

AUDITORS' REPORT TO ST. PETERS NURSERIES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of the company for the year ended 31st July 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with that provision.



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

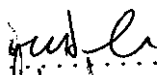
24th November 1998



ST. PETERS NURSERIES LIMITED
ABBREVIATED BALANCE SHEET
AT 31ST JULY 1998

	NOTES	£	1998	£	1997	£
<u>FIXED ASSETS</u>						
Intangible assets	2a		21,731		25,247	
Tangible assets	2b		125,258		137,014	
Investments	3		4,001		6,001	
			<u>150,990</u>		<u>168,262</u>	
<u>CURRENT ASSETS</u>						
Stocks		278,271		65,417		
Debtors		56,817		115,655		
Cash at bank and in hand		1,919		395		
			<u>337,007</u>		<u>181,467</u>	
<u>CREDITORS: amounts falling due within one year</u>	4	278,383		123,197		
<u>NET CURRENT ASSETS</u>			58,624		58,270	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>209,614</u>		<u>226,532</u>	
<u>CREDITORS: amounts falling due after more than one year</u>	5		82,616		109,000	
			<u>£ 126,998</u>		<u>£ 117,532</u>	
<u>CAPITAL AND RESERVES</u>						
Called up share capital	6		162,000		162,000	
Profit and loss account			(35,002)		(44,468)	
			<u>£ 126,998</u>		<u>£ 117,532</u>	

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

.....  DIRECTOR D B Dale
.....  DIRECTOR R A Blake
APPROVED ON...23rd.November.1998..

ST. PETERS NURSERIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1998

1. ACCOUNTING POLICIES

(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.

ST. PETERS NURSERIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1998

2. FIXED ASSETS

(a) Intangible assets

	<u>Goodwill</u>
	£
Cost at 1st August 1997 and 31st July 1998	35,134
<u>Amortisation</u>	
At 1st August 1997	9,887
Charge for the year	3,516
	<u>13,403</u>
At 31st July 1998	
Net book value at 31st July 1998	£ 21,731
Net book value at 31st July 1997	£ 25,247

(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 August 1997	19,247	26,645	77,740	57,169	180,801
Additions	5,616	3,876	9,176	-	18,668
At 31st July 1998	<u>24,863</u>	<u>30,521</u>	<u>86,916</u>	<u>57,169</u>	<u>199,469</u>
<u>Depreciation</u>					
At 1st August 1997	12,542	4,890	22,423	3,932	43,787
Charge for the year	5,577	5,642	15,996	3,209	30,424
At 31st July 1998	<u>18,119</u>	<u>10,532</u>	<u>38,419</u>	<u>7,141</u>	<u>74,211</u>
<u>Net Book Value</u>					
At 31st July 1998	£ 6,744	£ 19,989	£ 48,497	£ 50,028	£ 125,258
At 31st July 1997	£ 6,705	£ 21,755	£ 55,317	£ 53,237	£ 137,014

The net book value of tangible assets includes an amount of £10,968 (1997 £18,257) in respect of assets held under hire purchase contracts.

3. INVESTMENTS

	<u>1998</u>	<u>1997</u>
	£	£
Option (see note below)	3,000	3,000
40 Ordinary shares in St.Peters Garden Centre Limited	1	1
2,000 Ordinary shares in St.Peters Landscapes Limited	-	2,000
1,000 Ordinary shares in Hart Corporate Limited	1,000	1,000
	<u>£ 4,001</u>	<u>£ 6,001</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 YEAR ENDED 31ST JULY 1998

	<u>1998</u>	<u>1997</u>
	£	£
4. <u>CREDITORS: amounts falling due within one year includes:-</u>		
Bank overdraft	44,043	80,695
Bank loan	16,084	-
Obligations under hire purchase contracts	6,469	4,550
	<u> </u>	<u> </u>
5. <u>CREDITORS: amounts falling due after more</u> <u>than one year includes:-</u>		
Bank loan	78,116	100,000
Obligations under hire purchase contracts	4,500	9,000
	<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>