

ETRUSCA LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2001



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ETRUSCA LIMITED

CONTENTS

| | Page |
|-------------------------------------|-------------|
| Directors' report | 1 - 2 |
| Auditors' report | 3 |
| Abbreviated profit and loss account | 4 |
| Abbreviated balance sheet | 5 |
| Cash flow statement | 6 |
| Notes to the cash flow statement | 7 |
| Notes to the abbreviated accounts | 8 - 14 |

ETRUSCA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2001

The directors present their report and financial statements for the year ended 30 April 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of fresh fish and vegetables and management services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 May 2000:

P A Quaradeghini
E L Quaradeghini

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | Ordinary shares A Voting of £ 1 each | |
|------------------|--------------------------------------|------------|
| | 30 April 2001 | 1 May 2000 |
| P A Quaradeghini | - | - |
| E L Quaradeghini | - | - |

| | Ordinary shares B Non-voting of £ 1 each | |
|------------------|--|------------|
| | 30 April 2001 | 1 May 2000 |
| P A Quaradeghini | - | - |
| E L Quaradeghini | - | - |

The interest of the directors in the shareholdings of The Ultimate Parent Company, The Etrusca Group Limited, are disclosed in the directors report of that company.

Charitable contributions

During the year the company made political donations amounting to £- (2000 : £-).

During the year the company made charitable donations of £2,650 (2000 : £4,141).

Auditors

Sedley Richard Laurence Voulters were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ETRUSCA LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 30 APRIL 2001**

Directors' responsibilities

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

On behalf of the board



P A Quaradeghini

Director

28 February 2002

ETRUSCA LIMITED

AUDITORS' REPORT TO ETRUSCA LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 30 April 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

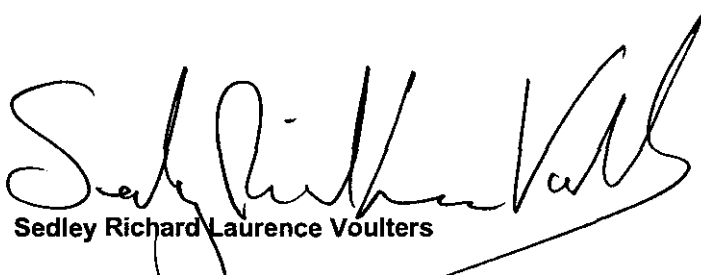
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 considered 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 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 4 to 14 are properly prepared in accordance with that provision.



Sedley Richard Laurence Voulters

28 February 2002

Chartered Accountants
Registered Auditor

1 Conduit Street
London
W1S 2XA

ETRUSCA LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2001

| | Notes | 2001 £ | 2000 £ |
|--|-----------|-------------|-------------|
| Gross profit | | 604,260 | 670,625 |
| Distribution costs | | (85,403) | (127,754) |
| Administrative expenses | | (770,703) | (628,374) |
| | | <hr/> | <hr/> |
| Operating loss | 2 | (251,846) | (85,503) |
| Interest payable and similar charges | 3 | (219,635) | (83,125) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (471,481) | (168,628) |
| Tax on loss on ordinary activities | 4 | - | - |
| | | <hr/> | <hr/> |
| Loss on ordinary activities after taxation | 12 | (471,481) | (168,628) |
| | | <hr/> <hr/> | <hr/> <hr/> |


ETRUSCA LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 APRIL 2001

| | Notes | 2001 £ | £ | 2000 £ | £ |
|--|-------|--------------------|--------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 92,366 | | 133,938 |
| Current assets | | | | | |
| Stocks | 6 | 63,223 | | 47,590 | |
| Debtors | 7 | 3,221,488 | | 725,920 | |
| Cash at bank and in hand | | 14,459 | | 27,704 | |
| | | <u>3,299,170</u> | | <u>801,214</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(2,107,429)</u> | | <u>(1,053,323)</u> | |
| Net current assets/(liabilities) | | | 1,191,741 | | (252,109) |
| Total assets less current liabilities | | | 1,284,107 | | (118,171) |
| Creditors: amounts falling due after more than one year | 9 | | <u>(1,918,437)</u> | | <u>(44,677)</u> |
| | | | <u>(634,330)</u> | | <u>(162,848)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 2 | | 2 |
| Profit and loss account | 12 | | (634,332) | | (162,850) |
| Shareholders' funds | 13 | | <u>(634,330)</u> | | <u>(162,848)</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 28 February 2002


P A Quaradeghini
Director

ETRUSCA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2001

| | 2001 £ | 2000 £ |
|---|-------------|-----------|
| Net cash outflow from operating activities | (1,898,364) | (157,618) |
| Returns on investments and servicing of finance | | |
| Interest paid | (219,635) | (83,125) |
| Net cash outflow for returns on investments and servicing of finance | (219,635) | (83,125) |
| Capital expenditure | | |
| Payments to acquire tangible assets | (2,432) | - |
| Receipts from sales of tangible assets | - | 22,815 |
| Net cash (outflow)/inflow for capital expenditure | (2,432) | 22,815 |
| Net cash outflow before management of liquid resources and financing | (2,120,431) | (217,928) |
| Financing | | |
| New long term bank loan | 1,750,000 | - |
| Other new long term loans | 100,000 | - |
| Other new short term loans | 250,000 | 5,560 |
| Repayment of long term bank loan | (23,700) | (25,680) |
| Repayment of other short term loans | (25,680) | - |
| Capital element of hire purchase contracts | 64,389 | 19,340 |
| Net cash inflow/(outflow) from financing | 2,115,009 | (780) |
| Decrease in cash in the year | (5,422) | (218,708) |

ETRUSCA LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2001

| 1 | Reconciliation of operating loss to net cash outflow from operating activities | 2001 | 2000 |
|---|--|--------------------|------------------|
| | | £ | £ |
| | Operating loss | (251,846) | (85,503) |
| | Depreciation of tangible assets | 44,727 | 60,395 |
| | Loss on disposal of tangible assets | - | 8,396 |
| | Increase in stocks | (15,633) | (47,590) |
| | Increase in debtors | (2,495,568) | (237,266) |
| | Increase in creditors within one year | 819,956 | 143,950 |
| | Net cash outflow from operating activities | (1,898,364) | (157,618) |

| 2 | Analysis of net debt | 1 May 2000 | Cash flow | Other non-cash changes | 30 April 2001 |
|---|-----------------------------------|------------------|--------------------|------------------------|--------------------|
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 27,704 | (13,245) | - | 14,459 |
| | Bank overdrafts | (545,594) | 7,823 | - | (537,771) |
| | | <u>(517,890)</u> | <u>(5,422)</u> | <u>-</u> | <u>(523,312)</u> |
| | Debt: | | | | |
| | Finance leases | (48,542) | (65,113) | - | (113,655) |
| | Debts falling due within one year | (25,680) | (224,320) | - | (250,000) |
| | Debts falling due after one year | (23,700) | (1,826,300) | - | (1,850,000) |
| | | <u>(97,922)</u> | <u>(2,115,733)</u> | <u>-</u> | <u>(2,213,655)</u> |
| | Net debt | (615,812) | (2,121,155) | - | (2,736,967) |

| 3 | Reconciliation of net cash flow to movement in net debt | 2001 | 2000 |
|---|--|--------------------|------------------|
| | | £ | £ |
| | Decrease in cash in the year | (5,422) | (281,175) |
| | Cash (inflow)/outflow from (increase)/decrease in debt and lease financing | (2,115,733) | 10,779 |
| | Movement in net debt in the year | (2,121,155) | (270,396) |
| | Opening net debt | (615,812) | (345,416) |
| | Closing net debt | (2,736,967) | (615,812) |

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand and through the support of its fellow subsidiaries.

The company's bankers hold group unlimited multilateral guarantees and on the basis of the continued support from the group, the directors consider it appropriate to prepare financial statements on a going concern basis.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-----------------------------|
| Improvements | Over the term of the lease. |
| Plant and machinery | 20% straight line |
| Fixtures, fittings & equipment | 20% straight line |
| Motor vehicles | 20% straight line |

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

| | | | |
|----------|--|-------------|-------------|
| 3 | Operating loss | 2001 | 2000 |
| | | £ | £ |
| | Operating loss is stated after charging: | | |
| | Depreciation of tangible assets | 44,727 | 60,395 |
| | Operating lease rentals | 79,039 | 36,737 |
| | Auditors' remuneration | 16,075 | 4,000 |
| | | <hr/> | <hr/> |

| | | | |
|----------|--|-------------|-------------|
| 4 | Interest payable | 2001 | 2000 |
| | | £ | £ |
| | On bank loans and overdrafts | 208,886 | 22,012 |
| | On other loans wholly repayable within 5 years | - | 58,372 |
| | Hire purchase interest | 8,176 | 2,741 |
| | On amounts payable to factors | 2,573 | - |
| | | <hr/> | <hr/> |
| | | 219,635 | 83,125 |
| | | <hr/> | <hr/> |

5 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

6 Tangible fixed assets

| | Improvements | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|--------------|---------------------|--------------------------------|----------------|---------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 May 2000 | 26,525 | 138,258 | 24,815 | 55,805 | 245,403 |
| Additions | - | 3,156 | - | - | 3,156 |
| At 30 April 2001 | 26,525 | 141,414 | 24,815 | 55,805 | 248,559 |
| Depreciation | | | | | |
| At 1 May 2000 | 6,630 | 45,615 | 16,391 | 42,830 | 111,466 |
| Charge for the year | 6,630 | 25,294 | 3,482 | 9,321 | 44,727 |
| At 30 April 2001 | 13,260 | 70,909 | 19,873 | 52,151 | 156,193 |
| Net book value | | | | | |
| At 30 April 2001 | 13,265 | 70,505 | 4,942 | 3,654 | 92,366 |
| At 30 April 2000 | 19,895 | 92,643 | 8,425 | 12,975 | 133,938 |

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Plant and machinery | Motor vehicles | Total |
|---|---------------------|----------------|--------|
| | £ | £ | £ |
| Net book values | | | |
| At 30 April 2001 | 28,599 | - | 28,599 |
| At 30 April 2000 | 35,359 | 22,930 | 58,289 |
| Depreciation charge for the year | | | |
| 30 April 2001 | 6,760 | - | 6,760 |
| 30 April 2000 | 7,072 | 10,290 | 17,362 |

7 Stocks

| | 2001 | 2000 |
|-------------------------------------|--------|--------|
| | £ | £ |
| Finished goods and goods for resale | 63,223 | 47,590 |

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

| 8 | Debtors | 2001 | 2000 |
|---|---|-------------------------|-------------------------|
| | | £ | £ |
| | Amounts owed by parent and fellow subsidiary undertakings | 2,592,318 | 277,835 |
| | Amounts owed by subsidiary undertakings | - | 36,398 |
| | Other debtors | 389,638 | 254,880 |
| | Prepayments and accrued income | 239,532 | 156,807 |
| | | <u>3,221,488</u> | <u>725,920</u> |
| | | <u><u>3,221,488</u></u> | <u><u>725,920</u></u> |
| | | | |
| 9 | Creditors: amounts falling due within one year | 2001 | 2000 |
| | | £ | £ |
| | Bank loans and overdrafts | 787,771 | 571,274 |
| | Net obligations under hire purchase contracts | 45,218 | 27,565 |
| | Trade creditors | 8,432 | 11,476 |
| | Amounts owed to fellow subsidiary undertakings | 1,062,992 | 214,571 |
| | Taxes and social security costs | 61,897 | 26,884 |
| | Directors' current accounts | 62,699 | 93,858 |
| | Other creditors | 68,280 | 98,484 |
| | Accruals and deferred income | 10,140 | 9,211 |
| | | <u>2,107,429</u> | <u>1,053,323</u> |
| | | <u><u>2,107,429</u></u> | <u><u>1,053,323</u></u> |

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

| 10 Creditors: amounts falling due after more than one year | 2001 £ | 2000 £ |
|--|------------------|---------------|
| Bank loans | 1,750,000 | 23,700 |
| Other loans | 100,000 | - |
| Net obligations under hire purchase contracts | 68,437 | 20,977 |
| | <u>1,918,437</u> | <u>44,677</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 2,100,000 | 49,380 |
| | <u>2,100,000</u> | <u>49,380</u> |
| Included in current liabilities | (250,000) | (25,680) |
| | <u>1,850,000</u> | <u>23,700</u> |
| Loan maturity analysis | | |
| In more than one year but not more than two years | 500,000 | 23,700 |
| In more than two years but not more than five years | 1,250,000 | - |
| | <u></u> | <u></u> |
| The loan is secured by a fixed and floating charge over the assets of the company. The bank loan is interest bearing at LIBOR + 2% and the capital is repayable on eight equal (half yearly) instalments commencing in April 2002. | | |
| Net obligations under hire purchase contracts | | |
| Repayable within one year | 55,842 | 29,818 |
| Repayable between one and five years | 88,934 | 22,980 |
| | <u>144,776</u> | <u>52,798</u> |
| Finance charges and interest allocated to future accounting periods | (31,121) | (4,256) |
| | <u>113,655</u> | <u>48,542</u> |
| Included in liabilities falling due within one year | (45,218) | (27,565) |
| | <u>68,437</u> | <u>20,977</u> |

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,788 (2000 - £10,320).

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

| 12 Share capital | 2001 £ | 2000 £ |
|--|---------------|---------------|
| Authorised | | |
| 5,000 Ordinary shares A Voting of £ 1 each | 5,000 | 5,000 |
| 5,000 Ordinary shares B Non-voting of £ 1 each | 5,000 | 5,000 |
| | <u>10,000</u> | <u>10,000</u> |
| Allotted, called up and fully paid | | |
| 2 Ordinary shares A Voting of £ 1 each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

13 Statement of movements on profit and loss account

| | Profit and loss account £ |
|----------------------------|---------------------------------|
| Balance at 1 May 2000 | (162,851) |
| Retained loss for the year | (471,481) |
| | <u>(634,332)</u> |
| Balance at 30 April 2001 | <u>(634,332)</u> |

| 14 Reconciliation of movements in shareholders' funds | 2001 £ | 2000 £ |
|---|------------------|------------------|
| Loss for the financial year | (471,481) | (168,628) |
| Opening shareholders' funds | (162,848) | 5,780 |
| | <u>(634,330)</u> | <u>(162,848)</u> |
| Closing shareholders' funds | <u>(634,330)</u> | <u>(162,848)</u> |

15 Contingent liabilities

The company forms part of a group supplemental composite guarantee and debenture contingent liability in respect of a loan within the group amounting to £2,000,000. The loan is secured on the company's leasehold property, fixtures, fittings and equipment and the goodwill of the business.

The company also forms part of a multilateral guarantee provided to group bankers. The contingent liability in respect of this for the company at 30 April 2001 was £343,696.

16 Financial commitments

The company has a financial commitment of £17,750 per annum, in relation to the lease of 3 Bow Lane, London EC4. The lease expires on 24 December 2004.

ETRUSCA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

| 17 Directors' emoluments | 2001 £ | 2000 £ |
|---|---------------|---------------|
| Emoluments for qualifying services | 24,016 | 68,626 |
| Company pension contributions to money purchase schemes | 24,740 | 25,788 |
| | <u>48,756</u> | <u>94,414</u> |

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2001 Number | 2000 Number |
|-----------------------|----------------|----------------|
| Office and management | 13 | 13 |

Employment costs

| | £ | £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 328,646 | 405,337 |
| Social security costs | 33,347 | 42,915 |
| Other pension costs | 24,740 | 25,788 |
| | <u>386,733</u> | <u>474,040</u> |

19 Ultimate parent company

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year the company lent PE Housing Limited and The Artisan Group Limited, companies in which both directors have material interest, loans amounting to £12,889 (2000: £nil) and £3,000 (2000: £nil) respectively, both of which are interest free.

Also included in debtors is a loan to Squeaky Clean Laundry Limited, a company in which the directors' spouses have a material interest, amounting to £53,783 (2000: £43,283) which is interest free.

During the year the company paid consultancy fees, during the normal course of business, amounting to £36,000 (2000: £15,000) to L Quaradeghini, father to both of the directors.