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## Eurilait Limited

Report and Financial Statements

Year Ended

31 December 2009

Company Number 02667268



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# **Eurilait Limited**

## **Report and financial statements for the year ended 31 December 2009**

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### **Directors**

H Newmarch  
P Gautron  
O Pretelat

### **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 2009**

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The directors present their report together with the audited financial statements for the year ended 31 December 2009

### **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 a decrease in turnover of 14.6%, from £47,123,471 in 2008 to £40,241,306 in 2009. Profit before taxation for the year decreased to £404,829 (2008 £449,488) representing a decrease of 9.9%. The company has benefitted from an improved Euro to Sterling exchange rate compared to the prior year.

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. £1,978,950 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 (appointed 1 July 2009)  
O Pretelat  
P Bissey (resigned 1 July 2009)

# **Eurilait Limited**

## **Report of the directors for the year ended 31 December 2009 (continued)**

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### **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 23 June 2010

# **Eurilait Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF EURILAIT LIMITED**

We have audited the financial statements of Eurilait Limited for the year ended 31 December 2009 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2009 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*)

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#### 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

1 July 2010

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 2009

	Note	2009 £	2008 £
<b>Turnover</b>	2	<b>40,241,306</b>	47,123,471
Cost of sales		<u>36,182,540</u>	<u>41,774,366</u>
<b>Gross profit</b>		<b>4,058,766</b>	5,349,105
Administrative expenses		<u>3,641,859</u>	<u>4,833,407</u>
<b>Operating profit</b>	3	<b>416,907</b>	515,698
Other interest receivable and similar income		174	3,216
Interest payable and similar charges	6	<u>(12,252)</u>	<u>(69,426)</u>
<b>Profit on ordinary activities before taxation</b>		<b>404,829</b>	449,488
Taxation on profit on ordinary activities	7	<u>125,726</u>	<u>150,298</u>
<b>Profit on ordinary activities after taxation</b>		<u><b>279,103</b></u>	<u>299,190</u>

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

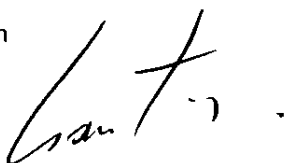
# Eurilait Limited

## Balance sheet at 31 December 2009

<i>Company number 02667268</i>	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	9		367,807		350,965
<b>Current assets</b>					
Stocks	10	1,335,327		1,919,485	
Debtors	11	7,283,413		9,639,447	
Cash at bank and in hand		610,181		132,521	
		<u>9,228,921</u>		<u>11,691,453</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>9,308,601</u>		<u>11,733,394</u>	
<b>Net current liabilities</b>			<u>(79,680)</u>		<u>(41,941)</u>
<b>Total assets less current liabilities</b>			<u>288,127</u>		<u>309,024</u>
<b>Capital and reserves</b>					
Called up share capital	14		5,000		5,000
Profit and loss account	15		283,127		304,024
<b>Shareholders' funds</b>	16		<u>288,127</u>		<u>309,024</u>

The financial statements were approved by the board of directors and authorised for issue on **23 June 2010**

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 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>Net cash inflow from operating activities</b>	20		2,128,450		571,852
<b>Returns on investments and servicing of finance</b>					
Interest received		174		3,216	
Interest paid bank loans		(12,252)		(69,426)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(12,078)		(66,210)
<b>Taxation</b>					
Corporation tax paid			(109,541)		(188,505)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(193,844)		(213,985)	
Receipts from sale of tangible fixed assets		10,499		12,500	
<b>Net cash outflow from capital expenditure and financial investment</b>			(183,345)		(201,485)
<b>Dividends paid</b>			(300,000)		(348,000)
<b>Increase/(Decrease) in cash</b>	21		1,523,486		(232,348)

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 2009

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### 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 2009 (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

	2009 £	2008 £
Analysis by geographical market		
United Kingdom	39,221,165	46,309,813
Europe	1,020,141	813,658
	<u>40,241,306</u>	<u>47,123,471</u>

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

### 3 Operating profit

	2009 £	2008 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	170,730	176,644
Hire of other assets - operating leases	271,847	268,696
Auditors' remuneration		
- fees payable to the company's auditor for the audit of the company's annual accounts	16,000	15,500
- fees payable to the company's auditor for taxation services	2,500	2,400
Exchange differences	(319,552)	463,399
	<u>12,525</u>	<u>12,525</u>

# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

### 4 Employees

Staff costs (including directors) consist of

	2009 £	2008 £
Wages and salaries	1,846,821	1,884,086
Social security costs	174,530	194,527
Other pension costs	69,725	83,819
	<u>2,091,076</u>	<u>2,162,432</u>

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

	2009 Number	2008 Number
Administration	10	13
Sales and marketing	11	11
Stock handling	50	57
	<u>71</u>	<u>81</u>

### 5 Directors' remuneration

	2009 £	2008 £
Directors' emoluments	126,547	105,145
Company contributions to money purchase pension schemes	4,876	11,256
	<u>131,423</u>	<u>116,401</u>

There was 1 director in the company's defined contribution pension scheme during the year (2008 - 1)

### 6 Interest payable and similar charges

	2009 £	2008 £
Bank overdrafts	12,252	69,426
	<u>12,252</u>	<u>69,426</u>

# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

### 7 Taxation on profit on ordinary activities

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	117,347	138,323
Adjustment in respect of previous periods	-	(1,812)
	<u>117,347</u>	<u>136,511</u>
Total current tax	<u>117,347</u>	<u>136,511</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	8,379	12,096
Adjustment in respect of previous periods	-	1,691
	<u>8,379</u>	<u>13,787</u>
Movement in deferred tax provision	<u>8,379</u>	<u>13,787</u>
Taxation on profit on ordinary activities	<u>125,726</u>	<u>150,298</u>

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

	2009 £	2008 £
Profit on ordinary activities before tax	404,829	449,488
	<u>404,829</u>	<u>449,488</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 28%)	113,352	125,857
Effect of:		
Expenses not deductible for tax purposes	12,374	7,241
Other timing differences	(1,857)	(1,652)
Fixed asset timing differences	(6,522)	(10,441)
Adjustment to tax in respect of previous periods	-	(1,812)
Effect of variable tax rates on deferred tax	-	2,414
Effect of abolition of IBA claw back	-	14,904
	<u>117,347</u>	<u>136,511</u>
Current tax charge for the year	<u>117,347</u>	<u>136,511</u>

# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

### 8 Dividends

	2009 £	2008 £
Ordinary shares		
Final dividend paid for 2008 of £138 45 (2008 - for 2007 of £104 97) per share	<b>300,000</b>	348,000

The final dividend for the year ended 31 December 2008 of £104 97 per share was approved by the shareholders on 17 June 2009 and was paid on 29 July 2009

Two shareholders waived their dividend entitlement during the year. These entitlements totalled £276 90. One shareholder waived part of their dividend entitlement during the year. This entitlement totalled £391,983 10.

### 9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2009	732,311	149,661	301,881	1,183,853
Additions	169,094	17,990	6,760	193,844
Disposals	-	(33,597)	-	(33,597)
At 31 December 2009	<b>901,405</b>	<b>134,054</b>	<b>308,641</b>	<b>1,344,100</b>
<i>Depreciation</i>				
At 1 January 2009	550,922	71,035	210,931	832,888
Provided for the year	104,883	31,057	34,790	170,730
Disposals	-	(27,325)	-	(27,325)
At 31 December 2009	<b>655,805</b>	<b>74,767</b>	<b>245,721</b>	<b>976,293</b>
<i>Net book value</i>				
At 31 December 2009	<b>245,600</b>	<b>59,287</b>	<b>62,920</b>	<b>367,807</b>
At 31 December 2008	181,389	78,626	90,950	350,965

# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

### 10 Stocks

	2009 £	2008 £
Finished goods and goods for resale	1,335,327	1,919,485

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

### 11 Debtors

	2009 £	2008 £
Trade debtors	7,151,487	9,264,362
Prepayments and accrued income	48,183	158,584
Other debtors	11,871	104,380
Other tax debtor	47,758	79,628
Deferred taxation	24,114	32,493
	<u>7,283,413</u>	<u>9,639,447</u>

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

	Deferred taxation £
At 1 January 2009	32,493
Charged to profit and loss account	(8,379)
	<u>24,114</u>
At 31 December 2009	<u>24,114</u>

#### *Deferred taxation*

	2009 £	2008 £
The amount of deferred tax provided for is as follows		
Accelerated capital allowances	21,854	28,376
Sundry timing differences	2,260	4,117
	<u>24,114</u>	<u>32,493</u>

# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 *(continued)*

### 12 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdrafts (secured)	-	1,045,826
Trade creditors	4,052,371	6,112,240
Amounts owed to group undertakings	2,591,890	2,663,919
Amounts owed to associated undertakings	1,769,460	1,328,435
Corporation tax	63,629	55,823
Other taxation and social security	63,391	65,212
Other creditors	184,685	81,312
Accruals and deferred income	583,175	380,627
	<u>9,308,601</u>	<u>11,733,394</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 £69,725 (2008 - £83,819). Contributions amounting to £10,446 (2008 - £14,704) were payable to the fund at the year end and are included in accruals in note 12.

### 14 Share capital

	2009 £	2008 £
<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 2009	304,024
Profit for the year	279,103
Dividends	(300,000)
	<u>283,127</u>
At 31 December 2009	<u>283,127</u>



# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 *(continued)*

### 16 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the year	279,103	299,190
Dividends	(300,000)	(348,000)
	<hr/>	<hr/>
Net deductions from shareholders' funds	(20,897)	(48,810)
Opening shareholders' funds	309,024	357,834
	<hr/>	<hr/>
Closing shareholders' funds	288,127	309,024
	<hr/>	<hr/>

### 17 Commitments under operating leases

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

	Land and buildings 2009 £	Other 2009 £	Land and buildings 2008 £	Other 2008 £
Operating leases which expire				
Within one year	-	18,353	-	-
In two to five years	-	33,639	189,598	57,582
After five years	310,000	-	-	-
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	310,000	51,992	189,598	57,582
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# Eurilait Limited

## Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

### 18 Related party disclosures

#### Related party transactions and balances

	Purchases from related parties 2009 £	Purchases from related parties 2008 £	Amounts owed to related parties 2009 £	Amounts owed to related parties 2008 £
Laita SAS	11,157,956	9,992,693	2,591,891	2,663,919
Eurial Poitouaine	7,490,395	7,327,706	1,769,460	1,328,435

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 (2008: £28,254) was paid to Eurial Poitouaine and £66,344 (2008: £65,923) was paid to Laita SAS in respect of management fees.

At the year end £26,398 (2008: £114,680) was outstanding from Laita SAS and £86,847 (2008: £104,104) was outstanding from Eurial Poitouaine in respect of marketing support recharges.

### 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 inflow from operating activities

	2009 £	2008 £
Operating profit	416,907	515,698
Depreciation of tangible fixed assets	170,730	176,644
(Profit)/loss on sale of tangible fixed assets	(4,227)	4,397
Decrease/(increase) in stocks	584,158	(472,526)
Decrease/(increase) in debtors	2,347,655	(928,068)
(Decrease)/increase in creditors	(1,386,773)	1,275,707
Net cash inflow from operating activities	2,128,450	571,852

# Eurilait Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 *(continued)*

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

	2009 £	2008 £
Increase/(decrease) in cash	1,523,486	(232,348)
Opening net debt	(913,305)	(680,957)
Closing net funds/(debt)	<u>610,181</u>	<u>(913,305)</u>

## 22 Analysis of net funds/(debt)

	At 1 January 2009 £	Cashflow £	At 31 December 2009 £
Cash at bank and in hand	132,521	477,660	610,181
Bank overdrafts	(1,045,826)	1,045,826	-
Total	<u>(913,305)</u>	<u>1,523,486</u>	<u>610,181</u>