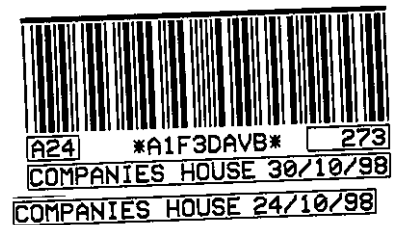


J VAN VLIET LONDON CASH AND CARRY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 DECEMBER 1997

Company Number: 2990765 (England and Wales)



J VAN VLIET LONDON CASH AND CARRY LIMITED

Company Information

Directors : L A Heemskerk
T Kennedy

Secretary : J Van Vliet

Company Number : 2990765 (England and Wales)

Registered Office : Parkview Nursery
Theobalds Park Road
Crews Hill
Enfield
Middlesex
EN2 9BQ

Auditors : HURSHENS
Chartered Accountants
and Registered Auditors
265 Green Lanes
Palmers Green
London
N13 4XE

J VAN VLIET LONDON CASH AND CARRY LIMITED

Directors' Report and Financial Statements
for the 52 weeks ended 27 December 1997

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J VAN VLIET LONDON CASH AND CARRY LIMITED

Directors' Report for the 52 weeks ended 27 December 1997

The directors present their report and the financial statements for the period ended 27 December 1997.

Statement of directors' 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 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.

Principal activities and review of business

The company's principal activity is that of wholesale of flowers, plants and associated goods and services.

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

The directors consider the loss on ordinary activities before taxation to be satisfactory given the difficult trading conditions.

Dividends

The director does not recommend a dividend for the period under review.

Fixed assets

Details of movements in fixed assets are set out in note 9 to the financial statements.

J VAN VLIET LONDON CASH AND CARRY LIMITED

Directors' Report for the 52 weeks ended 27 December 1997
Continued

Directors


The Directors who served during the period and their beneficial interests in the company's issued share capital were:


		1997	1996
L A Heemskerk	(Resigned 15 August 1998)	-	-
T Kennedy	(Appointed 15 May 1997)	-	-

Auditors

Messrs Hurshens, Chartered Accountants, will be proposed for their reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 22 October 1998 and signed on its behalf.


T KENNEDY
DIRECTOR



J VAN VLIET LONDON CASH AND CARRY LIMITED

**Auditors' Report to the Shareholders of
J Van Vliet London Cash and Carry Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under historical cost convention and the accounting policies set out on page 7

Respective responsibilities of directors and auditors

As described on page 2 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, 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 judgments 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 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. However, the evidence available to us was limited because of a computer system failure during the course of the audit and we were unable to complete some of our audit tasks. There were no other satisfactory audit procedures that we could adopt to confirm that the accounting records were complete and correct.

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

A new computerised system has been installed to prevent this from recurring.

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 the following:

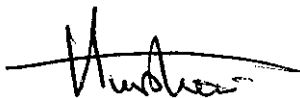
1. Capitalization of certain expenditure;
2. Adjustments arriving at closing bank balances; and
3. Analysis of disclosure between cost of sales, distribution and selling cost and administrative expenses, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 27 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the computerised accounting system.

- 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.

HURSHENS

Chartered Accountants
and Registered Auditors
265 Green Lanes
Palmers Green
London
N13 4XE



Date: 22 / 10 / 98

J VAN VLIET LONDON CASH AND CARRY LIMITED

Profit and Loss Account for the 52 weeks ended 27 December 1997

	Notes	1997 £	1996 £
TURNOVER	2	2,945,834	1,934,394
Cost of Sales		(2,575,369)	(1,687,843)
Gross Profit		370,465	246,551
Selling and Distribution Costs		(164,566)	(136,537)
Administrative Expenses		(245,597)	(225,005)
Loss on ordinary activities before interest	3	(39,698)	(114,991)
Interest received and similar income	6	5,722	8,269
Interest payable	7	(5,958)	(4,286)
Loss on ordinary activities before taxation		(39,934)	(111,008)
Taxation on loss on ordinary activities	8	-	-
Loss on ordinary activities after taxation		(39,934)	(111,008)
Dividends	9	-	-
Loss for the period		(39,934)	(111,008)
Losses B/Fwd		(151,639)	(40,631)
Losses C/Fwd		(191,573)	(151,639)
		=====	=====

There were no recognised gains or losses for 1997 or 1996 other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

J VAN VLIET LONDON CASH AND CARRY LIMITED

Balance Sheet as at 27 December 1997

	Notes	1997	1996
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	10 (a)	182,495	83,875
Intangible assets	10 (b)	9,067	-
		-----	-----
		191,562	83,875
<u>CURRENT ASSETS</u>			
Stock for resale		53,800	64,925
Debtors	11	185,425	187,898
Cash at Bank		74,783	28,231
		-----	-----
		314,008	281,054
		=====	=====
<u>CREDITORS: Amounts falling due within one year</u>	12	674,413	515,568
		=====	=====
NET CURRENT LIABILITIES		(360,405)	(234,514)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		(168,843)	(150,639)
<u>CREDITORS: Amounts falling due after more than one year</u>	13	(21,730)	(-)
		-----	-----
		(190,573)	(150,639)
		=====	=====
Represented by:			
Called up share capital	14	1,000	1,000
Profit and loss account		(191,573)	(151,639)
		-----	-----
DEFICIENCY IN SHAREHOLDERS' FUNDS	15	(190,573)	(151,639)
		=====	=====

The financial statements were approved by the board on 22/10/98 and signed on its behalf.

T. Kennedy
 T KENNEDY - Director

The notes on pages 7 to 11 form part of these accounts.

J VAN VLIET LONDON CASH AND CARRY LIMITED

Cash Flow Statement for the 52 weeks ended 27 December 1997

	Notes	1997		1996	
		£	£	£	£
Net cash inflow from operating activities	17		221,081		103,994
Returns on investments and servicing of finance					
Rent Received		5,722		8,269	
Bank Interest Paid		(5,958)		(4,286)	
		-----		-----	
Net cash inflow from investments and servicing of finance			(236)		3,983
			-----		-----
			220,845		107,977
Investing activities					
Payments to acquire tangible fixed assets		(174,293)		(89,625)	
		-----		-----	
Net cash outflow from investing activities			(174,293)		(89,625)
			-----		-----
Increase in cash and cash equivalent	19		46,552		18,352
			=====		=====

J VAN VLIET LONDON CASH AND CARRY LIMITED

Notes to the financial statements for the 52 weeks ended 27 December 1997

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax 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 or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	25% reducing balance basis
Furniture, Fixtures, Fittings & Office Equipment	25% reducing balance basis
Plant and Machinery	25% reducing balance basis
Motor Vehicles	25% reducing balance basis

1.4 Intangible fixed assets and amortisation

The leasehold interest is amortised over the length of the lease of three years.

1.5 Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation differences and realised foreign exchange differences are taken to profit and loss.

2. Turnover

The whole of the turnover and loss before taxation is attributable to the one principle activity of the company. A geographical analysis of turnover is as follows:

	1997	1996
	£	£
United Kingdom	2,945,834	1,891,778
Europe	-	42,616
	-----	-----
	2,945,834	1,934,394
	=====	=====

J VAN VLIET LONDON CASH AND CARRY LIMITED

**Notes to the financial statements
for the 52 weeks ended 27 December 1997
Continued**

3. The operating loss is stated after Charging/ (Crediting)

	1997	1996
	£	£
Depreciation of tangible fixed assets	66,605	25,213
Auditors' remuneration	3,300	2,500
Foreign currency exchange (gains)	(994)	(8,958)
Operating lease rentals-land	33,800	-
	=====	=====

4. Staff costs

Staff costs, including director's remuneration, were as follows:

Wages and Salaries	166,309	135,507
Social security costs	16,087	12,211
	-----	-----
	182,396	147,718
	=====	=====

The average weekly number of employees, including directors, during the period was as follows:

Office and Administration	4	1
Selling and Distribution	13	12
	==	==

5. Directors' emolument

For services as director	38,349	23,967
	=====	=====

6. Interest received and similar income

Rent received	5,722	8,269
	=====	=====

7. Interest payable

Bank overdraft	5,958	4,286
	=====	=====

8. Taxation

There is no liability to UK Corporation Tax based on these accounts.

J VAN VLIET LONDON CASH AND CARRY LIMITED

**Notes to the financial statements
for the 52 weeks ended 27 December 1997
Continued**

9. Dividends

No dividends have been proposed for the period under review.

10(a) Tangible fixed assets

	Motor Vehicles	Computer Equipment	Fixtures, Fittings & Office Equipment	Plant & Machinery	Total
Cost	£	£	£	£	£
B/Fwd at 1.1.97	-	28,908	63,878	23,954	116,740
Additions	23,725	3,204	108,875	24,888	166,692
	-----	-----	-----	-----	-----
C/Fwd at 28.12.97	23,725	32,112	172,753	48,842	277,432
	=====	=====	=====	=====	=====
Depreciation					
B/Fwd at 1.1.97	-	11,201	18,071	3,593	32,865
Charge for the year	5,931	5,228	39,601	11,312	60,072
	-----	-----	-----	-----	-----
C/Fwd at 28.12.97	5,931	16,429	57,672	14,905	94,937
	=====	=====	=====	=====	=====
Net book value					
At 27.12.97	17,794	15,683	115,081	33,937	182,495
	=====	=====	=====	=====	=====
At 28.12.96	-	17,708	45,807	20,360	83,875
	=====	=====	=====	=====	=====

10(b) Intangible fixed assets

	Short Lease	Total
Cost	£	£
B/Fwd at 1.1.97	-	-
Additions	13,600	13,600
	-----	-----
C/Fwd at 28.12.97	13,600	13,600
	=====	=====
Depreciation		
B/Fwd at 1.1.97	-	-
Charge for the year	4,533	4,533
	-----	-----
C/Fwd at 28.12.97	4,533	4,533
	=====	=====
Net book value		
At 27.12.97	9,067	9,067
	=====	=====
At 28.12.96	-	-
	=====	=====

J VAN VLIET LONDON CASH AND CARRY LIMITED

**Notes to the financial statements
for the 52 weeks ended 27 December 1997
Continued**

11. Debtors	1997	1996
	£	£
Trade debtors	147,263	138,825
Prepayments	29,884	39,701
Sundry debtors	7,278	8,372
Due from holding company - Torojac N.V	1,000	1,000
	-----	-----
	185,425	187,898
	=====	=====
12. Creditors: amounts falling due within one year	1997	1996
	£	£
Loan	105,859	-
Trade creditors	385,811	391,601
Social security and other taxes	178,994	62,233
Accruals and deferred income	3,750	61,734
	-----	-----
	674,413	515,568
	=====	=====
13. Creditors: amounts falling after more than one year	1997	1996
	£	£
Loan	21,731	-
	=====	=====
14. Called up share capital	1997	1996
Authorised	£	£
1000 Ordinary share of £1 each	1,000	1,000
	=====	=====
Issued		
1000 Ordinary share of £1 each	1,000	1,000
	=====	=====

J VAN VLIET LONDON CASH AND CARRY LIMITED

**Notes to the financial statements
for the 52 weeks ended 27 December 1997
Continued**

15. Movement on shareholders' funds

	1997	1996
	£	£
Loss for the period	(39,934)	(39,631)
Opening shareholders' funds	(150,639)	(111,008)
	-----	-----
Closing shareholders' funds	(190,573)	(150,639)
	=====	=====

16. Holding Company

The ultimate holding company of J Van Vliet London Cash and Carry Limited is Torojac N.V, incorporated in Holland.

17. Reconciliation of operating loss to net cash inflow from operating activities

	1997	1996
	£	£
Operating loss	(39,698)	(114,991)
Depreciation	66,605	25,213
Increase in stocks	11,125	(5,645)
Increase in debtors	2,473	(116,995)
Decrease in creditors	180,576	316,412
	-----	-----
Net Cash inflow form operating activities	221,081	103,994
	=====	=====

18. Analysis of changes in cash and cash Equivalents during the period

Balance at 1.1.97	28,231	9,879
Net cash inflow	46,552	18,352
	-----	-----
Balance at 28.12.97	74,783	28,231
	=====	=====

19. Analysis of the balances on cash and cash equivalents as shown in the balance sheet

	1997	1996	Change in year
	£	£	£
Cash at bank and in hand	74,783	28,231	46,552
	=====	=====	=====

20. Financial commitments

At 31 December 1997 the company had annual commitments under an operating lease of £33,800 with respect to land and buildings expiring between 2-5 years.