

Eurilait Limited

Report and Financial Statements

Year Ended

31 December 2010

Company Number 02667268

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Eurilait Limited

Report and financial statements for the year ended 31 December 2010

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Directors

H Newmarch
P Gautron
O Pretelat
P Bissey

Secretary and registered office

E D Humieres, Leighton Lane Industrial Estate, Evercreech, Shepton Mallet, Somerset,
BA4 6LQ

Company number

02667268

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Eurilait Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Principal activities, results, review of business and future developments

The company is engaged in the import, packing and distribution of continental cheese to retailers, food manufacturers and wholesalers across the UK and Ireland. There have been no changes in the company's activities in the year under review.

The profit and loss account is set out on page 5 and shows an increase in turnover of 3.7%, from £40,241,306 in 2009 to £41,735,769 in 2010. Profit before taxation for the year increased to £417,395 (2009: £404,829) representing an increase of 3.1%.

The market for continental cheese remains highly competitive. The company seeks to manage the risk of losing customers to key competitors by the provision of added value services to customers with an emphasis on developing new products with our customers.

There have been no events since the balance sheet date which materially affect the position of the company.

Principal risks and uncertainties

The company purchases some cheese from Europe in Euros. The company is therefore exposed to movements in the Euro to Sterling exchange rate. The Financial Controller monitors the net exposure and takes out forward contracts to fix the exchange rate for up to twelve months hence.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers, and to protect against the default of those debts by using a credit insurer.

The company has a loan facility for £3,000,000 with Barclays Bank at a variable rate of 2.25% above base rate. £2,672,410 of the facility was unutilised at the year-end.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a regular basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Directors

The directors of the company during the year were

H Newmarch
P Gautron
O Pretelat

Eurilait Limited

Report of the directors for the year ended 31 December 2010 (continued)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

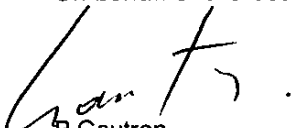
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



P. Gautron

Director

Date 22 June 2011

Eurilait Limited

Independent auditor's report

TO THE MEMBERS OF EURILAIT LIMITED

We have audited the financial statements of Eurilait Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Eurilait Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



~~Christopher Driver~~ (senior statutory auditor)
~~For and on behalf of BDO LLP, statutory auditor~~
Southampton
United Kingdom

Date

30th June 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Eurilait Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	41,735,769	40,241,306
Cost of sales		37,737,272	36,182,540
		<hr/>	<hr/>
Gross profit		3,998,497	4,058,766
Administrative expenses		3,566,826	3,641,859
		<hr/>	<hr/>
Operating profit	3	431,671	416,907
Other interest receivable and similar income		125	174
Interest payable and similar charges	6	(14,401)	(12,252)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		417,395	404,829
Taxation on profit on ordinary activities	7	116,593	125,726
		<hr/>	<hr/>
Profit on ordinary activities after taxation		300,802	279,103
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

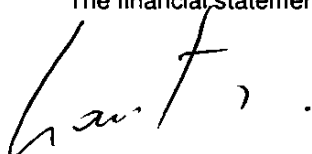
The notes on pages 8 to 17 form part of these financial statements

Eurilait Limited

Balance sheet at 31 December 2010

<i>Company number 02667268</i>	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	9		363,568		367,807
Current assets					
Stocks	10	1,345,208		1,335,327	
Debtors	11	8,471,401		7,283,413	
Cash at bank and in hand		37,554		610,181	
		<u>9,854,163</u>		<u>9,228,921</u>	
Creditors amounts falling due within one year	12	<u>9,908,802</u>		<u>9,308,601</u>	
Net current liabilities			<u>(54,639)</u>		<u>(79,680)</u>
Total assets less current liabilities			<u>308,929</u>		<u>288,127</u>
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account	15		303,929		283,127
Shareholders' funds	16		<u>308,929</u>		<u>288,127</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2011



P Gautron
Director

The notes on pages 8 to 17 form part of these financial statements .

Eurilait Limited

Cashflow statement for the year ended 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Net cash (outflow)/inflow from operating activities	20		(323,200)		2,128,450
Returns on investments and servicing of finance					
Interest received		125		174	
Interest paid bank loans		(14,401)		(12,252)	
Net cash outflow from returns on investments and servicing of finance			(14,276)		(12,078)
Taxation					
Corporation tax paid			(146,013)		(109,541)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(165,072)		(193,844)	
Receipts from sale of tangible fixed assets		19,556		10,499	
Net cash outflow from capital expenditure and financial investment			(145,516)		(183,345)
Dividends paid			(280,000)		(300,000)
(Decrease)/increase in cash	21		(909,005)		1,523,486

The notes on pages 8 to 17 form part of these financial statements

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates

Plant and machinery	- 25% per annum
Motor vehicles	- 25% per annum
Office equipment	- 25% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Taxation

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

	2010 £	2009 £
Analysis by geographical market		
United Kingdom	40,610,740	39,221,165
Europe	1,125,029	1,020,141
	<u>41,735,769</u>	<u>40,241,306</u>

Turnover is wholly attributable to the principal activity of the company.

3 Operating profit

	2010 £	2009 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	151,678	170,730
Hire of plant and machinery - operating leases	49,752	46,191
Hire of other assets - operating leases	299,805	271,847
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	16,000	16,000
- fees payable to the company's auditor for taxation services	2,600	2,500
Exchange differences	(80,445)	(319,552)
	<u></u>	<u></u>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

4 Employees

Staff costs (including directors) consist of

	2010 £	2009 £
Wages and salaries	1,672,477	1,846,821
Social security costs	168,131	174,530
Other pension costs	87,871	69,725
	<u>1,928,479</u>	<u>2,091,076</u>

The average number of employees (including directors) during the year was as follows

	2010 Number	2009 Number
Administration	9	10
Sales and marketing	12	11
Stock handling	45	50
	<u>66</u>	<u>71</u>

5 Directors' remuneration

	2010 £	2009 £
Directors' emoluments	118,785	126,547
Company contributions to money purchase pension schemes	6,477	4,876
	<u>125,262</u>	<u>131,423</u>

There was 1 director in the company's defined contribution pension scheme during the year (2009 - 1)

6 Interest payable and similar charges

	2010 £	2009 £
Bank overdrafts	14,401	12,252
	<u>14,401</u>	<u>12,252</u>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

7 Taxation on profit on ordinary activities

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	99,540	117,347
<i>Deferred tax</i>		
Origination and reversal of timing differences	8,280	8,379
Adjustment in respect of previous periods	8,773	-
	<hr/>	<hr/>
Movement in deferred tax provision	17,053	8,379
	<hr/>	<hr/>
Taxation on profit on ordinary activities	116,593	125,726
	<hr/>	<hr/>

The tax assessed for the year is lower than/higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	417,395	404,829
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	116,871	113,352
Effect of		
Expenses not deductible for tax purposes	(6,670)	12,374
Other timing differences	198	(1,857)
Fixed asset timing differences	(8,478)	(6,522)
Marginal relief	(2,381)	-
	<hr/>	<hr/>
Current tax charge for the year	99,540	117,347
	<hr/>	<hr/>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

8 Dividends

	2010 £	2009 £
Ordinary shares		
Final dividend paid for 2009 of £78 26 (2009 - for 2008 of £138 45) per share	280,000	300,000

The final dividend for the year ended 31 December 2009 of £78 26 per share was approved by the shareholders on 23 June 2010 and was paid on 17th December 2010

Two shareholders waived their dividend entitlement during the year. These entitlements totalled £156 52. One shareholder waived part of their dividend entitlement during the year. This entitlement totalled £111,153 48.

9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2010	901,405	134,054	308,641	1,344,100
Additions	100,903	57,034	7,135	165,072
Disposals	-	(65,069)	-	(65,069)
At 31 December 2010	1,002,308	126,019	315,776	1,444,103
<i>Depreciation</i>				
At 1 January 2010	655,805	74,767	245,721	976,293
Provided for the year	97,297	26,544	27,837	151,678
Disposals	-	(47,436)	-	(47,436)
At 31 December 2010	753,102	53,875	273,558	1,080,535
<i>Net book value</i>				
At 31 December 2010	249,206	72,144	42,218	363,568
At 31 December 2009	245,600	59,287	62,920	367,807

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 *(continued)*

10 Stocks

	2010 £	2009 £
Finished goods and goods for resale	1,345,208	1,335,327

There is no material difference between the replacement cost of stocks and the amounts stated above

11 Debtors

	2010 £	2009 £
Trade debtors	8,277,811	7,151,487
Prepayments and accrued income	67,152	48,183
Other debtors	22,500	11,871
Other tax debtor	96,877	47,758
Deferred taxation	7,061	24,114
	<u>8,471,401</u>	<u>7,283,413</u>

All amounts shown under debtors fall due for payment within one year

	Deferred taxation £
At 1 January 2010	24,114
Charged to profit and loss account	(17,053)
	<u>7,061</u>
At 31 December 2010	<u>7,061</u>

Deferred taxation

	2010 £	2009 £
The amount of deferred tax provided for is as follows		
Accelerated capital allowances	4,691	21,854
Sundry timing differences	2,370	2,260
	<u>7,061</u>	<u>24,114</u>

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 *(continued)*

12 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank overdrafts (secured)	336,378	-
Trade creditors	4,085,477	4,052,371
Amounts owed to group undertakings	2,961,524	2,591,890
Amounts owed to associated undertakings	2,200,404	1,769,460
Corporation tax	17,156	63,629
Other taxation and social security	62,147	63,391
Other creditors	31,052	184,685
Accruals and deferred income	214,664	583,175
	<u>9,908,802</u>	<u>9,308,601</u>

The bank overdrafts are secured by an unlimited debenture over all of the company's assets

13 Pensions

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 charge amounted to £87,871 (2009 - £69,725). Contributions amounting to £12,648 (2009 - £10,446) were payable to the fund at the year end and are included in accruals in note 12.

14 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

15 Reserves

	Profit and loss account £
At 1 January 2010	283,127
Profit for the year	300,802
Dividends	(280,000)
	<u>303,929</u>
At 31 December 2010	

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 *(continued)*

16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the year	300,802	279,103
Dividends	(280,000)	(300,000)
	<hr/>	<hr/>
Net additions to/(deductions from) shareholders' funds	20,802	(20,897)
Opening shareholders' funds	288,127	309,024
	<hr/>	<hr/>
Closing shareholders' funds	308,929	288,127
	<hr/>	<hr/>

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £	Other 2010 £	Land and buildings 2009 £	Other 2009 £
Operating leases which expire				
Within one year	-	-	-	18,353
In two to five years	-	53,347	-	33,639
After five years	310,000	-	310,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	310,000	53,347	310,000	51,992
	<hr/>	<hr/>	<hr/>	<hr/>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

18 Related party disclosures

Related party transactions and balances

	Purchases from related parties 2010 £	Purchases from related parties 2009 £	Amounts owed to related parties 2010 £	Amounts owed to related parties 2009 £
Laita SAS	9,409,407	11,157,956	2,961,524	2,591,891
Eurial Poitouaine	8,541,213	7,490,395	2,200,404	1,769,460

Laita SAS is the parent undertaking and holds 70% of the company's shares Eurial Poitouaine is an associated company and holds 30% of the company's shares

During the year £29,100 (2009 £29,100) was paid to Eurial Poitouaine and £67,896 (2009 £66,344) was paid to Laita SAS in respect of management fees

During the year dividends of £117,393 (2009 £207,678) were paid to Eurial Poitouaine and dividends of £162,607 (2009 £92,322) were paid to Laita SAS

19 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by Laita SAS, incorporated in France No other group accounts include the results of the company

20 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2010 £	2009 £
Operating profit	431,671	416,907
Depreciation of tangible fixed assets	151,678	170,730
Profit on sale of tangible fixed assets	(1,923)	(4,227)
(Increase)/decrease in stocks	(9,881)	584,158
(Increase)/decrease in debtors	(1,205,041)	2,347,655
Increase/(decrease) in creditors	310,296	(1,386,773)
Net cash (outflow)/inflow from operating activities	(323,200)	2,128,450

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 *(continued)*

21 Reconciliation of net cash flow to movement in net (debt)/funds

	2010 £	2009 £
(Decrease)/increase in cash	(909,005)	1,523,486
Opening net funds/(debt)	610,181	(913,305)
	<u> </u>	<u> </u>
Closing net (debt)/funds	(298,824)	610,181
	<u> </u>	<u> </u>

22 Analysis of net (debt)/funds

	At 1 January 2010 £	Cashflow £	At 31 December 2010 £
Cash at bank and in hand	610,181	(572,627)	37,554
Bank overdrafts	-	(336,378)	(336,378)
	<u> </u>	<u> </u>	<u> </u>
Total	610,181	(909,005)	(298,824)
	<u> </u>	<u> </u>	<u> </u>