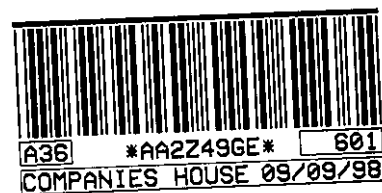


R. HARKNESS & CO. LIMITED

Registered Number 00539359 (England and Wales)

ABBREVIATED STATUTORY ACCOUNTS

30TH SEPTEMBER, 1996



R. HARKNESS & CO. LIMITED

The Rose Gardens,

HITCHIN,

Herts.

ABBREVIATED STATUTORY ACCOUNTS

30TH SEPTEMBER, 1996

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R. HARKNESS & CO. LIMITEDBALANCE SHEET - 30TH SEPTEMBER, 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>	2	£	£
Intangible assets		753	905
Tangible assets		410,361	471,868
Investments		680	680
		<u>411,794</u>	<u>473,453</u>
<u>CURRENT ASSETS</u>			
Stocks		90,256	141,329
Debtors		57,600	131,104
Cash at bank and in hand		240	626
		<u>148,096</u>	<u>273,059</u>
<u>LESS: CURRENT LIABILITIES</u>			
<u>Creditors: amounts falling due within one year</u>	3	<u>413,459</u>	<u>467,708</u>
<u>DEFICIENCY OF NET CURRENT ASSETS</u>		<u>(265,363)</u>	<u>(194,649)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>146,431</u>	<u>278,804</u>
<u>Creditors: amounts falling due after more than one year</u>	3	187,444	228,248
<u>Provisions for liabilities and charges</u>			
Deferred taxation		-	1,349
		<u>187,444</u>	<u>229,597</u>
<u>DEFICIENCY OF NET ASSETS (1995 - surplus)</u>		<u>(41,013)</u>	<u>49,207</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	4	36,000	36,000
Other reserves		14,780	14,780
Profit and loss account (deficiency)		(91,793)	(1,573)
<u>SHAREHOLDERS FUNDS (deficiency)</u>		<u>(41,013)</u>	<u>49,207</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors by:-


.....

P.A. Harkness Esq.
(Director)

The accounts were approved by the board of directors on

21/9/98

R. HARKNESS & CO. LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD 1ST APRIL, 1995 TO 30TH SEPTEMBER, 19961. ACCOUNTING POLICIES(a) Basis of accounting

The accounts of the company have been prepared under the historical cost convention.

(b) Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

(c) Intangible fixed assets

Purchased goodwill is being written off using the straight line method over 20 years.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost to the company and depreciation is calculated to write off the cost of the assets on the following bases:-

Leasehold properties - on the straight line method at a rate to write off the cost over the remaining period of the lease

Motor vehicles - 25% per annum on the reducing balance

Plant and machinery,
fixtures, fittings, - on the reducing balance method at rates ranging from 7.5% to 25% per
tools and equipment annum depending upon the type of assets

(e) Stocks

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

(f) Deferred taxation

The deferred taxation provision is the amount required at current rates, using the liability method, to allow for timing differences arising from the effect of the allocation for taxation purposes of income and expenditure (including depreciation) to periods different from those used for accounting purposes, to the extent that there is a reasonable probability that such deferred taxation will be payable in the foreseeable future.

(g) Turnover

Turnover represents the amount receivable in the ordinary course of business for goods sold and services provided after deducting value added tax.

(h) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

(i) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

R. HARKNESS & CO. LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD 1ST APRIL, 1995 TO 30TH SEPTEMBER, 1996

	<u>Intangible Fixed Assets</u>	<u>Tangible Fixed Assets</u>	<u>Investments</u>	<u>Total</u>
2. <u>FIXED ASSETS</u>				£
<u>Cost</u>				
At 1st April, 1995	2,016	940,139	680	942,835
Additions	-	22,859	-	22,859
At 30th September, 1996	2,016	962,998	680	965,694
<u>Aggregate depreciation</u>				
At 1st April, 1995	1,111	468,271	-	469,382
Charge for period	152	84,366	-	84,518
At 30th September, 1996	1,263	552,637	-	553,900
<u>Net book value 30th September, 1996</u>	753	410,361	680	411,794
<u>Net book value 31st March, 1995</u>	905	471,868	680	473,453

3. CREDITORS

Creditors include the following:

	<u>30th September, 1996</u>	<u>31st March, 1995</u>
	£	£
Bank loan not wholly repayable within five years		
- repayable within five years	137,086	114,790
- repayable after five years	49,983	113,458
	<u>187,069</u>	<u>228,248</u>
Bank overdraft	148,259	223,091
	<u>335,328</u>	<u>451,339</u>

The bank loan and overdraft are secured.

4. CALLED UP SHARE CAPITALAuthorised

36,000 ordinary shares of £1 each	36,000	36,000
<u>Allotted, called up and fully paid</u>		
36,000 ordinary shares of £1 each	36,000	36,000

R. HARKNESS & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST APRIL, 1995 TO 30TH SEPTEMBER, 1996

5. RELATED PARTY TRANSACTIONS

Material interests of directors

The freehold land occupied by the company is jointly owned by Mr. R.B. Harkness and Mr. P.A. Harkness and is leased to the company at an annual rental of £2,400.

6. POST BALANCE SHEET EVENTS

On 13th May, 1997 a resolution was passed by the shareholders to increase the company's authorised share capital to £100,000.

On 13th May, 1997 at an extraordinary general meeting the members authorised the directors to sell the Harkness Garden Centre business.

On 30th May, 1997 the company sold the Harkness Garden Centre business, the short term leasehold property from which it operated and associated fixtures, fittings and equipment for £895,000. As part of the same contract Mr. R.B. Harkness and Mr. P.A. Harkness sold their freehold interest in the property stated above for £855,000.

The company has retained its rose plant mail-order business which it intends to further develop and expand.

AUDITORS' REPORT TO R. HARKNESS & CO. LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 1 to 4, together with the full statutory accounts of the company for the period ended 30th September, 1996, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

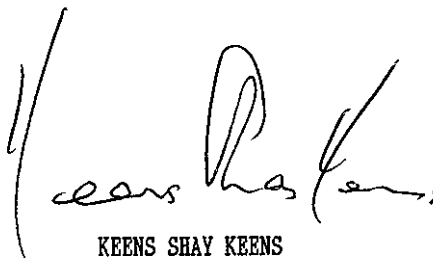
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, 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 statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 1 to 4 are properly prepared in accordance with those provisions.



KEENS SHAY KEENS
Registered Auditors and Chartered Accountants

Christchurch House,
Upper George Street,
LUTON,
Beds.
LU1 2RS.

3rd September 1998

