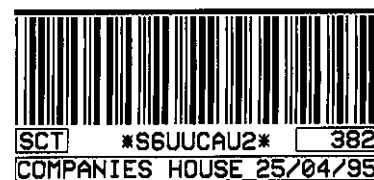


10975

**DOBBIE & CO. LIMITED**  
**GROUP REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 1994**

**Rutherford Manson Dowds**  
**Chartered Accountants**  
**25 Melville Street**  
**Edinburgh**  
**EH3 7PE**



**DOBBIE & CO. LIMITED**  
**GROUP REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 1994**

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**DOBBIE & CO. LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:** R A Hammond Chambers (Chairman)  
Captain J D K Barnes  
T J K Barnes  
J A H Trotter

**SECRETARY:** J M Haldane

**REGISTERED  
OFFICE:** Melville Nursery  
Lasswade  
Midlothian  
EH18 1AZ

**AUDITORS:** Rutherford Manson Dowds  
Chartered Accountants  
25 Melville Street  
Edinburgh  
EH3 7PE

**BANKERS:** Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

**SOLICITORS:** Tods Murray WS  
66 Queen Street  
Edinburgh

**COMPANY  
NUMBER:** 10975

**DOBBIE & CO. LIMITED**  
**CHAIRMAN'S STATEMENT**

It is with pleasure that I submit my first review as Chairman of Dobbie & Co Limited, a company involved in the garden centre business. It has been successfully built up over 20 years by David Kentish Barnes, my predecessor, and is today the leader in its business in Scotland.

In February 1994 a reconstruction of the Company was concluded, involving the sale of the freehold of our Melville garden centre to, and the sale of ordinary shares by, David Kentish Barnes. The various transactions, in what was a long, drawn out and costly arrangement, had the following effect on the cash resources of the company:

	£
Sale of Melville Freehold	900,000
Pension Provision	(205,000)
Reorganisation costs	(c.120,000)
	-----
<b>NET PROCEEDS TO COMPANY</b>	<b>575,000</b>
	=====

These proceeds, together with other fund generated from operations and from other sources, meant that the Company's indebtedness to the Bank of Scotland fell by c.£443,000 and resulted in a stronger capital structure:

	1994 £		1993 £
Indebtedness	495,000	(37%)	951,000 (49%)
Shareholders' capital	845,000	(63%)	991,000 (51%)
	-----		-----
<b>TOTAL</b>	<b>1,340,000</b>	<b>(100%)</b>	<b>1,942,000 (100%)</b>
	=====		=====

I present these figures in my review because present day accounting conventions neither cater for identifying such figures separately nor allow for a clear and simple presentation of the financial dynamics of the Company. It is difficult for even a professional financial analyst to separate day to day operational figures from one-off, non recurring figures.

## DOBBIE & CO. LIMITED

### CHAIRMAN'S STATEMENT - Continued

In this respect the Company's consolidated profit and loss account does not reflect the basic profitability of the Company's trading. The "bottom" line on page 9 of this report shows a loss (after suffering a c. £40,000 tax charge on taxable trading profits) of c. £132,000, despite experiencing a good, profitable trading year. The following table separates the trading results from the one-off, non trading items:

	One-off Separated out	As per Accounts
Operating profit	279,000	279,000
Interest	(60,000)	(60,000)
One-off costs less gains	-	(311,000)
Pre-tax profit/(loss)	219,000	(92,000)
Tax	(40,000)	(40,000)
After-tax profit/(loss)	179,000	(132,000)

In other words the Company made a profit after tax of c. £179,000 on its basic business of running garden centres.

The February financial reorganisation also marked the retirement of David Kentish Barnes as Executive Chairman and Gerry Thomas as a non-executive director and the appointment of me as non executive Chairman and James Kentish Barnes as managing director. The new senior management team has been developed under David Kentish Barnes, who remains on the Board as a non-executive director - thereby ensuring the best possible continuity of management.

The Board of Directors has made a thorough examination of its future development and established a strategy for growth, based on:

(i) Modernisation of all existing facilities:

In this respect the refurbishment of the centre at Westerwood, Cumbernauld, was completed in April 1994 and resulted in good sales and profits growth for the year. The centre at Dalgety Bay is in the process of being refurbished and it is planned to re-open it in April 1995. Finally, the centre at Melville, Dalkeith, which was the subject of a planning application for a superstore development which has now been turned down will be refurbished within the next twelve months subject to approval of a new planning application.

## DOBBIE & CO. LIMITED

### CHAIRMAN'S STATEMENT - Continued

- (ii) New facilities, established either through acquisition or greenfield site development.

The garden centre business is one of the most exciting areas of retailing in the UK. Not only are the demographics of the population and private house ownership very favourable for industry growth but there is also consolidation of the number of operators in the industry providing acquisition opportunities for those companies sufficiently well organised and well financed to take advantage of them. Your company intends to be one such company. Indeed there are many such opportunities for acquisitions but competition is intense and prices sometimes very high.

The trading results for the year showed that sales of continuing operations (i.e. excluding Dobbies Landscape, 75% of whose shares have been bought by its own management) rose by 7.6% to £4,266,000 and profits of continuing operations before tax and non-recurring items rose by 54.4% to £218,819. These improvements came about from a generally improved economic environment, a warmer summer (although a colder spring) and better refurbished facilities. These results also continue the trend of improving performance established in the 1990s.

Year	Sales £	Pre-tax Profits £	Pre-tax Profits per share £
1991	4,160,000	(156,000)	(3.12)
1992	4,249,000	42,000	0.84
1993	4,574,000	155,000	3.17
1994	4,266,000	219,000	4.38

N.B. 1994 excludes Dobbies Landscape; the other years include it.

The prospects for the current year are, as ever, subject to influence by the weather. That major qualification apart, we are budgeting for another increase in sales and profits during the current year - benefiting further from our programme of refurbishments and from the industry's growth background.



5 April 1995

Chairman

## DOBBIE & CO. LIMITED

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 October 1994.

#### 1 PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activities during the year were the operation of garden centres, and the display, breeding and exhibition of live butterflies.

A review of developments affecting the Company during the year and its prospects for the future appears in the Chairman's statement on pages 2 to 4.

#### 2 RESULTS AND DIVIDENDS

The group loss for the year after taxation amounted to £112,712 (1993 - profit £140,189).

The directors propose that a preferred ordinary dividend be paid in respect of the year ended 31 October 1994 at £0.76 per share. The loss for the year of £141,712 will be charged to reserves.

#### 3 DIRECTORS

The present membership of the board is set out on page 1. The directors in office and their respective interests as defined by the Companies Act 1985, in the share capital of the company are shown below:

	£1 Ordinary Shares	
	At 31 October 1994	At 31 October 1993
	No	No
R A Hammond Chambers	175	-
Captain J D K Barnes	22,250	45,000
T J K Barnes	4,250	2,500
J A H Trotter	1,750	-

No director had any interest in the preferred ordinary shares of the company.

On 28 February 1994 G A Thomas resigned as a director of the company and R A Hammond Chambers was appointed a director.

#### 4 SHARE CAPITAL

On 28 February 1994 18,375 of the existing ordinary £1 shares of the company were redesignated preferred ordinary shares of £1 each.

**DOBBIE & CO. LIMITED**  
**DIRECTORS' REPORT (Continued)**

**5      FIXED ASSETS**

The movements on tangible assets are shown in Note 11 to the financial statements. In the opinion of the directors the open market value of the fixed assets is materially higher than the book value.

**6      CLOSE COMPANY STATUS**

The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

**7      THE ENVIRONMENT**

The company is committed to a policy which recognises environmental issues in all aspects of its business. Responsibility for compliance with environmental best practice is vested in the directors and environmentally sensitive options are integrated into the company's business at all levels of operation.

**8      AUDITORS**

On 9 September 1994 Arnold Hill & Co resigned as auditors and Rutherford Manson Dowds were appointed in their place.

A resolution to re-appoint Rutherford Manson Dowds as the auditors will be proposed at the Annual General Meeting.

**BY ORDER OF THE BOARD**

**5 April 1995**



**Secretary**



## **DOBBIE & CO. LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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 group 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 group and 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 group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
DOBBIE & CO. LIMITED**



**Rutherford  
Manson  
Dowds**

Chartered Accountants

25 Melville Street  
Edinburgh EH3 7PE  
Telephone 0131 225 4727  
Facsimile 0131 220 1663

We have audited the financial statements set out on pages 9 to 26 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 15 and 16.

**Respective responsibilities of directors and auditors**

As described on page 7 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 group and company as at 31 October 1994 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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Aberdeen AB1 1XL  
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Facsimile 01224 625 025

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Glasgow G2 2ND  
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Facsimile 0141 248 6001

34 Grosvenor Gardens  
Belgravia  
London SW1W 0DH  
Telephone 0171 730 6092  
Facsimile 0171 730 6098

Represented throughout Europe,  
North and South America, Asia,  
Pacific and all major commercial  
centres worldwide through  
**IA International**

**5 April 1995**

**Chartered Accountants  
Registered Auditors**

Partners: C Rutherford A G Manson C M Dowds C I Welsh S M Cowie I A Reid  
J D Dryburgh I Steele I Durie

Registered to carry on audit work and authorised to carry on Investment  
Business by the Institute of Chartered Accountants of Scotland

**DOBBIE & CO. LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 OCTOBER 1994**

	Note	£	1993 £
<b>TURNOVER</b>	<b>2</b>		
- continuing operations		4,266,393	3,965,675
- discontinued operation		-	608,407
		-----	-----
		4,266,393	4,574,082
Cost of sales	<b>3</b>	(2,288,080)	(2,444,915)
		-----	-----
<b>GROSS PROFIT</b>		1,978,313	2,129,167
Administrative and selling expenses	<b>3</b>	(1,806,705)	(1,977,639)
Other operating income	<b>3</b>	106,977	95,117
		-----	-----
<b>OPERATING PROFIT - continuing operations</b>		278,585	233,891
- discontinued operations		-	12,754
		-----	-----
		278,585	246,645
Gain on disposal of property	<b>4</b>	12,802	-
Cost of company reorganisation	<b>5</b>	(324,072)	-
		-----	-----
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(32,685)	246,645
Interest payable	<b>6</b>	(59,766)	(92,165)
		-----	-----
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>7</b>	(92,451)	154,480
Tax on (loss)/profit on ordinary activities	<b>9</b>	(39,723)	(14,291)
		-----	-----
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(132,174)	140,189
Dividends	<b>10</b>	(14,000)	-
		-----	-----
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES</b>	<b>20</b>	(146,174)	140,189
		=====	=====

**DOBBIE & CO. LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
AND NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**YEAR ENDED 31 OCTOBER 1994**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	£	1993 £
(Loss)/profit for the financial year	(146,174)	140,189
Unrealised loss on devaluation of property	-	(296,617)
	-----	-----
Total recognised gains and losses for the year	(146,174)	(156,428)
	=====	=====

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	£	1993 £
Reported (loss)/profit on ordinary activities before taxation	(92,451)	154,480
Realisation of property revaluation gains of previous years	404,993	-
	-----	-----
Historical cost profit on ordinary activities before taxation	312,542	154,480
	=====	=====
Historical cost profit for the year retained after taxation and dividends	258,819	140,189
	=====	=====


## DOBBIE &amp; CO. LIMITED

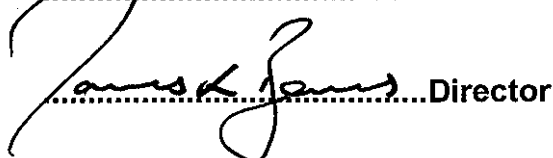
## CONSOLIDATED BALANCE SHEET

AT 31 OCTOBER 1994

	Note	£	£	1993 £
<b>FIXED ASSETS</b>				
Tangible assets	11		1,139,463	1,779,607
Investments	12		15,770	15,770
			<u>1,155,233</u>	<u>1,795,377</u>
<b>CURRENT ASSETS</b>				
Stocks	13	624,728		632,544
Debtors	14	57,401		111,440
Cash at bank and in hand		28,511		5,228
		<u>710,640</u>		<u>749,212</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	806,127		1,520,540
<b>NET CURRENT LIABILITIES</b>			<u>(95,487)</u>	<u>(771,328)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,059,746	1,024,049
<b>CREDITORS: Amounts falling due after more than one year</b>	16		214,640	27,769
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	17		-	5,000
			<u>845,106</u>	<u>991,280</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		50,000	50,000
Revaluation reserve	20		-	404,993
Profit and loss account	20		747,439	488,620
Capital reserve	20		47,667	47,667
<b>EQUITY SHAREHOLDERS' FUNDS</b>	21		<u>845,106</u>	<u>991,280</u>

These financial statements were approved by the Board of Directors on 5 April 1995.

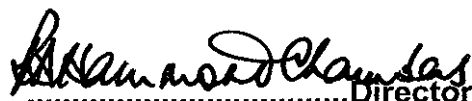
  
.....Director

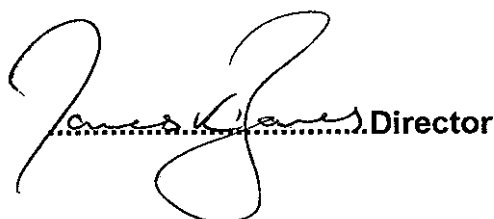
  
.....Director

**DOBBIE & CO. LIMITED**  
**COMPANY BALANCE SHEET**  
**AT 31 OCTOBER 1994**

	Note	£	£	1993 £
<b>FIXED ASSETS</b>				
Tangible assets	11		1,128,048	1,583,911
Investments	12		28,275	28,275
			-----	-----
			1,156,323	1,612,186
			-----	-----
<b>CURRENT ASSETS</b>				
Stocks	13	597,586		605,812
Debtors	14	55,854		52,308
Cash at bank and in hand		5,843		4,642
		-----		-----
		659,283		662,762
<b>CREDITORS: Amounts falling due within one year</b>	15	759,900		1,340,151
		-----		-----
<b>NET CURRENT LIABILITIES</b>			(100,617)	(677,389)
			-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,055,706	934,797
<b>CREDITORS: Amounts falling due after more than one year</b>	16		397,534	27,769
			-----	-----
			658,172	907,028
			-----	-----
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		50,000	50,000
Revaluation reserve	20		-	404,993
Profit and loss account	20		608,172	452,035
			-----	-----
<b>EQUITY SHAREHOLDERS' FUNDS</b>	21		658,172	907,028
			-----	-----

These financial statements were approved by the Board of Directors on 5 April 1995.

  
.....Director

  
.....Director

## DOBBIE &amp; CO. LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 1994

	Note	£	1993 £
<b>Net cash inflow from operating activities</b>	i	2,410	400,365
<b>Returns on investments and servicing of finance</b>			
Interest paid		(69,806)	(101,316)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(69,806)	(101,316)
<b>Taxation</b>			
Corporation tax paid		(16,515)	-
<b>Investing Activities</b>			
Payments to acquire tangible fixed assets		(354,880)	(137,918)
Receipts from sales of tangible fixed assets		905,343	72,512
Payments to acquire associated undertakings		-	(15,770)
<b>Net cash inflow/(outflow) from investing activities</b>		550,463	(81,176)
<b>NET CASH INFLOW BEFORE FINANCING</b>		466,552	217,873
<b>Financing</b>			
Term loan received		250,000	-
<b>Net cash inflow from financing</b>		250,000	-
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	iii	716,552	217,873

**DOBBIE & CO. LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 OCTOBER 1994**

**i RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW  
FROM OPERATING ACTIVITIES**

	£	1993 £
Operating profit	278,585	246,645
Depreciation charge	103,928	96,212
Net reduction in grant provisions	(5,000)	(5,000)
Profit on sale of tangible fixed assets	(1,444)	(10,711)
Decrease/(increase) in stocks	7,816	(10,527)
Decrease in debtors	57,539	88,122
Decrease in creditors	(114,942)	(4,376)
Reorganisation costs	(324,072)	-
	-----	-----
	2,410	400,365
	=====	=====

**ii ANALYSIS OF CHANGES IN CASH DURING THE YEAR**

	£	£
Balance at 1 November 1993	(918,102)	(1,135,975)
Net cash inflow	716,552	217,873
	-----	-----
Balance at 31 October 1994	(201,550)	(918,102)
	=====	=====

**iii ANALYSIS OF CASH BALANCES SHOWN IN THE  
BALANCE SHEET**

	1994 £	1993 £	Change in Year £
Cash at bank and in hand	28,511	5,228	23,283
Bank overdraft	(230,061)	(923,330)	693,269
	-----	-----	-----
	(201,550)	(918,102)	(716,552)
	=====	=====	=====



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 1994

**1 ACCOUNTING POLICIES**

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

**b) Basis of Consolidation**

The consolidated financial statements incorporate the accounts of the company and its subsidiaries for the period ended 31 October 1994.

**c) Capital Reserve**

The net assets of the subsidiary acquired are greater in value than the cost of purchase and the excess has been credited to capital reserve.

**d) Depreciation**

Depreciation is provided on all tangible fixed assets other than freehold property at rates calculated to write off their cost or revalued amounts less estimated residual value, over their expected useful life, as follows:-

Freehold buildings	2% on cost
Leasehold land and buildings	over lease terms
Plant and machinery	20% on cost
Plant and machinery landscape	33 1/3% on cost
Fixtures and fittings	10% - 20% on cost
Motor vehicles and tractors	25% on cost

**e) Deferred Taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or assets will crystallise in the foreseeable future.

**f) Government Grant**

A government grant is being credited evenly to the profit and loss account over a period of 10 years.

## NOTES TO THE FINANCIAL STATEMENTS - Continued

YEAR ENDED 31 OCTOBER 1994

**1 ACCOUNTING POLICIES (Continued)****g) Leased Assets**

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

**h) Stock**

Stock has been valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**i) Pension costs**

The group operates a defined benefits' pension scheme. The scheme is a fully insured scheme for employees. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

**2 TURNOVER**

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

	£	1993 £
Garden centres	4,016,851	3,702,192
Landscaping	-	608,407
Tourism	249,542	263,483
	-----	-----
	4,266,393	4,574,082
	=====	=====

	£	1993 £
(Loss)/profit before taxation		
Garden centres	(107,331)	126,578
Landscaping	-	(8,707)
Tourism	14,880	36,609
	-----	-----
	(92,451)	154,480
	=====	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**3 COST OF SALES AND ADMINISTRATIVE AND SELLING EXPENSES**

	Continuing £	Discontinued £	Total £
<b>Cost of sales</b>			
Year ended 31 October 1994	2,288,080	-	2,288,080
	=====	=====	=====
Year ended 31 October 1993	2,134,768	310,147	2,444,915
	=====	=====	=====
<b>Administrative and selling expenses</b>			
Year ended 31 October 1994			
Administrative and selling expenses	1,806,705	-	1,806,705
	=====	=====	=====
Other operating income	106,977	-	106,977
	=====	=====	=====
Year ended 31 October 1993			
Administrative and selling expenses	1,692,133	285,506	1,977,639
	=====	=====	=====
Other operating income	95,117	-	95,117
	=====	=====	=====

**4 GAIN ON DISPOSAL OF PROPERTY**

	1993 £
	£
	(12,802)
	=====
	-
	=====

Captain J D K Barnes purchased the site of Melville Nursery, Lasswade for its open market value of £900,000.

**5 COST OF COMPANY REORGANISATION**

These represent costs involved with the reorganisation of shareholdings in the company and a refinancing exercise.

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	1993 £
	£
Hire purchase interest	4,832
Bank loans, overdrafts and bank charges	41,184
Directors' loan	906
Term loan	12,844
	=====
	59,766
	=====
	92,165
	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**7 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>£</b>	<b>1993 £</b>
<b>(Loss)/profit on ordinary activities before taxation is after charging:-</b>		
Auditors remuneration	6,500	15,200
Depreciation of owned assets	67,477	81,084
Depreciation of assets held under finance lease and hire purchase contracts	36,451	15,128
Hire of plant and machinery	21,211	37,504
Operating lease rentals	4,204	21,477
<b>and after crediting:-</b>	=====	=====
Grant	5,000	5,000
Gain on sale of fixed assets	14,246	10,711
	=====	=====

**8 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>£</b>	<b>1993 £</b>
Wages and salaries	815,761	958,409
Social security costs	65,547	84,573
Other pension costs	216,840	13,568
	-----	-----
	1,098,148	1,056,550
	=====	=====
<b>Average number of persons employed:-</b>	<b>No</b>	<b>No</b>
Office and management	29	39
Nursery and sales staff	94	99
	-----	-----
	123	138
	=====	=====
<b>Directors' emoluments</b>	<b>£</b>	<b>£</b>
Fees	10,000	(6,250)
Other emoluments	96,617	140,445
Pension contributions	211,182	5,264
	-----	-----
	317,799	139,459
	=====	=====
	<b>£</b>	<b>£</b>
Emoluments of the chairman	6,667	83,131
	-----	-----
Emoluments of the highest paid director	43,882	83,131
	=====	=====
<b>The emoluments of the other directors fell within the following ranges:</b>	<b>No</b>	<b>No</b>
£ 0 - £ 5,000	-	1
£10,001 - £15,000	1	-
£25,001 - £30,000	-	2
£40,001 - £45,000	1	-
	=====	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**9 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	£	1993 £
UK corporation tax payable at 25% (1993 : 25%)	37,500	14,291
Underprovision in previous year	2,223	-
	-----	-----
	39,723	14,291
	=====	=====

**10 DIVIDENDS**

	£	1993 £
Proposed dividend of £0.76 per preferred ordinary share	14,000	-
	=====	=====

**11 TANGIBLE FIXED ASSETS**

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Group Cost or valuation</b>					
At 1 November 1993	1,741,551	1,412	308,884	133,872	2,185,719
Additions	259,181	680	61,229	33,790	354,880
Disposals	(887,197)	-	(3,491)	(27,365)	(918,053)
	-----	-----	-----	-----	-----
At 31 October 1994	1,113,535	2,092	366,622	140,297	1,622,546
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At 1 November 1993	140,338	848	214,524	50,402	406,112
Charge for the year	33,119	418	38,888	31,503	103,928
Disposals	-	-	(3,491)	(23,466)	(26,957)
	-----	-----	-----	-----	-----
At 31 October 1994	173,457	1,266	249,921	58,439	483,083
	-----	-----	-----	-----	-----
<b>Net book value</b>					
At 31 October 1994	940,078	826	116,701	81,858	1,139,463
	=====	=====	=====	=====	=====
At 31 October 1993	1,601,213	564	94,360	83,470	1,779,607
	=====	=====	=====	=====	=====

If the land and buildings had not been revalued they would have been included at the following amounts:-

	Freehold £	Leasehold £
Cost	293,105	820,430
Aggregate depreciation based on cost	(7,050)	(166,407)
	-----	-----
Net book value based on cost	286,055	654,023
	=====	=====

The net book value of assets held under hire purchase contracts at 31 October 1994 is £65,816 (1993 - £146,302).

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**11 TANGIBLE FIXED ASSETS (Continued)**

<b>Company</b>	<b>Land &amp; Buildings £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 November 1993	1,558,657	1,412	260,198	133,872	1,954,139
Additions	442,075	680	57,675	33,790	534,220
Disposals	(887,197)	-	(3,491)	(27,365)	(918,053)
	-----	-----	-----	-----	-----
At 31 October 1994	1,113,535	2,092	314,382	140,297	1,570,306
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At 1 November 1993	140,338	848	178,640	50,402	370,228
Charge for the year	33,119	418	33,947	31,503	98,987
Disposals	-	-	(3,491)	(23,466)	(26,957)
	-----	-----	-----	-----	-----
At 31 October 1994	173,457	1,266	209,096	58,439	442,258
	-----	-----	-----	-----	-----
<b>Net book value</b>					
At 31 October 1994	940,078	826	105,286	81,858	1,128,048
	=====	=====	=====	=====	=====
At 31 October 1993	1,418,319	564	81,558	83,470	1,583,911
	=====	=====	=====	=====	=====

If the land and buildings had not been revalued they would have been included at the following amounts:-

	<b>Freehold £</b>	<b>Leasehold £</b>
Cost	293,105	820,430
Aggregate depreciation based on cost	(7,050)	(166,407)
	-----	-----
Net book value based on cost	286,055	654,023
	=====	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**12 FIXED ASSET INVESTMENT**

<b>Company</b>	<b>Subsidiary Undertakings £</b>	<b>Associated Undertakings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 November 1993	12,505	15,770	28,275
Additions	-	-	-
	-----	-----	-----
At 31 October 1994	12,505	15,770	28,275
	=====	=====	=====
At 31 October 1993	12,505	15,770	28,275
	=====	=====	=====

Details of wholly owned subsidiary's undertakings all of which are incorporated and registered in Scotland.

**Principal Activity**

Edinburgh Butterfly Farm Limited	Tourist attraction
Maistre Limited (Formerly Dobbies Landscape Limited)	Landscaping
Willowsudden Limited	Dormant

**Associated Undertaking**

Dobbies Landscape Limited	Landscaping
---------------------------	-------------

Dobbie & Co. Limited's holding in the associate is 25% being 5,770 'B' ordinary shares of £1 each and 10,000 'B' preference shares of £1 each. Due to its immateriality Dobbies Landscape Limited has not been accounted for as an associate as defined in Standard Statement of Accounting Practice 1.

**13 STOCKS**

	<b>Group 1994 £</b>	<b>1993 £</b>	<b>Company 1994 £</b>	<b>1993 £</b>
Finished goods and goods for resale	624,728	632,544	597,586	605,812
	=====	=====	=====	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**14 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	20,903	76,778	19,782	21,280
Prepayments and accrued income	9,402	15,326	9,402	15,326
Other debtors	27,096	19,336	26,670	15,702
	-----	-----	-----	-----
	57,401	111,440	55,854	52,308
	=====	=====	=====	=====

**15 CREDITORS: Amounts falling due  
within one year**

	<b>Group</b>		<b>Company</b>	
	<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Terms loans	50,000	-	50,000	-
Bank overdraft	230,061	923,330	230,061	807,785
Trade creditors	296,906	348,718	283,462	316,441
Other taxes and social security	64,149	86,617	53,783	57,545
Accruals and deferred income	88,311	67,405	77,394	61,752
Hire purchase creditors	28,910	23,230	28,910	23,230
Amounts due to subsidiary companies	-	-	-	16,276
Other creditors	1,790	51,949	1,790	51,949
Corporation tax	37,500	14,291	31,000	5,173
ACT payable	3,500	-	3,500	-
Grant	5,000	5,000	-	-
	-----	-----	-----	-----
	806,127	1,520,540	759,900	1,340,151
	=====	=====	=====	=====

The bank overdraft is secured by a bond and floating charge over all the assets of the group. The bank holds fixed charges over the leaseholds at Perth, Dalgety Bay, Melville and Chatelherault Westerwood and over the freehold and leasehold at Ardencaple.



DOBBIE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

YEAR ENDED 31 OCTOBER 1994

16 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Hire purchase creditor	14,640	27,769	14,640	27,769
Term loan	200,000	-	200,000	-
Owed to group companies	-	-	182,894	-
	-----	-----	-----	-----
	214,640	27,769	397,534	27,769
	=====	=====	=====	=====

The net hire purchase obligations to which the group is committed are:

	Group and Company	
	1994	1993
	£	£
In 1 year or less	28,910	23,230
Between 2 and 5 years	14,640	27,769
	-----	-----
	43,550	50,999
	=====	=====

The term loan is repayable annually in five equal annual instalments of £50,000 and bears interest at a rate of 2.5% over base rate. The instalments are:

	£
Due within 1 year	50,000
Due in 1 - 2 years	50,000
Due in 2 - 5 years	150,000
	-----
	250,000
	=====

17 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Grant	-	5,000	-	-
	-----	-----	-----	-----

The grant was received in 1985 from a Government Agency in respect of the Initial Capital Expenditure. In the event of this business being discontinued, the grant is repayable on a sliding scale according to the length of time that the business has been in operation.

DOBBIE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

YEAR ENDED 31 OCTOBER 1994

18 CALLED UP SHARE CAPITAL

	£	1993 £
<b>Authorised</b>		
Ordinary shares of £1 each	100,000	100,000
	=====	=====
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	31,625	50,000
Preferred ordinary shares of £1 each	18,375	-
	-----	-----
	50,000	50,000
	=====	=====

On 28 February 1994 18,375 of the existing £1 ordinary shares were redesignated preferred ordinary shares of £1 each.

19 CONTINGENT LIABILITIES

- a) Group companies are parties to certain legal actions arising in the ordinary course of business. While the outcome of these cases is uncertain, the directors believe, on the basis of advice received, that no material loss to the group will occur.
- b) The company has given cross guarantees to the Group's bankers for all bank borrowings of the group. The group's indebtedness to its bankers at 31 October 1994 was £480,061.

20 MOVEMENT ON RESERVES

	Capital Reserve £	Revaluation Reserve £	Profit & Loss Account £
<b>Group</b>			
At 1 November 1993	47,667	404,993	488,620
Loss for the year	-	-	(146,174)
Transfer to profit and loss account	-	(404,993)	404,993
	-----	-----	-----
At 31 October 1994	47,667	-	747,439
	=====	=====	=====
<b>Company</b>			
At 1 November 1993	-	404,993	452,035
Loss for the year	-	-	(248,856)
Transfer to profit and loss account	-	(404,993)	404,993
	-----	-----	-----
At 31 October 1994	-	-	608,172
	=====	=====	=====

**DOBBIE & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**YEAR ENDED 31 OCTOBER 1994**

**21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	<b>Group</b>		<b>Company</b>	
	<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year	(132,174)	140,189	(234,856)	126,578
Dividends	14,000	-	14,000	-
	-----	-----	-----	-----
Net (decrease in)/addition to shareholders funds	(146,174)	140,189	(248,856)	126,578
Opening shareholders funds	991,280	851,091	907,028	780,450
	-----	-----	-----	-----
Closing shareholders funds	845,106	991,280	658,172	907,028
	=====	=====	=====	=====

**22 PENSION COMMITMENTS**

As stated in the accounting policies, the group operates a defined benefits pension scheme, contributions being determined by qualified actuaries. Triennial actuarial valuations of the scheme are prepared by qualified actuaries using the projected unit method.

The most recent valuation was carried out at 1 March 1992. The market value of the scheme was £79,900 and the level of funding was 130%. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investment: 9%, and the rates of increase in salaries: 7% compound.

Contributions during the year amounted to £216,840 (1993 - £13,568). At the balance sheet date the scheme was adequately but not excessively funded.

**23 CAPITAL COMMITMENTS**

The group has capital commitments in the year to 31 October 1995 as follows:

	<b>£</b>
Capital expenditure authorised and contracted for	318,600
	-----
Capital expenditure authorised but not yet contracted for	212,450
	=====

# DOBBIE & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - Continued

YEAR ENDED 31 OCTOBER 1994

### 24 DEFERRED TAXATION

In accordance with the policy expressed in Note 1 (e), no provision is made for deferred taxation as no liability is expected to crystallise in the foreseeable future. The potential liability is as follows:-

		Group 1993		Company 1993
	£	£	£	£
Capital gain on sale of revalued property carried forward	107,000	-	107,000	-
	=====	=====	=====	=====

### 25 OPERATING LEASES COMMITMENTS

At 31 October 1994 the group was committed to making the following payments during the year to 31 October 1995 in respect of operating leases:-

	Land and Buildings Group	Company	Other Group	Company
	£	£	£	£
On leases which expire:				
Within 1 year	-	-	2,090	2,090
Within 2 to 5 years	-	-	494	494
Over 5 years	171,200	156,200	-	-
	=====	=====	=====	=====
	171,200	156,200	2,584	2,584
	=====	=====	=====	=====

### 26 DIRECTOR'S CONTRACT

Captain J D K Barnes is the lessor in a contract expiring in 2029 whereby land at Melville Nursery, Lasswade has been leased to the group at an annual rate of £90,000.

### 27 RESULTS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985 the profit and loss account, of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period amounted to £234,856.