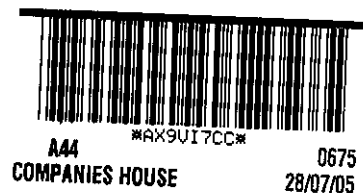


COMPANY REGISTRATION NUMBER 2990765

J VAN VLIET LONDON CASH AND CARRY LTD
FINANCIAL STATEMENTS
31 DECEMBER 2004



HURSHENS
Chartered Accountants & Registered Auditors
291 Green Lanes
Palmers Green
London
N13 4XS

J VAN VLIET LONDON CASH AND CARRY LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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J VAN VLIET LONDON CASH AND CARRY LTD

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2004

The director presents his report and the financial statements of the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the group during the year was that of the sale of wholesale flowers, plants and associated goods and services.

The director is satisfied with the performance of the company and group, but would expect an improvement in the coming year.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2004	1 January 2004
Mr JC Van Der Sar	—	—

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 and of the group at the end of the year and of the group's profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 10 to 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J VAN VLIET LONDON CASH AND CARRY LTD

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

AUDITORS

A resolution to re-appoint Hurshens as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Parkview Nursery
Theobalds Park Road
Crews Hill
Enfield
Middx
EN2 9BQ

Signed by

Mr JC Van Der Sar



Director

Approved by the director on19/5/05

J VAN VLIET LONDON CASH AND CARRY LTD
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J
VAN VLIET LONDON CASH AND CARRY LTD
YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned 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.

J VAN VLIET LONDON CASH AND CARRY LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J VAN VLIET LONDON CASH AND CARRY LTD (continued)

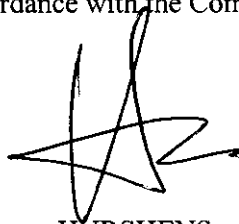
YEAR ENDED 31 DECEMBER 2004

The group accounts include the results of J Van Vliet New York LLC, a company incorporated in New York, in the United States of America. This subsidiary does not require a statutory audit. The results for this subsidiary for the year show a profit of £22, 559, together with aggregate losses of £569,073. There were no other satisfactory audit procedures that we could adopt with respect to auditing the results of this subsidiary included in these consolidated accounts.

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

QUALIFIED OPINION

Except for any adjustments that might have been necessary had the subsidiary J Van Vliet New York LLC been audited, in our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 December 2004 and of the profit of the group for the year ended, and have been properly prepared in accordance with the Companies Act 1985.



HURSHENS
Chartered Accountants
& Registered Auditors

291 Green Lanes
Palmers Green
London
N13 4XS

19/5/05

J VAN VLIET LONDON CASH AND CARRY LTD

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
GROUP TURNOVER	2	15,180,874	14,721,276
Cost of sales		<u>12,932,120</u>	<u>12,560,369</u>
GROSS PROFIT		2,248,754	2,160,907
Distribution costs		704,960	760,594
Administrative expenses		<u>1,432,292</u>	<u>1,412,772</u>
OPERATING PROFIT/(LOSS)	3	111,502	(12,459)
Interest receivable		31,680	37,083
Interest payable	6	<u>(75,108)</u>	<u>(95,475)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		68,074	(70,851)
Tax on profit/(loss) on ordinary activities	7	30,205	41,201
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	8	<u>37,869</u>	<u>(112,052)</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 10 to 21 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LTD
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
Profit/(Loss) for the financial year	37,869	(112,052)
Foreign currency retranslation	<u>(23,391)</u>	<u>(69,417)</u>
Net addition/(reduction) to funds	14,478	(181,469)
Opening shareholders' equity (deficit)/funds	<u>(80,472)</u>	<u>100,997</u>
Closing shareholders' equity deficit	<u>(65,994)</u>	<u>(80,472)</u>

The notes on pages 10 to 21 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LTD

GROUP BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Intangible assets	9	47,687	52,723
Tangible assets	10	<u>1,551,785</u>	<u>1,560,648</u>
		<u>1,599,472</u>	<u>1,613,371</u>
CURRENT ASSETS			
Stocks	12	797,281	636,687
Debtors	13	<u>697,279</u>	<u>708,805</u>
		<u>1,494,560</u>	<u>1,345,492</u>
CREDITORS: Amounts falling due within one year	14	<u>2,690,942</u>	<u>2,568,702</u>
NET CURRENT LIABILITIES		<u>(1,196,382)</u>	<u>(1,223,210)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>403,090</u>	<u>390,161</u>
CREDITORS: Amounts falling due after more than one year	15	<u>469,084</u>	<u>470,633</u>
		<u>(65,994)</u>	<u>(80,472)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	51,000	51,000
Profit and loss account	20	<u>(116,994)</u>	<u>(131,472)</u>
DEFICIENCY		<u>(65,994)</u>	<u>(80,472)</u>

These financial statements were approved and signed by the director on19/5/05



.....
MR JC VAN DER SAR

The notes on pages 10 to 21 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LTD

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	£	2003 £
FIXED ASSETS				
Tangible assets	10		263,167	299,586
Investments	11		<u>101</u>	<u>100</u>
			263,268	299,686
CURRENT ASSETS				
Stocks	12	449,417		363,122
Debtors	13	1,615,693		1,660,151
Cash at bank		—		<u>56,254</u>
		2,065,110		2,079,527
CREDITORS: Amounts falling due within one year	14	1,677,226		1,737,052
NET CURRENT ASSETS			387,884	342,475
TOTAL ASSETS LESS CURRENT LIABILITIES			651,152	642,161
CREDITORS: Amounts falling due after more than one year	15		20,319	19,046
			630,833	623,115
CAPITAL AND RESERVES				
Called-up equity share capital	19		51,000	51,000
Profit and loss account	20		579,833	572,115
SHAREHOLDERS' FUNDS			630,833	623,115

These financial statements were approved and signed by the director on 19/5/05



MR JC VAN DER SAR

The notes on pages 10 to 21 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LTD

GROUP CASH FLOW

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	21	(84,997)	555,772
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	(43,428)	(58,392)
TAXATION	21	(41,202)	(82,802)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	(198,164)	(250,606)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(367,791)	163,972
FINANCING	21	(66,525)	(8,650)
(DECREASE)/INCREASE IN CASH	21	<u>(434,316)</u>	<u>155,322</u>

The notes on pages 10 to 21 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Related parties transactions

The group is a 100% owned by Vliem Beheer BV, which is incorporated in Holland. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions within the group.

Turnover

The director considers it to be seriously prejudicial to the interests of the company to disclose information regarding turnover.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Leasehold Property	- length of lease
Plant & Machinery	- 25% reducing balance
Fixtures & Fittings	- 25% reducing balance
Motor Vehicles	- 25% reducing balance
Equipment	- 25% reducing balance
Computer equipment	- 25% reducing balance

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

2. TURNOVER

The director considers it to be seriously prejudicial to the interests of the company to disclose information regarding turnover.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2004 £	2003 £
Amortisation	5,036	5,567
Depreciation of owned fixed assets	197,758	180,033
Depreciation of assets held under hire purchase and finance lease agreements	9,964	8,977
Loss on disposal of fixed assets	—	4,061
Auditors' remuneration		
- as auditors	9,000	6,400
Operating lease costs:		
Land and buildings	115,861	144,070
	—	—

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2004	2003
	No	No
Number of distribution staff	49	45
Number of administrative staff	5	5
Number of management staff	1	—
	<u>55</u>	<u>50</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	1,087,485	1,120,553
Social security costs	85,530	86,280
	<u>1,173,015</u>	<u>1,206,833</u>

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	<u>25,000</u>	<u>34,182</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Finance charges	—	1,386
Other similar charges payable	75,108	94,089
	<u>75,108</u>	<u>95,475</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	22,367	41,201
(Over)/under provision in prior year	7,838	—
Total current tax	<u>30,205</u>	<u>41,201</u>

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004	2003
	£	£
Profit/(loss) on ordinary activities before taxation	<u>68,074</u>	<u>(70,851)</u>
Profit/(loss) on ordinary activities by rate of tax	30,205	41,184
Permanent timing difference	—	17
Total current tax (note 7(a))	<u>30,205</u>	<u>41,201</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £7,718 (2003 - £96,079).

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2004 and 31 December 2004	<u>75,000</u>
AMORTISATION	
At 1 January 2004	22,277
Charge for the year	<u>5,036</u>
At 31 December 2004	<u>27,313</u>
NET BOOK VALUE	
At 31 December 2004	<u>47,687</u>
At 31 December 2003	<u>52,723</u>

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

10. TANGIBLE FIXED ASSETS

Group	Freehold & Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Other Assets £	Total £
COST						
At 1 Jan 2004	1,047,579	470,145	439,152	104,787	329,107	2,390,770
Additions	–	88,392	23,939	22,945	66,882	202,158
Disposals	–	–	–	(4,576)	–	(4,576)
At 31 Dec 2004	<u>1,047,579</u>	<u>558,537</u>	<u>463,091</u>	<u>123,156</u>	<u>395,989</u>	<u>2,588,352</u>
DEPRECIATION						
At 1 Jan 2004	46,599	260,041	310,386	49,247	163,154	829,427
Charge for the year	21,183	97,327	30,982	12,550	45,680	207,722
On disposals	–	–	–	(582)	–	(582)
At 31 Dec 2004	<u>67,782</u>	<u>357,368</u>	<u>341,368</u>	<u>61,215</u>	<u>208,834</u>	<u>1,036,567</u>
NET BOOK VALUE						
At 31 Dec 2004	<u>979,797</u>	<u>201,169</u>	<u>121,723</u>	<u>61,941</u>	<u>187,155</u>	<u>1,551,785</u>
At 31 Dec 2003	<u>1,000,980</u>	<u>210,104</u>	<u>128,766</u>	<u>55,540</u>	<u>165,953</u>	<u>1,561,343</u>

Hire purchase and finance lease agreements

Included within the net book value of £1,551,785 is £91,962 (2003 - £31,834) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9,964 (2003 - £8,977).

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

10. TANGIBLE FIXED ASSETS *(continued)*

Company	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Other assets £	Total £
COST						
At 1 Jan 2004	103,428	415,829	60,739	20,543	226,729	827,268
Additions	1,297	4,541	—	2,617	27,471	35,926
At 31 Dec 2004	104,725	420,370	60,739	23,160	254,200	863,194
DEPRECIATION						
At 1 Jan 2004	72,872	302,605	29,549	7,620	115,036	527,682
Charge for the year	6,925	25,932	6,958	325	32,205	72,345
At 31 Dec 2004	79,797	328,537	36,507	7,945	147,241	600,027
NET BOOK VALUE						
At 31 Dec 2004	24,928	91,833	24,232	15,215	106,959	263,167
At 31 Dec 2003	30,556	113,224	31,190	12,923	111,693	299,586

Hire purchase and finance lease agreements

Included within the net book value of £263,167 is £11,570 (2003 - £20,791) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,323 (2003 - £5,806).

11. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2004	100
Additions	1
At 31 December 2004	101
NET BOOK VALUE	
At 31 December 2004	101
At 31 December 2003	100

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

11. INVESTMENTS *(continued)*

The company owns 100 £1 ordinary share in J Van Vliet (Northampton) Ltd representing 100% of the issued share capital of that company.

The company owns 1 £1 ordinary share in J Van Vliet (Glasgow) Ltd representing 100% of the issued share capital of that company.

The company also has a 100% control in J Van Vliet New York, LLC.

All companies deal in the wholesale of flowers and plants.

12. STOCKS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Stock	<u>797,281</u>	<u>636,687</u>	<u>449,417</u>	<u>363,122</u>

13. DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	559,899	580,240	323,269	340,677
Amounts owed by group undertakings	—	—	1,242,287	1,250,861
Other debtors	1,258	10,092	1,258	10,092
Prepayments and accrued income	<u>136,122</u>	<u>118,473</u>	<u>48,879</u>	<u>58,521</u>
	<u>697,279</u>	<u>708,805</u>	<u>1,615,693</u>	<u>1,660,151</u>

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	526,160	162,633	682,669	74,887
Trade creditors	1,416,666	1,807,853	556,789	1,255,258
Amounts owed to group undertakings	58,339	131,234	58,339	131,234
Hire purchase and finance lease agreements	39,240	9,341	5,640	6,221
Other creditors	519,206	446,602	327,794	263,136
Accruals and deferred income	<u>131,331</u>	<u>11,039</u>	<u>45,995</u>	<u>6,316</u>
	<u>2,690,942</u>	<u>2,568,702</u>	<u>1,677,226</u>	<u>1,737,052</u>

'Other Creditors' include £517,355 (2003 £406,674) with respect to taxation and social security costs.

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	398,178	423,815	—	—
Hire purchase and finance lease agreements	52,441	7,179	1,854	7,179
Other creditors	18,465	39,639	18,465	11,867
	<u>469,084</u>	<u>470,633</u>	<u>20,319</u>	<u>19,046</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	<u>398,178</u>	<u>423,815</u>	—	—

Bank loans and overdrafts are secured by a fixed and floating charge over all the assets of the company.

Bank loans are repayable by 23 May 2008 and 25 May 2016. Interest is to be paid at 2.25% above the base rate with respect to all bank loans.

16. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts payable within 1 year	39,239	9,340	5,640	6,220
Amounts payable between 1 and 2 years	52,440	7,180	1,854	7,180
	<u>91,679</u>	<u>16,520</u>	<u>7,494</u>	<u>13,400</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>33,800</u>	<u>33,800</u>

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

17. COMMITMENTS UNDER OPERATING LEASES *(continued)*

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>33,800</u>	<u>33,800</u>

18. RELATED PARTY TRANSACTIONS

The company and group are under the control of its immediate parent company Vliem Beheer BV, which is incorporated in Holland.

The company is exempt under Financial Reporting Standard 8 from disclosing related party transactions with its subsidiary companies..

During the year the company purchased goods in the normal course of business from J v Vliet Bloemenexport B.V. for £1,005,675 (2003: £1,005,442). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £208,756 (2003: £142,787).

During the year the company purchased goods in the normal course of business from Bloemenmagazijn Hedera B.V. for £1,320,005 (2003: £1,412,291). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £177,820 (2003: £151,690).

During the year the group purchased goods in the normal course of business from van Vliet Aalsmeer B.V. for £1,464,496 (2003: £1,463,860). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £165,908 (2003: £157,486).

During the year the group purchased goods in the normal course of business from J van Vliet S. A. Limited. for £525,538 (2003: £572,996). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £319,483 (2003: £140,389).

During the year the group purchased goods in the normal course of business from van Vliet Potplants B.V. for £1,105,237 (2003: £1,361,816). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £477,853 (2003: £109,803).

During the year the group purchased goods in the normal course of business from J van Vliet Transport B.V. for £40,508 (2003: £45,933). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to this company amounted to £2,281 (2002: £3,585).

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

19. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
51,000 Ordinary shares of £1 each	<u>51,000</u>	<u>51,000</u>

Allotted, called up and fully paid:

	2004		2003
	No	£	No
			£
Ordinary shares of £1 each	<u>51,000</u>	<u>51,000</u>	<u>51,000</u>

20. RESERVES

Group	Profit and loss account £
Balance brought forward	(131,472)
Retained profit for the year	37,869
Profit on foreign currency on translation of foreign subsidiary	(23,391)
Balance carried forward	<u>(116,994)</u>

Company	Profit and loss account £
Balance brought forward	572,115
Retained profit for the year	7,718
Balance carried forward	<u>579,833</u>

21. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2004	2003
	£	£
Operating profit/(loss)	111,502	(12,459)
Amortisation	5,036	5,567
Depreciation	207,722	189,010
Loss on disposal of fixed assets	-	4,061
Increase in stocks	(160,594)	(192,408)
Decrease/(increase) in debtors	11,526	(7,564)
(Decrease)/increase in creditors	(260,189)	569,565
Net cash (outflow)/inflow from operating activities	<u>(84,997)</u>	<u>555,772</u>

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

21. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2004	2003
	£	£
Interest received	31,680	37,083
Interest paid	(75,108)	(94,089)
Interest element of hire purchase and finance lease	—	(1,386)
Net cash outflow from returns on investments and servicing of finance	<u>(43,428)</u>	<u>(58,392)</u>

TAXATION

	2004	2003
	£	£
TAXATION	<u>(41,202)</u>	<u>(82,802)</u>

CAPITAL EXPENDITURE

	2004	2003
	£	£
Payments to acquire tangible fixed assets	(202,158)	(282,997)
Receipts from sale of fixed assets	3,994	32,391
Net cash outflow from capital expenditure	<u>(198,164)</u>	<u>(250,606)</u>

FINANCING

	2004	2003
	£	£
Repayment of bank loans	(120,512)	32,122
Capital element of hire purchase and finance lease	75,161	3,120
Net outflow from other long-term creditors	(21,174)	(43,892)
Net cash outflow from financing	<u>(66,525)</u>	<u>(8,650)</u>

J VAN VLIET LONDON CASH AND CARRY LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

21. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004	2003
	£	£
(Decrease)/increase in cash in the period	(434,316)	155,322
Net cash outflow from/(inflow) from bank loans	120,512	(32,122)
Cash outflow in respect of hire purchase and finance lease	(75,161)	(3,120)
Net cash outflow from other long-term creditors	<u>21,174</u>	<u>43,892</u>
	(367,791)	163,972
Change in net debt	(367,791)	163,972
Net debt at 1 January 2004	(642,607)	(832,857)
Net debt at 31 December 2004	<u>(1,034,484)</u>	<u>(642,607)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2004	Cash flows	At 31 Dec 2004
	£	£	£
Net cash:			
Overdrafts	(569)	(458,402)	(458,971)
Debt:			
Debt due within 1 year	(162,064)	94,875	(67,189)
Debt due after 1 year	(463,454)	46,811	(416,643)
Hire purchase and finance lease agreements	(16,520)	(75,161)	(91,681)
	<u>(642,038)</u>	<u>66,525</u>	<u>(575,513)</u>
Net debt	<u>(642,607)</u>	<u>(391,877)</u>	<u>(1,034,484)</u>