

Company Registration No. 02466472 (England and Wales)

**R DELAMORE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

THURSDAY



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COMPANIES HOUSE

***Saffery Champness***  
CHARTERED ACCOUNTANTS

**R DELAMORE LIMITED**

**COMPANY INFORMATION**

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**Directors**

W M Eady  
J Banton  
P Murray  
K G Oakley (Appointed 1 March 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  
24/25 St Andrews Square  
Edinburgh  
EH2 1AF

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**R DELAMORE LIMITED**

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## **R DELAMORE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2011**

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The directors present their report and financial statements for the year ended 30 November 2011

#### **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

The business saw a growth in turnover from new customers and products during 2011 which resulted in improved profitability. Production costs were higher than expected and management have added additional resources to this key area of the business. The business has continued to invest in IT systems to assist management in the control of the day to day operations.

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 terms 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 strategic review of its resources and has implemented changes in staff to better match the requirements of the business to the skills required to deliver future growth. In particular the company has invested in a full time production planner.

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 2010

W M Eady

J Moldon

(Resigned 27 June 2011)

J Banton

P Murray

K G Oakley

(Appointed 1 March 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 2011**

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**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.

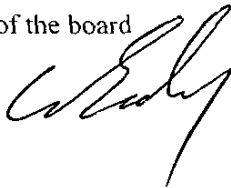
**Statement of disclosure to auditors**

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 meets its day-to-day working capital requirements through a Multi Option Facility of £1.25m. The current facility is due for renewal on 31 January 2013 and is renewed on an annual basis. The company has considered its cashflow needs and expects to require additional funds in 2012. The company has successfully negotiated an additional £150k overdraft extension until 31 May 2012, as well as a short term £400k loan due to be repaid by 28 February 2015. In addition to the Multi Option 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**

21 June 2012

**R DELAMORE LIMITED**

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

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We have audited the financial statements of R Delamore Limited for the year ended 30 November 2011 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 pages 1 - 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 2011 and of its profit 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 matter prescribed by the 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 statements.

**R DELAMORE LIMITED**

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

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**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**

117-12

**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 2011**

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	Notes	2011 £	2010 £
<b>Turnover</b>	<b>2</b>	9,428,915	8,232,499
Cost of sales		<u>(6,947,458)</u>	<u>(6,352,830)</u>
<b>Gross profit</b>		2,481,457	1,879,669
Distribution costs		(483,554)	(428,987)
Administrative expenses		(1,418,067)	(1,128,441)
Other operating income		<u>8,953</u>	<u>11,566</u>
<b>Operating profit</b>	<b>3</b>	588,789	333,807
Other interest receivable and similar income	<b>4</b>	3,385	7,617
Interest payable and similar charges	<b>5</b>	<u>(3,003)</u>	<u>(2,753)</u>
<b>Profit on ordinary activities before taxation</b>		589,171	338,671
Tax on profit on ordinary activities	<b>6</b>	<u>(114,454)</u>	<u>(103,052)</u>
<b>Profit for the year</b>	<b>16</b>	<u><u>474,717</u></u>	<u><u>235,619</u></u>

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**

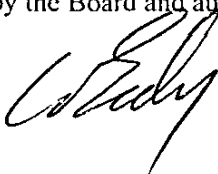
**BALANCE SHEET  
AS AT 30 NOVEMBER 2011**

	Notes	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		244,172		264,962
Tangible assets	9		3,950,177		4,084,433
			<u>4,194,349</u>		<u>4,349,395</u>
<b>Current assets</b>					
Stocks	10	919,257		655,185	
Debtors	11	717,469		497,235	
Cash at bank and in hand		76,534		-	
		<u>1,713,260</u>		<u>1,152,420</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(996,633)</u>		<u>(1,154,465)</u>	
<b>Net current assets/(liabilities)</b>			<u>716,627</u>		<u>(2,045)</u>
<b>Total assets less current liabilities</b>			<u>4,910,976</u>		<u>4 347,350</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(2,347,746)		(1,180,663)
<b>Provisions for liabilities</b>	14		<u>(310,066)</u>		<u>(388,240)</u>
			<u>2,253,164</u>		<u>2,778,447</u>
<b>Capital and reserves</b>					
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		1,532,897		2,058,180
<b>Shareholders' funds</b>	17		<u>2,253,164</u>		<u>2,778,447</u>

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

Approved by the Board and authorised for issue on 21 June 2012

W M Eady  
Director



Company Registration No. 02466472

**R DELAMORE LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

	Notes	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>	<b>21</b>		<b>538,511</b>		<b>566,077</b>
<b>Returns on investments and servicing of finance</b>					
Interest received	.	3,385		7,617	.
Interest paid		(3,003)		(2,753)	
<b>Net cash inflow for returns on investments and servicing of finance</b>			<b>382</b>		<b>4,864</b>
<b>Taxation</b>			<b>-</b>		<b>6,791</b>
<b>Capital expenditure</b>					
Payments to acquire intangible assets		(508)		-	
Payments to acquire tangible assets		(215,139)		(106,248)	
Receipts from sales of tangible assets		416		21,900	
<b>Net cash outflow for capital expenditure</b>			<b>(215,231)</b>		<b>(84,348)</b>
<b>Equity dividends paid</b>			<b>(1,000,000)</b>		<b>(429,040)</b>
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>			<b>(676,338)</b>		<b>64,344</b>
<b>Financing</b>					
Other new long term loans		1,000,000		-	
Repayment of other long term loans		-		(662,500)	
Capital element of hire purchase contracts		(22,805)		(20,905)	
<b>Net cash outflow from financing</b>			<b>977,195</b>		<b>(683,405)</b>
<b>Increase/(decrease) in cash in the year</b>	<b>22, 23</b>		<b>300,857</b>		<b>(619,061)</b>

## R DELAMORE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011

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#### 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 Trademarks

Trademarks are valued at cost less accumulated amortisation Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives Trademarks are being written off over 5 years

##### 1.6 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	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

##### 1.7 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

##### 1.8 Stock

Stock 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 2011

**1 Accounting policies** (continued)

**1.9 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

**2 Turnover**

**Geographical market**

	Turnover	
	2011	2010
	£	£
United Kingdom	9,226,061	7,966,441
Europe	202,854	266,058
	<u>9,428,915</u>	<u>8,232,499</u>

**3 Operating profit**

	2011	2010
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	18,558	48,169
Depreciation of tangible assets	346,433	326,253
Auditors' remuneration (including expenses and benefits in kind)	11,500	11,000
and after crediting		
Profit on disposal of tangible assets	<u>(3,654)</u>	<u>(9,400)</u>

**4 Investment income**

	2011	2010
	£	£
Bank interest	1	27
Other interest	3,384	7,590
	<u>3,385</u>	<u>7,617</u>

R DELAMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011

<b>5 Interest payable</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Hire purchase interest	<u>3,003</u>	<u>2,753</u>
<b>6 Taxation</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
Adjustment for prior years	-	(5,902)
Payment in respect of group relief	<u>192,628</u>	<u>189,258</u>
<b>Total current tax</b>	<u>192,628</u>	<u>183,356</u>
<b>Deferred tax</b>		
Deferred tax credit current year	<u>(78,174)</u>	<u>(80,304)</u>
	<u>114,454</u>	<u>103,052</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>589,171</u>	<u>338,671</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	<u>153,184</u>	<u>94,828</u>
Effects of		
Non deductible expenses	105	328
Capital allowances in excess of depreciation	39,011	94,712
Adjustments to previous periods	-	(5,902)
Other tax adjustments	<u>328</u>	<u>(610)</u>
	<u>39,444</u>	<u>88,528</u>
<b>Current tax charge for the year</b>	<u>192,628</u>	<u>183,356</u>
<b>7 Dividends</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Ordinary interim paid	<u>1,000,000</u>	<u>429,040</u>

**R DELAMORE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**8 Intangible fixed assets**

	<b>Trademarks</b>	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 December 2010	3,755	931,870	935,625
Additions	508	-	508
Transferred to Delamore Holdings Limited	(4,263)	-	(4,263)
	<hr/>	<hr/>	<hr/>
At 30 November 2011	-	931,870	931,870
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 December 2010	1,502	669,161	670,663
Transferred to Delamore Holdings Limited	(1,523)	-	(1,523)
Charge for the year	21	18,537	18,558
	<hr/>	<hr/>	<hr/>
At 30 November 2011	-	687,698	687,698
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 November 2011	-	244,172	244,172
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 November 2010	2,253	262,709	264,962
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**R DELAMORE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

**9 Tangible fixed assets**

	<b>Freehold land &amp; buildings</b>	<b>Assets under course of construction</b>	<b>Plant and machinery</b>	<b>Greenhouses</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1 December 2010	627,594	-	1,049,505	4,328,215	224,607	6,229,921
Additions	-	129,560	85,579	-	-	215,139
Disposals	-	-	-	-	(35,551)	(35,551)
At 30 November 2011	<u>627,594</u>	<u>129,560</u>	<u>1,135,084</u>	<u>4,328,215</u>	<u>189,056</u>	<u>6,409,509</u>
<b>Depreciation</b>						
At 1 December 2010	54,787	-	571,228	1,378,068	141,405	2,145,488
On disposals	-	-	-	-	(32,589)	(32,589)
Charge for the year	12,643	-	64,096	244,354	25,340	346,433
At 30 November 2011	<u>67,430</u>	<u>-</u>	<u>635,324</u>	<u>1,622,422</u>	<u>134,156</u>	<u>2,459,332</u>
<b>Net book value</b>						
At 30 November 2011	<u>560,164</u>	<u>129,560</u>	<u>499,760</u>	<u>2,705,793</u>	<u>54,900</u>	<u>3,950,177</u>
At 30 November 2010	<u>572,807</u>	<u>-</u>	<u>478,277</u>	<u>2,950,147</u>	<u>83,202</u>	<u>4,084,433</u>

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

	<b>Motor vehicles</b>
	<b>£</b>
<b>Net book values</b>	
At 30 November 2011	<u>54,900</u>
At 30 November 2010	<u>80,240</u>
<b>Depreciation charge for the year</b>	
At 30 November 2011	<u>25,340</u>
At 30 November 2010	<u>21,116</u>

Included in cost of land and buildings is freehold land of £374,747 (2010 - £374,747) which is not depreciated





R DELAMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011

13 Creditors, amounts falling due after more than one year	2011	2010
	£	£
Amounts owed to parent undertaking	2,323,040	1,133,152
Net obligations under hire purchase contracts	24,706	47,511
	<u>2,347,746</u>	<u>1,180,663</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>2,323,040</u>	<u>1,133,152</u>
	<u>2,323,040</u>	<u>1,133,152</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	22,805	22,805
Repayable between one and five years	24,706	47,511
	<u>47,511</u>	<u>70,316</u>
Included in liabilities falling due within one year	<u>(22,805)</u>	<u>(22,805)</u>
	<u>24,706</u>	<u>47,511</u>

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 December 2010	388,240
Profit and loss account	<u>(78,174)</u>
Balance at 30 November 2011	<u>310,066</u>

The deferred tax liability is made up as follows:

	2011	2010
	£	£
Accelerated capital allowances	<u>310,066</u>	<u>388,240</u>

**R DELAMORE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

15 Share capital	2011	2010
	£	£
<b>Allotted, called up and fully paid</b>		
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>

**15 Statement of movements on reserves**

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 December 2010	55,137	565,130	2,058,180
Profit for the financial year	-	-	474,717
Dividends paid			(1,000,000)
Balance at 30 November 2011	<u>55,137</u>	<u>565,130</u>	<u>1,532,897</u>

**Other reserves**

Non-distributable reserve	
Balance at 1 December 2010 & at 30 November 2011	<u>565,130</u>

**17 Reconciliation of movements in shareholders' funds**

	2011	2010
	£	£
Profit for the financial year	474,717	235,619
Dividends	(1,000,000)	(429,040)
Net depletion in shareholders' funds	(525,283)	(193,421)
Opening shareholders' funds	<u>2,778,447</u>	<u>2,971,868</u>
Closing shareholders' funds	<u>2,253,164</u>	<u>2,778,447</u>

**18 Contingent liabilities**

In addition to the 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 £5,900,000 (2010 - £5,625,000)

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**R DELAMORE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**19 Employees****Number of employees**

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

	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
Production and distribution	66	55
Sales	10	7
Administration	7	5
	<u>83</u>	<u>67</u>

**Employment costs**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,571,029	1,271,707
Social security costs	129,534	110,445
	<u>1,700,563</u>	<u>1,382,152</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.

<b>21 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit	588,789	333,807
Depreciation of tangible assets	346,433	326,253
Amortisation of intangible assets	18,558	48,169
Profit on disposal of tangible assets	(3,654)	(9,400)
(Increase)/decrease in stocks	(264,072)	28,236
Increase in debtors	(214,034)	(157,629)
Increase/(decrease) in creditors within one year	66,491	(3,359)
<b>Net cash inflow from operating activities</b>	<u>538,511</u>	<u>566,077</u>

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**R DELAMORE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

22 Analysis of net debt	1 December 2010	Cash flow	Other non- cash changes	30 November 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	-	76,534	-	76,534
Bank overdrafts	(723,936)	224,323	-	(499,613)
	<u>(723,936)</u>	<u>300,857</u>	<u>-</u>	<u>(423,079)</u>
Debt				
Finance leases	(70,316)	22,805	-	(47,511)
Debts falling due after one year	(1,133,152)	(999,611)	(190,277)	(2,323,040)
	<u>(1,203,468)</u>	<u>(976,806)</u>	<u>(190,277)</u>	<u>(2,370,551)</u>
<b>Net debt</b>	<u><u>(1,927,404)</u></u>	<u><u>(675,949)</u></u>	<u><u>(190,277)</u></u>	<u><u>(2,793,630)</u></u>

23 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase/(decrease) in cash in the year	300,857	(619,061)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(976,806)	592,184
Change in net debt resulting from cash flows	(675,949)	(26,877)
Non-cash movement	(190,277)	(189,258)
<b>Movement in net debt in the year</b>	(866,226)	(216,135)
Opening net debt	(1,927,404)	(1,711,269)
<b>Closing net debt</b>	<u><u>(2,793,630)</u></u>	<u><u>(1,927,404)</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

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**R DELAMORE LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**R DELAMORE LIMITED****MANAGEMENT INFORMATION  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

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	2011 £	2010 £
Plant sales	8,310,276	7,363,800
Cash and carry	379,837	5,409
Credit charge	388,386	474,193
Royalty sales	452,263	485,257
Early settlement discount	(319,533)	(386,462)
<b>Net Sales</b>	<u>9,211,229</u>	<u>7,942,197</u>
Plant purchases	(2,695,508)	(2,478,260)
Plugs and trays	(800,812)	(683,797)
Fuel	(324,843)	(290,970)
Electricity	(61,635)	(66,731)
Direct wages	(1,446,697)	(1,362,510)
<b>Total direct costs</b>	<u>(5,329,495)</u>	<u>(4,882,268)</u>
<b>Margin before production overheads</b>	<u>3,881,734</u>	<u>3,059,929</u>
Production overheads	(652,742)	(529,916)
Royalties	(395,742)	(486,164)
Depreciation	(266,037)	(256,448)
Opening plant stock	(472,852)	(488,098)
Closing plant stock	615,280	472,852
<b>Production overheads</b>	<u>(1,172,093)</u>	<u>(1,287,774)</u>
<b>Contribution from plants</b>	<u>2,709,641</u>	<u>1,772,155</u>
Label sales	175,796	237,380
Label costs	(201,634)	(168,124)
<b>Contribution from labels</b>	<u>(25,838)</u>	<u>69,256</u>

This page does not form part of the financial statements on which the auditors have reported

**R DELAMORE LIMITED****MANAGEMENT INFORMATION (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2011**

	2011	2010
Delivery sales	56,584	64,460
Internal transport costs	(210,866)	(151,318)
Internal transport wages	(130,983)	(134,914)
External transport costs	(242,371)	(141,806)
Depreciation	(25,340)	(21,091)
<b>Net transport costs</b>	<u>(552,976)</u>	<u>(384,669)</u>
<b>Total contribution to overheads</b>	<u>2,130,827</u>	<u>1,456,742</u>
Sundry income	8,954	11,566
Promotional costs	(359,464)	(323,712)
Administration costs	(1,066,271)	(673,404)
Bad debt provision	(35,577)	(33,000)
Retrospective discounts	(14,696)	(11,536)
Discount received	7,715	8,836
<b>Total Overheads</b>	<u>(1,459,339)</u>	<u>(1,021,250)</u>
Depreciation	(51,393)	(39,565)
Amortisation	(18,558)	(47,418)
<b>Total operating profit</b>	<u>601,537</u>	<u>348,509</u>
Hire purchase interest	(3,003)	(2,753)
Overdraft interest	1	28
Other	1,048	7,590
<b>Interest</b>	<u>(1,954)</u>	<u>4,865</u>
Exceptional charges	(10,412)	(14,703)
<b>Pre-tax profit</b>	<u>589,171</u>	<u>338,671</u>

This page does not form part of the financial statements on which the auditors have reported