

Company Registration No 2994067 (England and Wales)

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UNITED FOODS INTERNATIONAL ASPIRE ENERGY VISION

UNITED FOODS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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UNITED FOODS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	A C Shupick M J Taylor
Secretary	A C Shupick
Company number	2994067
Registered office	Black Corner Balcombe Road Horley RH6 9SP
Auditors	H W Fisher & Company Acre House London NW1 3ER

UNITED FOODS INTERNATIONAL LIMITED

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UNITED FOODS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and accounts for the year ended 31 December 2007

Principal activities

The principal activities of the company are acting as a holding company and offering administrative services to other group companies. The principal activities of the subsidiaries are the sale of chilled fruit juice in Europe and organic fruit and vegetable juice in the UK.

Directors

The directors who served during the year were

A C Shupick

M J Taylor

Additionally, F Stebbing was appointed as a director on 10 April 2007 and served until his resignation on 28 June 2007

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members.

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

On behalf of the Board



A C Shupick

Director

Dated 22 October 2008

UNITED FOODS INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 these accounts, 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

UNITED FOODS INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of United Foods International Limited for the year ended 31 December 2007 set out on pages 4 to 15. These accounts have been prepared under the accounting policies set out on page 6.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are as described on page 2.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

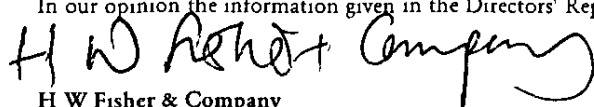
Qualified opinion arising from disagreement over accounting treatment

These accounts have been prepared for the company only. As explained in note 1.1 consolidated accounts have not been prepared because the directors believe that no purpose would be served by doing so. In our opinion consolidated accounts, covering the financial position of the group as a whole should have been prepared.

Notwithstanding the failure to prepare consolidated accounts, in our opinion the accounts

- * give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended, and
- * have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Directors' Report is consistent with the accounts.


H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
London
NW1 3ER
Great Britain

Dated

23/10/08

UNITED FOODS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	108,874	48,000
Administrative expenses		(174,950)	(86,049)
Operating loss	3	(66,076)	(38,049)
Profit from sale of subsidiaries	10	13,570,630	-
Profit/(loss) on ordinary activities before interest		13,504,554	(38,049)
Other income	6	223,182	254,580
Interest payable and similar charges	7	(106,431)	(53,344)
Profit on ordinary activities before taxation		13,621,305	163,187
Tax on profit on ordinary activities	8	(707,241)	72,500
Profit on ordinary activities after taxation		12,914,064	235,687
Dividends (including those in respect of non-equity shares)	9	(13,118,028)	(317,750)
Net deficit for the financial year		(203,964)	(82,063)
Retained profit brought forward		686,911	768,974
Transfer to Preference share redemption reserve	15	(1,000,000)	-
(Accumulated loss)/retained profit carried forward		(517,053)	686,911

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

UNITED FOODS INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Investments	10		1,005,045		4,715,742
Current assets					
Debtors	11	2,933,310		82,000	
Cash at bank and in hand		584,374		497,859	
		<u>3,517,684</u>		<u>579,859</u>	
Creditors' amounts falling due within one year	12	(1,462,282)		(1,031,190)	
Net current assets/(liabilities)			<u>2,055,402</u>		<u>(451,331)</u>
Total assets less current liabilities			<u>3,060,447</u>		<u>4,264,411</u>
Creditors' amounts falling due after more than one year	13		<u>-</u>		<u>(1,000,000)</u>
			<u>3,060,447</u>		<u>3,264,411</u>
Capital and reserves					
Called up share capital	14		2,577,500		2,577,500
Other reserves	15		1,000,000		-
Profit and loss account			(517,053)		686,911
Shareholders' funds - all equity interests	16		<u>3,060,447</u>		<u>3,264,411</u>

The accounts were approved by the Board on 22 OCTOBER 2008



A C Shupick
Director

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

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

Consolidated accounts have not been prepared. Although the group is still technically a large group in the current year, this is only as a result of the inclusion in the comparative year of the subsidiaries which were sold during the year. The company has been unable to obtain information from all these subsidiaries in relation to their results up until the date of sale. In addition, since the group is now small, the directors do not believe that any useful purpose would be achieved by preparing consolidated accounts this year.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT

1.3 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value

1.4 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.5 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2007	2006
	£	£
Operating loss is stated after charging		
Auditors' remuneration	3,500	5,000

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

4	Directors' emoluments	2007 £	2006 £
	Aggregate emoluments	92,952	-
	Company contributions to defined contribution pension schemes	7,500	-
		<u>100,452</u>	<u>-</u>

Retirement benefits are accruing to 1 (2006- 0) director under defined contribution schemes

5 Employees

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Administration	<u>2</u>	<u>2</u>

Employment costs

	£	£
Wages and salaries	100,451	-
Social security costs	11,856	-
Other pension costs	7,500	-
	<u>119,807</u>	<u>-</u>

6	Other income	2007 £	2006 £
	Income from shares in subsidiary undertakings	-	252,515
	Interest receivable from group undertakings	21,174	-
	Other interest receivable and similar income	202,008	2,065
		<u>223,182</u>	<u>254,580</u>

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

7	Interest payable and similar charges		2007	2006
			£	£
	Interest payable on			
	Loans from group undertakings		24,856	7,412
	Bank loans and overdrafts		156	45,932
	Foreign exchange losses		81,419	-
			<u>106,431</u>	<u>53,344</u>
8	Tax on profit on ordinary activities	2007	2007	2006
		£	£	£
	Current tax			
	<u>UK corporation tax</u>			
	Current tax on income for the period	700,000	(3,000)	
	Payment in respect of group relief	(63)	(69,500)	
		<u>699,937</u>		(72,500)
	<u>Foreign tax</u>			
	Current tax on income for the period	7,304	-	
		<u>7,304</u>		-
	Current tax charge	<u>707,241</u>		<u>(72,500)</u>
	Factors affecting the tax charge for the year			
	Profit on ordinary activities before taxation	13,621,305		163,187
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	4,086,392		48,956
	Effects of			
	Expenses not deductible for tax purposes	432		-
	Capital allowances for period in excess of depreciation	(5)		-
	Indexation on capital asset disposals	(95,390)		-
	Substantial shareholder relief on capital asset disposals	(2,993,339)		-
	Utilisation of capital losses	(9,835)		-
	Higher tax rate on overseas earnings	437		-
	Group relief	(63)		(121,456)
	Dividends and distributions received	(300,000)		-
	Other tax adjustments	18,612		-
	Current tax charge	<u>707,241</u>		<u>(72,500)</u>

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

9	Dividends	2007 £	2006 £
	Dividends on equity shares		
	Ordinary interim paid 21 May 2007	2,062,000	257,750
	Ordinary interim paid 28 May 2007	463,950	-
	Ordinary interim paid 11 June 2007	10,310,000	-
	Ordinary interim paid 17 July 2007	257,750	-
		<u>13,093,700</u>	<u>257,750</u>
	Dividends on non-equity shares		
	Preference paid 28 May 2007	24,328	60,000
		<u>13,118,028</u>	<u>317,750</u>

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2007	4,715,742
Additions	9,111,222
Disposals	(12,821,919)
At 31 December 2007	<u>1,005,045</u>
At 31 December 2006	<u>4,715,742</u>

The Company acquired the entire issued Ordinary share capital of DSG Onroerende Zaken BV, and its subsidiaries Fruity King Vers Sap BV, Fruity King Holland BV and Fruit Industry Vof, with the effective completion date of 31 January 2007, for consideration of £501,950

On 31 January 2007, the Company acquired the entire Ordinary share capital of Grove Fresh Limited, and its subsidiary company Frische (UK) Limited, from FSP Frischsaft FRISCHE Produktion GmbH, a 73.65% owned subsidiary company, for consideration of £8,609,272. The Company later disposed its entire share capital of Grove Fresh Limited on 30 March 2007 to a third party company, at a profit of £2,369,082 after taking into account a dividend received from Grove Fresh Limited of £1,000,000 prior to the disposal.

On 25 May 2007, the Company disposed its entire share capital of Marnan Holdings Limited to the Trustees of EqualCross Settlement, who are also the shareholders of the Company. The profit from the sale of Marnan Holdings Limited amounted to £1,223,750.

On 14 June 2007, the Company disposed its entire share capital of FSP Frischsaft FRISCHE Produktion GmbH to a third party company. The profit from the sale of FSP Frischsaft FRISCHE Produktion GmbH amounted to £9,977,798.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Holdings of more than 20%

The company holds more than 20% of the share capital of the following entities

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Premierblend Limited	England	Ordinary	100
Organic Juices Limited	England	Ordinary	100
Organic Foods International Limited	England	Ordinary	100
Tropical Delight Limited	England	Ordinary	100
Florida Exports Limited	England	Ordinary	100
DSG Onroerende Zaken BV	Netherlands	N/A	100
Fruity King Vers Sap BV	Netherlands	N/A	100
Fruity King Holland BV	Netherlands	N/A	100
Smithy Mushrooms Limited	England	Ordinary	100
Fruit Industry Vof	Netherlands	N/A	67

The company's interest in Fruit Industry Vof increased from 50% to 67% as a result of a partner withdrawing from the partnership and the share of that partner was allocated prorata to the remaining shareholders

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the year
	£	£
Premierblend Limited	245,000	0
Organic Juices Limited	2	0
Organic Foods International Limited	2	0
Tropical Delight Limited	2	0
Florida Exports Limited	2	0
DSG Onroerende Zaken BV	1,539,768	20,227
Fruity King Vers Sap BV	475,392	14,510
Fruity King Holland BV	(105,487)	(64,247)
Smithy Mushrooms Limited	178,695	146,705
Fruit Industry Vof	277,954	192,082

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

11 Debtors	2007	2006
	£	£
Trade debtors	25,961	4,930
Amounts owed by group undertakings	1,410	75,570
Other debtors	2,897,123	-
Prepayments and accrued income	8,816	1,500
	<u>2,933,310</u>	<u>82,000</u>
 12 Creditors: amounts falling due within one year	 2007	 2006
	£	£
Amounts owed to group undertaking	-	1,004,685
Corporation tax	700,000	-
Other taxes and social security costs	2,883	2,505
Other creditors	725,471	-
Accruals and deferred income	33,928	24,000
	<u>1,462,282</u>	<u>1,031,190</u>
 13 Creditors: amounts falling due after more than one year	 2007	 2006
	£	£
6% redeemable non-cumulative preference shares	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
 Analysis of loans		
Wholly repayable within five years	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

£1,000,000 6% redeemable non-cumulative preference shares were redeemed on 25 May 2007

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

14	Share capital	2007	2006
		£	£
	Authorised		
	4,000,000 Ordinary shares of £1 each	4,000,000	4,000,000
	1,000,000 6% redeemable non-cumulative preference shares of £1 each	-	1,000,000
		<u>4,000,000</u>	<u>5,000,000</u>
	Allotted, called up and fully paid		
	2,577,500 Ordinary shares of £1 each	<u>2,577,500</u>	<u>2,577,500</u>
15	Statement of movements on reserves		Preference Share Redemption Reserve £
	Movement during the year		<u>1,000,000</u>
	Balance at 31 December 2007		<u>1,000,000</u>
As explained in note 13, the preference shares were redeemed on 25 May 2007			
16	Reconciliation of movements in shareholders' funds	£	£
	Profit for the financial year	12,914,064	235,687
	Dividends	<u>(13,118,028)</u>	<u>(317,750)</u>
		<u>(203,964)</u>	<u>(82,063)</u>
	New share capital subscribed	-	27,500
		<u>(203,964)</u>	<u>(54,563)</u>
	Net depletion in shareholders' funds	3,264,411	3,318,974
	Opening shareholders' funds	<u>3,264,411</u>	<u>3,318,974</u>
	Closing shareholders' funds	<u>3,060,447</u>	<u>3,264,411</u>

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

17 Related party transactions

During the year ended 31 December 2007, United Food International Plc ('UFI') received £24,000 management fees (2006 £24,000) from Smithy Mushrooms Limited, a 100% owned subsidiary company. Furthermore, UFI recharged expenses of £6,000 (2006 £5,000) to Smithy Mushrooms Limited.

Included in debtors at 31 December 2007 is £1,410 (2006 £40,070) due from Smithy Mushrooms Limited. During the year, £954 (2006 £1,506) interest was received from Smithy Mushrooms Limited.

Grove Fresh Limited was a subsidiary of UFI until 30 March 2007.

Before the date of disposal, £6,000 management charges (2006 £24,000) were paid to Grove Fresh Limited.

After the date of disposal, £60,874 consultancy fees (2006 £nil) was charged to Grove Fresh Limited.

There were no expenses (2006 £13,567) recharged to Grove Fresh Limited during the year ended 31 December 2007.

Included in debtors at 31 December 2007 is £nil (2006 £35,500) owed from Grove Fresh Limited.

On 26 May 2007, UFI sold its subsidiary, Marnan Holdings Limited to its ultimate controlling party, the Trustees of Equalcross Settlement.

The following transactions occurred between Marnan Holdings Limited and UFI.

During the year ended 31 December 2007, the company paid interest of £24,856 (2006 £9,125) to Marnan Holdings Limited.

Before the date of disposal of Marnan Holdings Limited, the company received £9,600 management fees (2006 £24,000). The company received £14,400 management fees after the date of disposal.

Furthermore, the company recharged expenses of £7,000 (2006 £5,000) to Marnan Holdings Limited, after the disposal.

Included in creditors at 31 December 2007 is £nil (2006 £1,004,685) owing to Marnan Holdings Limited. This loan was settled on the sale of Marnan Holdings Limited.

During the year ended 31 December 2007, UFI made a loan to Dallas Investments Limited, a company owned by Equalcross Settlement. At the year end £475,000 was outstanding. Interest of £18,500 was charged on this loan.

FSP Frischsaft FRISCHE Produktions GmbH ('Frische') was a subsidiary of United Foods Internal PLC ('UFI') until 14 June 2007.

On 12 February 2007, UFI made a one year loan of Euro 1,022,584 to Frische. This was repaid on the disposal of Frische. Interest of £13,931 was charged on this loan.

During the year ended 31 December 2007, UFI made a Euro 400,000 loan to Fruity King Vers Sap BV, a 100% owned subsidiary company incorporated in Netherlands. This was fully repaid in October 2007. Interest of £6,289 was received for the year on this loan.

During the year ended 31 December 2007, UFI paid £1,394 (2006 £4,567) to Surewell Management Consultants Limited for professional services. F Stebbing, a director, is also the director of Surewell Management Consultants Limited.

UNITED FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

18 Post balance sheet events

On 6 May 2008, the Company purchased back 644,375 of its own fully paid Ordinary shares of £1 each at a price of £2 per share. The shares were redeemed first out of profit and loss reserves and then out of the capital and undistributable reserves of the Company.