,753)	474,717

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

R DELAMORE LIMITED

**BALANCE SHEET
AS AT 30 NOVEMBER 2012**

	Notes	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	8		225,614		244,172
Tangible assets	9		3,827,025		3,950,177
			<u>4,052,639</u>		<u>4,194,349</u>
Current assets					
Stocks	10	948,103		919,257	
Debtors	11	549,470		717,469	
Cash at bank and in hand		812		76,534	
		<u>1,498,385</u>		<u>1,713,260</u>	
Creditors: amounts falling due within one year	12	<u>(1,453,097)</u>		<u>(996,633)</u>	
Net current assets			45,288		716,627
Total assets less current liabilities			<u>4,097,927</u>		<u>4,910,976</u>
Creditors: amounts falling due after more than one year	13		(2,368,653)		(2,347,746)
Provisions for liabilities			<u>(103,863)</u>		<u>(310,066)</u>
			<u>1,625,411</u>		<u>2,253,164</u>
Capital and reserves					
Called up share capital	15		100,000		100,000
Share premium account	16		55,137		55,137
Other reserves	16		565,130		565,130
Profit and loss account	16		905,144		1,532,897
Shareholders' funds	17		<u>1,625,411</u>		<u>2,253,164</u>

The notes on pages 8 to 17 form part of these financial statements

Approved by the Board and authorised for issue on 20-8-13

W M Eady
Director

Company Registration No. 02466472

R DELAMORE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Notes	£	2012 £	£	2011 £
Net cash (outflow)/inflow from operating activities	21		(454,192)		538,511
Returns on investments and servicing of finance					
Interest received		2,636		3,385	
Interest paid		(17,209)		(3,003)	
Net cash (outflow)/inflow for returns on investments and servicing of finance			(14,573)		382
Taxation			-		-
Capital expenditure					
Payments to acquire intangible assets		-		(508)	
Payments to acquire tangible assets		(220,510)		(215,139)	
Receipts from sales of tangible assets		-		416	
Net cash outflow for capital expenditure			(220,510)		(215,231)
Equity dividends paid			-		(1,000,000)
Net cash (outflow) before management of liquid resources and financing			(689,275)		(676,338)
Financing					
New long term bank loans		400,000		-	
Repayment of long term bank loans		(60,000)		-	
Repayment of other long term loans		(230,566)		-	
Other new long term loans		-		1,000,000	
Capital element of hire purchase contracts		(25,134)		(22,805)	
Net cash inflow from financing			84,300		977,195
(Decrease)/increase in cash in the year	22, 23		<u>(604,975)</u>		<u>300,857</u>

R DELAMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts
Turnover is recognised once the risks and rewards of stocks have been passed onto the customer

1.4 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

1.5 Tangible fixed assets and depreciation

Tangible fixed assets 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

Freehold land & buildings	5% - 12.5% on cost
Assets under course of construction	Not depreciated
Plant and machinery	10% - 25% on cost
Greenhouses	5% - 12.5% on cost
Motor vehicles	25% on cost

Freehold land is not depreciated

1.6 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

1.7 Stock

Work in progress is valued at the lower of cost and net realisable value

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1 Accounting policies (continued)

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

1.9 Foreign currency translation

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

2 Turnover

Geographical market

	Turnover	
	2012	2011
	£	£
United Kingdom	6,984,071	9,226,061
Europe	192,568	202,854
	<u>7,176,639</u>	<u>9,428,915</u>

3 Operating (loss)/profit

	2012	2011
	£	£
Operating (loss)/profit is stated after charging:		
Amortisation of intangible assets	18,558	18,558
Depreciation of tangible assets	363,915	346,43
Auditors' remuneration (including expenses and benefits in kind)	11,500	11,500
Auditors' tax and advisory fees	4,700	3,135
and after crediting		
Profit on disposal of tangible assets	-	(3,654)
	<u>-</u>	<u>(3,654)</u>

4 Investment income

	2012	2011
	£	£
Bank interest	-	1
Other interest	2,636	3,384
	<u>2,636</u>	<u>3,385</u>

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

5 Interest payable	2012	2011
	£	£
On bank loans and overdrafts	14,103	-
Hire purchase interest	3,106	3,003
	<u>17,209</u>	<u>3,003</u>
	<u><u>17,209</u></u>	<u><u>3,003</u></u>
6 Taxation	2012	2011
	£	£
Domestic current year tax		
Payment in respect of group relief	-	192,628
	<u>-</u>	<u>192,628</u>
Total current tax	-	192,628
Deferred tax		
Deferred tax credit current year	(206,203)	(78,174)
	<u>(206,203)</u>	<u>(78,174)</u>
	<u><u>(206,203)</u></u>	<u><u>(78,174)</u></u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(833,956)	589,171
	<u>(833,956)</u>	<u>589,171</u>
	<u><u>(833,956)</u></u>	<u><u>589,171</u></u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 00% (2011 - 26 00%)	(200,149)	153,184
	<u>(200,149)</u>	<u>153,184</u>
	<u><u>(200,149)</u></u>	<u><u>153,184</u></u>
Effects of		
Non deductible expenses	6	105
Depreciation in excess of capital allowances	82,958	39,011
Other tax adjustments	(5,286)	328
Unrelieved tax losses	122,471	-
	<u>200,149</u>	<u>39,444</u>
	<u><u>200,149</u></u>	<u><u>39,444</u></u>
Current tax charge for the year	-	192,628
	<u>-</u>	<u>192,628</u>
	<u><u>-</u></u>	<u><u>192,628</u></u>
The company has estimated losses of £510,365 (2011 - £408,360) available for carry forward against future trading profits		
7 Dividends	2012	2011
	£	£
Ordinary interim paid	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
	<u><u>-</u></u>	<u><u>1,000,000</u></u>

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 December 2011	931,870
Additions	-
	<hr/>
At 30 November 2012	931,870
	<hr/>
Amortisation	
At 1 December 2011	687,698
Charge for the year	18,558
	<hr/>
At 30 November 2012	706,256
	<hr/>
Net book value	
At 30 November 2012	225,614
	<hr/> <hr/>
At 30 November 2011	244,172
	<hr/> <hr/>

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

9 Tangible fixed assets	Freehold land & buildings	Plant and Machinery	Assets under course of construction	Greenhouses	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 December 2011	627,594	1,135,084	129,560	4,328,215	189,056	6,409,509
Additions	26,895	85,289	-	128,579	-	240,763
Transfers	-	-	(129,560)	129,560	-	-
At 30 November 2012	<u>654,489</u>	<u>1,220,373</u>	<u>-</u>	<u>4,586,354</u>	<u>189,056</u>	<u>6,650,272</u>
Depreciation						
At 1 December 2011	67,430	635,324	-	1,622,422	134,156	2,459,332
Charge for the year	12,642	128,792	-	197,142	25,339	363,915
At 30 November 2012	<u>80,072</u>	<u>764,116</u>	<u>-</u>	<u>1,819,564</u>	<u>159,495</u>	<u>2,823,247</u>
Net book value						
At 30 November 2012	<u>574,417</u>	<u>456,257</u>	<u>-</u>	<u>2,766,790</u>	<u>29,561</u>	<u>3,827,025</u>
At 30 November 2011	<u>560,164</u>	<u>499,760</u>	<u>129,560</u>	<u>2,705,793</u>	<u>54,900</u>	<u>3,950,177</u>

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

	Plant and Machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 30 November 2012	<u>20,253</u>	<u>29,561</u>	<u>49,814</u>
At 30 November 2011	<u>-</u>	<u>54,900</u>	<u>54,900</u>
Depreciation charge for the year			
At 30 November 2012	<u>-</u>	<u>25,340</u>	<u>25,340</u>
At 30 November 2011	<u>-</u>	<u>25,340</u>	<u>25,340</u>

Included in the cost of land and buildings is freehold land of £401,642 (2011 - £374,747) which is not depreciated

R DELAMORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

10 Stocks	2012	2011
Finished goods and goods for resale	<u>948,103</u>	<u>919,257</u>

11 Debtors	2012	2011
	£	£
Trade debtors	372,174	679,789
Other debtors	51,863	7,299
Prepayments and accrued income	125,433	30,381
	<u>549,470</u>	<u>717,469</u>

12 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loan	80,000	-
Bank overdraft	1,028,866	499,613
Net obligations under hire purchase contracts	26,451	22,805
Trade creditors	197,820	354,633
Taxes and social security costs	14,133	15,978
Accruals and deferred income	105,827	103,604
	<u>1,453,097</u>	<u>996,633</u>

A guarantee has been provided to the company's bankers in respect of the total bank facilities available to the company and its parent company, Delamore Holdings Limited. Security has been provided in respect of this guarantee by way of fixed and floating charges over the assets of the company and its parent company, Delamore Holdings Limited. First legal charge is held over certain freehold property.

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

13 Creditors: amounts falling due after more than one year	2012	2011
	£	£
Bank loan	260,000	-
Amounts owed to parent undertaking	2,092,474	2,323,040
Net obligations under hire purchase contracts	16,179	24,706
	<u>2,368,653</u>	<u>2,347,746</u>
Analysis of loans		
Wholly repayable within five years	2,368,653	2,323,040
	<u>2,368,653</u>	<u>2,323,040</u>
Net obligations under hire purchase contracts		
Repayable within one year	26,451	22,805
Repayable between one and five years	16,179	24,706
	<u>42,630</u>	<u>47,511</u>
Included in liabilities falling due within one year	(26,451)	(22,805)
	<u>16,179</u>	<u>24,706</u>
14 Provisions for liabilities		Deferred tax
		£
Balance at 1 December 2011		310,066
Profit and loss account		(206,203)
Balance at 30 November 2012		<u>103,863</u>
The deferred tax liability is made up as follows:		
	2012	2011
	£	£
Accelerated capital allowances	<u>103,863</u>	<u>310,066</u>
Tax losses and other deductions	<u>117,384</u>	<u>-</u>

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

15 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
90,000 Ordinary 'A' shares of 50p each	45,000	45,000
110,000 Ordinary shares of 50p each	55,000	55,000
	<u>100,000</u>	<u>100,000</u>

16 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 December 2011	55,137	565,130	1,532,897
Profit for the financial year	-	-	(627,753)
Dividends paid	-	-	-
	<u>55,137</u>	<u>565,130</u>	<u>905,144</u>

Other reserves

Non-distributable reserve

Balance at 1 December 2011 & at 30 November 2012

565,130

17 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
(Loss)/Profit for the financial year	(627,753)	474,717
Dividends	-	(1,000,000)
	<u>(627,753)</u>	<u>(525,283)</u>
Net depletion in shareholders' funds	(627,753)	(525,283)
Opening shareholders' funds	2,253,164	2,778,447
	<u>1,625,411</u>	<u>2,253,164</u>

18 Contingent liabilities

In addition to the security disclosed in note 12, the company has provided a guarantee to the financiers of its parent company, Delamore Holdings Limited, in respect of other borrowings of that company. Security has been provided in respect of this guarantee by way of fixed and floating charges. The maximum potential liability at the year-end amounted to £6,100,000 (2011 - £5,900,000)

R DELAMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2012

19 Employees

Number of employees

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

	2012 Number	2011 Number
Production and distribution	92	66
Sales	9	10
Administration	4	7
	<u>105</u>	<u>83</u>
Employment costs	2012	2011
	£	£
Wages and salaries	1,774,981	1,571,029
Social security costs	140,679	129,534
	<u>1,915,660</u>	<u>1,700,563</u>

20 Control

R Delamore Limited is a 100% owned subsidiary of Delamore Holdings Limited, a company registered in Scotland. Group consolidated accounts are prepared by Delamore Holdings Limited.

The ultimate controlling party is Finby Ltd, a company registered in Jersey.

21 Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2012	2011
	£	£
Operating (loss)/profit	(819,383)	588,789
Depreciation of tangible assets	363,915	346,433
Amortisation of intangible assets	18,558	18,558
Profit on disposal of tangible assets	-	(3,654)
Increase in stocks	(28,846)	(264,072)
Decrease/(increase) in debtors	167,999	(214,034)
(Decrease)/increase in creditors within one year	(156,435)	66,491
Net cash (outflow)/inflow from operating activities	<u>(454,192)</u>	<u>538,511</u>

R DELAMORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2012**

22 Analysis of net debt	1 December 2011	Cash flow	Other non-cash changes	30 November 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	76,534	(75,722)	-	812
Bank overdrafts	(499,613)	(529,253)	-	(1,028,866)
	<u>(423,079)</u>	<u>(604,975)</u>	<u>-</u>	<u>(1,028,054)</u>
Debt				
Finance leases	(47,511)	25,134	(20,253)	(42,630)
Debts falling due after one year	(2,323,040)	230,566	-	(2,092,474)
Bank loan	-	(340,000)	-	(340,000)
	<u>(2,370,551)</u>	<u>(84,300)</u>	<u>(20,253)</u>	<u>(2,475,104)</u>
Net debt	<u><u>(2,793,630)</u></u>	<u><u>(689,275)</u></u>	<u><u>(20,253)</u></u>	<u><u>(3,503,158)</u></u>

23 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
(Decrease)/increase in cash in the year	(604,975)	300,857
Cash (inflow) from (increase) in debt and lease financing	(84,300)	(976,806)
Change in net debt resulting from cash flows	<u>(689,275)</u>	<u>(675,949)</u>
Non-cash movement	<u>(20,253)</u>	<u>(190,277)</u>
Movement in net debt in the year	<u>(709,528)</u>	<u>(866,226)</u>
Opening net debt	<u>(2,793,630)</u>	<u>(1,927,404)</u>
Closing net debt	<u><u>(3,503,158)</u></u>	<u><u>(2,793,630)</u></u>

24 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company