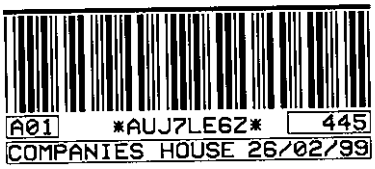
Company Registration No. 2813607 (England and Wales)

ETRUSCA LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1998



ETRUSCA LIMITED

COMPANY INFORMATION

Directors	P.A. Quaradeghini E.L. Quaradeghini
Secretary	J J. Applebee
Company number	2813607
Registered office	42 Bow Lane London EC4M 9EB
Auditors	Sedley Richard Laurence Voulters 23 Bridford Mews London W1N 1LQ
Business address	42 Bow Lane London EC4M 9EB
Bankers	Midland Bank Plc 27-32 Poultry London EC2P 2BX

ETRUSCA LIMITED

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ETRUSCA LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 1998

The directors present their report and financial statements for the year ended 30 April 1998.

Principal activities

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

Directors

The following directors have held office since 1 May 1997:

P.A. Quaradeghini
E.L. Quaradeghini

Directors' interests

The directors have no interest in the shareholding of the company. 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.

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.

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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

P.A. Quaradeghini
Director
20 January 1999

ETRUSCA LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS OF ETRUSCA LIMITED

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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 misstatement, 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 30 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Sedley Richard Laurence Voulters

Sedley Richard Laurence Voulters

20 January 1999

Chartered Accountants
Registered Auditor

23 Bridford Mews
London
W1N 1LQ

ETRUSCA LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1998

	Notes	1998 £	1997 £
Turnover		1,226,773	1,057,678
Cost of sales		(307,984)	(396,444)
Gross profit		918,789	661,234
Distribution costs		(45,091)	(38,135)
Administrative expenses		(781,975)	(571,042)
Operating profit	2	91,723	52,057
Interest payable and similar charges	3	(4,755)	(1,200)
Profit on ordinary activities before taxation		86,968	50,857
Tax on profit on ordinary activities	4	(17,867)	(6,604)
Profit on ordinary activities after taxation	11	69,101	44,253

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ETRUSCA LIMITED

BALANCE SHEET
AS AT 30 APRIL 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	5		83,959		22,872
Current assets					
Debtors	6	341,522		95,194	
Cash at bank and in hand		4,720		49,466	
		346,242		144,660	
Creditors: amounts falling due within one year	7	(297,323)		(117,535)	
Net current assets			48,919		27,125
Total assets less current liabilities			132,878		49,997
Creditors: amounts falling due after more than one year	8		(13,781)		-
			119,097		49,997
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		119,095		49,995
Shareholders' funds - equity interests	12		119,097		49,997

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

The financial statements were approved by the Board on 20 January 1999

P.A. Quaradeghini
Director

ETRUSCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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:

Office equipment	25% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% 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.

1.5 Pensions

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

1.6 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.

2 Operating profit

	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	22,004	7,785
Auditors' remuneration	4,000	5,000
Directors' emoluments	273,771	229,124

3 Interest payable

	1998	1997
	£	£
Hire purchase interest	2,738	441

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

4 Taxation	1998	1997
	£	£
U.K. current year taxation		
U.K. corporation tax at 24% (1997 - 24%)	22,790	6,604
Prior years		
U.K. Corporation tax	(4,923)	-
	17,867	6,604

5 **Tangible fixed assets**

	Plant and machinery etc £
Cost	
At 1 May 1997	35,931
Additions	68,539
Intercompany transfers	32,475
Disposals	(17,921)
At 30 April 1998	119,024
Depreciation	
At 1 May 1997	13,061
Charge for the year	22,004
At 30 April 1998	35,065
Net book value	
At 30 April 1998	83,959
At 30 April 1997	22,872

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

	Motor vehicles £
Net book values	
At 30 April 1998	54,426
At 30 April 1997	4,217
Depreciation charge for the year	
30 April 1998	11,528
30 April 1997	2,300

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

6 Debtors	1998 £	1997 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	305,706	95,000
Other debtors	35,816	194
	341,522	95,194

7 Creditors: amounts falling due within one year	1998 £	1997 £
Bank loans and overdrafts	49,103	5,579
Net obligations under finance lease and hire purchase contracts	24,064	2,397
Amounts owed to group undertakings and undertakings in which the company has a participating interest	119,526	60,422
Taxation and social security	100,630	37,368
Other creditors	4,000	11,769
	297,323	117,535

8 Creditors: amounts falling due after more than one year	1998 £	1997 £
Net obligations under finance leases and hire purchase agreements	13,781	-
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	11,857	2,397
Repayable between one and five years	31,009	-
	42,866	2,397
Finance charges and interest allocated to future accounting periods	(5,022)	-
	37,844	2,397
Included in liabilities falling due within one year	(24,064)	(2,397)
	13,780	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

9 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 £11,545 (1997 - £8,740).

10 Share capital

	1998	1997
	£	£
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
	10,000	10,000
Allotted, called up and fully paid		
2 Ordinary shares A Voting of £1 each	2	2

11 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 May 1997	49,994
Retained profit for the year	69,101
Balance at 30 April 1998	119,095

12 Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Profit for the financial year	69,101	44,253
Opening shareholders' funds	49,997	5,744
Closing shareholders' funds	119,097	49,997

13 Control

The company is part of the Etrusca Group, the ultimate parent company being The Etrusca Group Limited, a company incorporated and registered in England and Wales.

14 Related party transactions

Other debtors comprise a loan of £27,214 to Squeaky Clean Laundry Limited, a company in which the spouses of Mr P A Quaradeghini and Mr E L Quaradeghini have a material interest and a loan of £8,252 to Artigiano Limited, a company that joined the Etrusca Group in the subsequent balance sheet period.

Also during the year the company was charged £75,000 in relation to consultancy fees from MR L A Quaradeghini, father of Mr P A Quaradeghini and Mr E L Quaradeghini.