FRUITY FRESH LIMITED

ABBREVIATED STATUTORY ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

Company No. 02739243

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COMPANIES HOUSE 17/07/97

FRUITY FRESH LIMITED

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PURSUANT TO PARAGRAPH 24 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 Fruity Fresh Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 August 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS
The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to Companies Act 1985. It is our responsibility to form an indipendent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 3 and whether the abbreviated accounts have been properly prepared.

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 entiteled 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 compoany is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part 111 of Schedule 8 to that Act in respect of the year ended 31 August 1996 and the abbreviated accounts on 3 to 6 have been properly prepared in accordance with that schedule.

On 8 July 1997 we reported as auditors of Fruity Fresh Limited to the members on the statutory financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 August 1996 and our audit report was as folows:

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies as set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements . It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

FRUITY FRESH (WESTERN) LIMITED

AUDITORS' REPORT - (CONTINUED)

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. An audit includes an 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 a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because £1,444,226 of the company's recorded turnover comprises cash sales, over which there was no system of control on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that cash sales were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash sales, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1996 and of its results for the year then ended have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to cash shales:
we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
we were unable to determine whether proper accounting records had been maintained.

Date 8-7-97

C R V GUDKA & CO.

CHARTERED ACCOUNTANTS &
REGISTERED AUDITORS

125 whitchurch Gardens
Edgware
Middlesex
HA8 6PG

FRUITY FRESH LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 1996

	Notes	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible Assets	(2)		177,068		184,441
CURRENT ASSETS					
Stock	(1d)	33,620		25,259	
Trade Debtors		3,164		2,974	
Sundry Debtors and Prepayments		10,861		14,318	
Cash at Bank		48,515		53,696	
Cash In Hand		2,524		2,604	
		98,684		98,851	
CREDITORS: amounts falling due within one year	(3)	(226,651)		(212,114)	
NET CURRENT ASSETS			(127,967)		(113,263)
TOTAL ASSETS LESS CURRENT LIABILITIES			49,101		71,178
CREDITORS: Amounts falling due after more then one year	(3)		(26,584)		(50,542)
			£22,517		£20,636
CAPITAL AND RESERVES					
Called up Share Capital	(4)		1,000		1,000
Profit and Loss Account			21,517		19,636
			£22,517		£20,636

In preparing these abbreviated financial statements the directors have taken advantage of the exemptions conferred by Part 111 of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

Approved by the Board of Directors on

..............................(Director)

..............................(Director)

The notes on pages 4 to 6 form part of these financial statements.

FRUITY FRESH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1996

1) ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover comprises value of goods sold net of Value Added Tax.

(c) Depreciation

Depreciation is provided at the following annual rates, calculated to reduce the value of the assets to their estimated residual value over their useful economic lives:

Fittings and equipment	- 12.5% straight line basis
Short Lease-hold property	- straight line basis on the remaining period of the lease

(d) Stocks

Stocks are valued at lower of costs and net realisable value.

(e) Deferred Taxation

No provision has been made for deferred taxation as in the opinion of the Directors no material liability is likely to arise in the foreseeable future.

FRUITY FRESH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1996

2) TANGIBLE ASSETS

	Total £
COST	
As at 31 August 1995	200,715
Purchases during the year	19,470
	220,185
DEPRECIATION	
As at 31 August 1995	16,274
Charge for the year	26,843
	43,117
NET BOOK VALUES:	
At 31 December 1996	£177,068
At 31 December 1995	£184,441

3) CREDITORS

Creditors include the following:	1996	1995
Secured creditors	£57,307	£81,265

FRUITY FRESH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1996

4) SHARE CAPITAL

Authorised Issued & Fully paid	1996	1995
Ordinary Shares of £1 each	£1,000	£1,000
	======	======

5) RECONCILIATION OF SHAREHOLDERS FUNDS

	Reserves	Share Capital	Total
	£	£	£
Shareholder Funds at 31 August 1995	19,636	1,000	20,636
Profit for the year	1,881	-	1,881
	------	------	-------
Shareholdes Funds at 31 December 1996	£21,575	£1,000	£22,575
	=======	======	=======

6) TRANSACTIONS WITH CONNECTED COMPANIES

Fruity Fresh (Western) Ltd. is a connected company in which all the directors are also the directors and shareholders of that company. The transactions with Fruity Fresh (Western) Ltd. during the year under review can be summerised as follows:

a) Purchase of Goods £977,534 (1995: £663,591)

b) The balance owing to Fruity Fresh (Western) Ltd. arising in the ordinary course of business and included in trade creditors amounted to £153,491 (1995: £127,558)