

REPORT OF THE AUDITORS TO THE DIRECTORS OFST. PETERS NURSERIES LIMITEDUNDER PARAGRAPH 24 OF SECTION C OF PART III OF
SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of ST. PETERS NURSERIES LIMITED prepared under section 226 of the Companies Act 1985 for the period ended 31st July 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

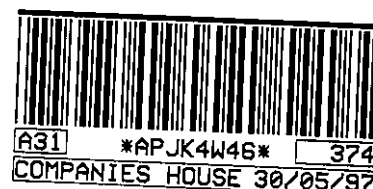
In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the period ended 31st July 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 29th May 1997 Anthony Bohm & Co. reported, as auditors of ST. PETERS NURSERIES LIMITED to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31st July 1996 and their audit report was as follows :-

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

(Continued on page 2)



AUDITORS' REPORT TO THE DIRECTORS OF

ST. PETERS NURSERIES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

(continued from page 1)

Respective responsibilities of directors and auditor

As described on page 1 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st July 1996 and of the profit for the period then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.



ANTHONY BOHM & CO.
Registered Auditor
Chartered Accountants
29 Welbeck Street
London W1M 7PG

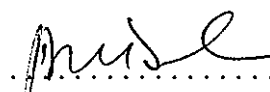
ST. PETERS NURSERIES LIMITED

ABBREVIATED BALANCE SHEET

AT 31ST JULY 1996

		<u>1996</u>		<u>1995</u>	
	<u>NOTES</u>	£	£	£	£
<u>FIXED ASSETS</u>					
Intangible assets	2a		28,763		33,451
Tangible assets	2b		132,672		38,077
Investments	3		3,001		3,001
			<u>164,436</u>		<u>74,529</u>
<u>CURRENT ASSETS</u>					
Stocks		126,509		107,667	
Debtors		105,787		217,522	
Cash at bank and in hand		-		143	
		<u>232,296</u>		<u>325,332</u>	
<u>CREDITORS: amounts falling due within one year</u>	4	<u>238,203</u>		<u>222,447</u>	
<u>NET CURRENT ASSETS/(LIABILITIES)</u>			<u>(5,907)</u>		<u>102,885</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>158,529</u>		<u>177,414</u>
<u>CREDITORS: amounts falling due after more than one year</u>	5		<u>-</u>		<u>8,948</u>
			<u>£ 158,529</u>		<u>£ 168,466</u>
<u>CAPITAL AND RESERVES</u>					
Called up share capital	6		162,000		162,000
Profit and loss account			(3,471)		6,466
			<u>£ 158,529</u>		<u>£ 168,466</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

..........Director D B Dale

..........Director R A Blake

Approved by the Board on.....28th May 1997

ST. PETERS NURSERIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1996

(a) Accounting convention

The financial statements have been prepared under historical cost convention.

(b) Turnover

This represents the invoiced value of sales excluding value added tax.

(c) Fixed assets

Depreciation has been provided at the following annual rates in order to write off each asset over its estimated useful life.

Goodwill	Over 10 years
Improvements to leasehold premises	Over period of the lease
Plant and equipment	20% on cost
Motor vehicles	25% on reducing balance method
Office equipment	33 1/3% on cost

(d) Stocks

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

(e) Deferred taxation

No provision is made for deferred taxation as in the opinion of the directors, there is a reasonable probability that the liability will not arise in the foreseeable future.

(f) Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals under the operating leases are charged to the profit and loss account.

(g) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the period.

ST. PETERS NURSERIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1996

2. FIXED ASSETS

(a) Intangible assets

	<u>Goodwill</u>
	£
Cost at 1st April 1995 and 31st July 1996	£ 35,134
	<u> </u>
<u>Amortisation</u>	
At 1st April 1995	1,683
Charge for the period	4,688
	<u> </u>
At 31st July 1996	£ 6,371
	<u> </u>
Net book value at 31st July 1996	£ 28,763
	<u> </u>
Net book value at 1st April 1995	£ 33,451
	<u> </u>

(b) Tangible assets

	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>	<u>Improvements to Leasehold Premises</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost</u>					
At 1st April 1995	5,451	19,500	18,300	-	43,251
Additions	13,027	-	55,281	54,274	122,582
Disposals	-	(11,500)	(3,500)	-	(15,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st July 1996	18,478	8,000	70,081	54,274	150,833
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Depreciation</u>					
At 1st April 1995	907	2,437	1,830	-	5,174
Disposals	-	(1,437)	(350)	-	(1,787)
Charge for the period	5,787	2,336	6,019	632	14,774
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st July 1996	6,694	3,336	7,499	632	18,161
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Net Book Value</u>					
At 31st July 1996	£ 11,784	£ 4,664	£ 62,582	£ 53,642	£ 132,672
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 1995	£ 4,544	£ 17,063	£ 16,470	£ -	£ 38,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. INVESTMENTS

	<u>1996</u>	<u>1995</u>
	£	£
Option (see note below)	3,000	3,000
40 Ordinary shares in St.Peters Garden Centre Limited	1	1
	<u> </u>	<u> </u>
	£ 3,001	£ 3,001
	<u> </u>	<u> </u>

Under an agreement dated 7th October 1994 the company has an option to purchase freehold land at Pear Tree Farm, Worcestershire after 8 years and before the 17th anniversary of the agreement for the sum of £143,000.

ST. PETERS NURSERIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1996

	<u>1996</u>	<u>1995</u>
	£	£
4. <u>CREDITORS: amounts falling due within one year includes:-</u>		
Bank overdraft	170,093	80,450
Bank loan	7,072	11,052
	<u> </u>	<u> </u>
5. <u>CREDITORS: amounts falling due after more</u> <u>than one year includes:-</u>		
Bank loan	£ -	£ 8,948
	<u> </u>	<u> </u>
All amounts due within five years.		
6. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised, allotted and paid-up</u>		
6,000 Ordinary shares of £1 each	6,000	6,000
6,000 Preferred Ordinary shares of £1 each	6,000	6,000
150,000 10% Cumulative Redeemable		
Preference shares of £1 each	150,000	150,000
	<u> </u>	<u> </u>
	£ 162,000	£ 162,000
	<u> </u>	<u> </u>