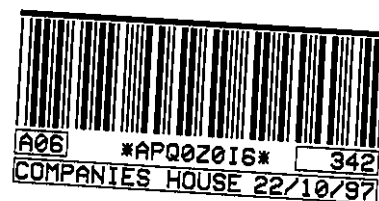


A. & E. BRIDGEN AND SON LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31ST DECEMBER, 1996



A. & E. BRIDGEN AND SON LIMITED

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The Following Pages do not form part of the Statutory Financial Statements

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A. & E. BRIDGEN & SON LIMITED

COMPANY INFORMATION

AS AT 31ST DECEMBER, 1996

DIRECTOR

M. J. Poole, Esq.

SECRETARY

Mrs. E.A. Poole

BANKERS

Barclays Bank Plc.,
St. George's Street,
Canterbury,
Kent.

AUDITORS

Messrs. Larkings,
Chartered Accountants,
31 St. George's Place,
Canterbury,
Kent
CT1 1XD

REGISTERED OFFICE

Ospringe Nurseries,
Brogdale Road,
Faversham,
Kent

COMPANY NUMBER

03185052

DIRECTOR'S REPORT

The Director presents his annual report with the financial statements of the Company for the period ending 31st December, 1996.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the period under review was the operation of a wholesale nursery.

REVIEW OF THE BUSINESS

The Company was incorporated on the 12th April, 1996. From this date until the 30th June, 1996 the Company was a subsidiary of Cableclove Limited (formerly A. & E. Bridgen & Son Limited). The change of name occurred as a result of a name swap with this company. As part of a reorganisation of Cableclove Limited, the Company took over the associated assets and liabilities, together with the wholesale trade of Cableclove Limited and became a subsidiary of Amblesite Limited.

The Company commenced trading on the 1st July, 1996. The Company is a 100% subsidiary of Amblesite Limited.

DIRECTOR AND HIS INTEREST

The Director in office in the period and his beneficial interest in the ultimate parent Company at the Balance Sheet date was as follows:-

M.J. Poole

2 Ordinary Shares

DIRECTOR'S RESPONSIBILITIES

Company Law requires the Director to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for that period. In preparing those Financial Statements, the Director is 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the Financial Statements comply with the Companies Act 1985. He is 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.

AUDITORS

Messrs. Larkings were appointed Auditors to the Company and in accordance with Section 385 of the Companies Act 1985 are willing to be re-appointed.

SMALL COMPANY EXEMPTIONS

The report of the Director has been prepared with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD
MRS. EA. POOLE

Secretary *EAPoole*

TO THE MEMBERS OF A. & E. BRIDGEN AND SON LIMITED

We have audited the Financial Statements on pages 4 to 9 which have been prepared under the Historical Cost Convention and the Accounting Policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND AUDITORS

As described on page 2 the Company's Director is 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 mis-statement, 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 the Company's affairs as at 31st December, 1996, and of its Loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In our opinion the Company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the financial period ended 31st December, 1996.

31 St. George's Place,

CANTERBURY


LARKINGS
CHARTERED ACCOUNTANTS
AND
REGISTERED AUDITORS
20TH OCTOBER, 1997

A. & E. BRIDGEN AND SON LIMITEDPROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDING 31ST DECEMBER, 1996

NOTES

<u>TURNOVER</u>		691501
Cost of Sales		<u>530905</u>
<u>GROSS PROFIT</u>		160596
Distribution Costs		63254
Administrative Expenses		<u>92528</u>
		<u>155782</u>
		4814
Other Operating Income		<u>1080</u>
<u>OPERATING PROFIT</u>	2	5894
Interest Payable and Similar Charges	3	<u>(10970)</u>
<u>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(5076)
Tax on Loss on Ordinary Activities	4	<u>(259)</u>
<u>LOSS FOR THE PERIOD</u>		<u>(5335)</u>

The only recognised loss is the loss for the period of (£5335).

There were no acquisitions or discontinued activities during the period.

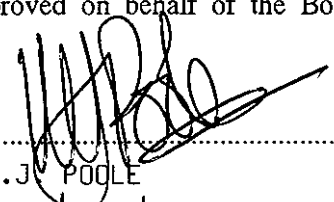
The annexed notes form part of these financial statements.

A. & E. BRIDGEN AND SON LIMITEDBALANCE SHEETAS AT 31ST DECEMBER, 1996

	NOTES	
<u>FIXED ASSETS</u>		
Tangible Assets	7	242722
<u>CURRENT ASSETS</u>		
Stocks	8	281666
Debtors	9	235685
Cash at Bank and in Hand		<u>8050</u>
		525401
<u>CREDITORS: Amounts falling due within</u> one year	10	(659506)
<u>NET CURRENT LIABILITIES</u>		(134105)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		108617
<u>CREDITORS: Amounts falling due after</u> more than one year	11	(25196)
<u>NET ASSETS</u>		83421
<u>CAPITAL AND RESERVES</u>		=====
Called Up Share Capital	14	2
Share Premium Account	15	88754
Profit and Loss Account		<u>(5335)</u>
<u>SHAREHOLDERS' FUNDS</u>	16	83421
		=====

The financial statements have been prepared in accordance with Part VII of the Companies Act 1985 relating to small companies.

Approved on behalf of the Board on.....17th October, 1997.....


 DIRECTOR
 M.J. POOLE <

17/10/97
 DATE
 17TH OCTOBER, 1997

The Annexed Notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTSPERIOD ENDING 31ST DECEMBER, 19961. STATEMENT OF ACCOUNTING POLICIES

The Financial Statements have been prepared on the basis of Historical Costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial statements.

Consolidation

The Company forms part of a small group. The ultimate parent company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash Flow

The accounts do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover

Turnover comprises the total invoice value, excluding value added tax, of goods sold and services rendered during the period.

Depreciation of Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each owned and leased assets over its useful life:-

Plant and Machinery	- 10% on Net Book Value
Office Furniture	- 25% on Net Book Value
Motor Vehicles	- 25% on Net Book Value
Greenhouses and Buildings	- 5% on Cost
Roadways and Car Parks	- 5% on Cost

Stock

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Leasing and Hire Purchase Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension Costs

The Company operates a defined contribution Pension Scheme. Contributions payable to this Scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the Company's assets.

NOTES TO THE FINANCIAL STATEMENTSPERIOD ENDING 31ST DECEMBER, 19962. OPERATING PROFIT

Operating Profit is stated:-
and after charging:-

Director's Remuneration	12960
Depreciation of owned Fixed Assets	9106
Depreciation of Assets held under Finance Leases and Hire Purchase Contracts	3167
Operating Leases - Plant and Machinery	9426
Auditors' Remuneration	3600

3. INTEREST PAYABLE AND SIMILAR CHARGES

On Bank Loans and Overdrafts	8301
Lease Finance Charges and Hire Purchase Interest	1866
Other Interest	803
	10970

4. TAX ON LOSS ON ORDINARY ACTIVITIES

Corporation Tax for the Period at 24%	259
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5. INFORMATION ON DIRECTOR AND EMPLOYEESDirector's Emoluments

Remuneration for Management Services (including Pension Contributions)	12960
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6. PENSION COSTSDefined Contribution Scheme

The Company operates a Defined Contribution Pension Scheme. The assets of the Scheme are held separately from those of the Company in an independent administered Fund. The Pension cost charge represents contributions payable by the Company to the Fund and amounted to £759.

NOTES TO THE FINANCIAL STATEMENTSPERIOD ENDING 31ST DECEMBER, 19967. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Plant and Machinery etc.</u>	<u>Total</u>
<u>Cost</u>			
As at 31st December, 1996	110420	144575	254995
<u>Depreciation</u>			
Charge for the Period	<u>3142</u>	<u>9131</u>	<u>12273</u>
At 31st December, 1996	<u>3142</u>	<u>9131</u>	<u>12273</u>
<u>Net Book Value</u>			
At 31st December, 1996	<u>107278</u>	<u>135444</u>	<u>242722</u>

Included in the total Net Book Value of Tangible Fixed Assets at 31st December, 1996 was £36271 in respect of assets held under Finance Leases and Hire Purchase Contracts.

	<u>1996</u>
<u>Analysis of Net Book Value of Land and Buildings</u>	
Greenhouses and Buildings	96582
Roadways and Car Parks	<u>10696</u>
	107278

8. STOCKS

Crops and Materials	272817
Sundry Stock	<u>8849</u>
	281666

9. DEBTORS

Trade Debtors	211784
Prepayments and Accrued Interest	22942
Other Debtors	<u>959</u>
	235685

10. CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank Loans and Overdrafts	135652
Net Obligations under Finance Leases and Hire Purchase Contracts	8142
Trade Creditors	441397
Corporation Tax	359
Other Taxes and Social Security Costs	50694
Director's Current Account	8699
Accruals and Deferred Income	<u>14563</u>
	659506

Bank overdrafts and loans amounting to £139405 are secured.

NOTES TO THE FINANCIAL STATEMENTSPERIOD ENDING 31ST DECEMBER, 199611. CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Net Obligations under Finance Leases and Hire Purchase Contracts	21443
Bank Loans	<u>3753</u>
	25196

12. BORROWINGS

The Company's borrowings are repayable as follows:-	
Up to one year and on demand	135652
More than one year	<u>3753</u>
	139405

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The Company's net obligations under Finance Leases and Hire Purchase Contracts are repayable as follows:-

Included in Current Liabilities	8142
Included in Creditors due after more than one year	<u>21443</u>
	29585

14. SHARE CAPITAL

Authorised, Allotted, Called Up and Fully Paid:	
Equity Interests:	
Ordinary Shares	2

15. SHARE PREMIUM ACCOUNT

Equity Interests:	
Share Premium	<u>88754</u>
Balance at Period End	88754

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Loss for the Financial Period	(5335)
New Share Capital Subscribed	2
Share Premium Account	<u>88754</u>
Net Addition to Shareholders' Funds	83421
Closing Shareholders' Funds	83421
Represented by:-	
Equity Interests	<u>83421</u>

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Amblesite Limited.