

Register
Co No : 2667268

Eurilait Limited

Report and Financial Statements

Year Ended

31 December 2008



BDO Stoy Hayward
Chartered Accountants

Eurilait Limited

Annual report and financial statements for the year ended 31 December 2008

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Directors

H Newmarch
P Bissey
O Pretelat

Secretary and registered office

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

Company number

02667268

Auditors

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

Eurilait Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

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 improvement in turnover of 11.8%, from £42,154,817 in 2007 to £47,123,471 in 2008. However profit before taxation for the year fell to £449,488 (2007: £511,736) representing a decline of 12.1%. Although trading performance improved, the overall performance of the company was impaired by the sharp decline in sterling against the euro in the final days of the financial 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 product development 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 1.25% 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 Bissey
O Pretelat

Eurilait Limited

Report of the directors for the year ended 31 December 2008 (continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

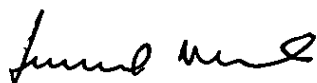
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

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 Stoy Hayward 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



H Newmarch

Director

Date: 18/6/09

Eurilait Limited

Independent auditor's report

To the shareholders of Eurilait Limited

We have audited the financial statements of Eurilait Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 financial statements. It also includes an assessment of the significant estimates and judgements 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 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 financial statements 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 financial statements.

Eurilait Limited

Independent auditor's report (continued)

Opinion

In our opinion:

- the financial statements 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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



BDO STOY HAYWARD LLP

Chartered Accountants
and Registered Auditors
Southampton

Date: 9th July 2009

Eurilait Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	47,123,471	42,154,817
Cost of sales		41,774,366	37,491,423
Gross profit		5,349,105	4,663,394
Administrative expenses		4,833,407	4,085,189
Operating profit	3	515,698	578,205
Other interest receivable and similar income		3,216	2,966
Interest payable and similar charges	6	(69,426)	(69,435)
Profit on ordinary activities before taxation		449,488	511,736
Taxation on profit on ordinary activities	7	150,298	161,909
Profit on ordinary activities after taxation	15	299,190	349,827

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 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	9		350,965		330,521
Current assets					
Stocks	10	1,919,485		1,446,959	
Debtors	11	9,639,447		8,725,166	
Cash at bank and in hand		132,521		1,626	
		<u>11,691,453</u>		<u>10,173,751</u>	
Creditors: amounts falling due within one year	12	<u>11,733,394</u>		<u>10,146,438</u>	
Net current (liabilities)/assets			<u>(41,941)</u>		<u>27,313</u>
Total assets less current liabilities			<u>309,024</u>		<u>357,834</u>
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account	15		304,024		352,834
Shareholders' funds	16		<u>309,024</u>		<u>357,834</u>

The financial statements were approved by the board of directors and authorised for issue on 18th June 2009

P Bissey
Director

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

Eurilait Limited

Cashflow statement for the year ended 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash inflow from operating activities	20		571,852		950,027
Returns on investments and servicing of finance					
Interest received		3,216		2,966	
Interest paid: bank loans		(69,426)		(69,435)	
Net cash outflow from returns on investments and servicing of finance			(66,210)		(66,469)
Taxation					
Corporation tax paid		(188,505)		(142,804)	
Corporation tax refund		-		2,565	
Net cash outflow from taxation			(188,505)		(140,239)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(213,985)		(100,905)	
Receipts from sale of tangible fixed assets		12,500		5,000	
Net cash outflow from capital expenditure and financial investment			(201,485)		(95,905)
Dividends paid			(348,000)		(653,000)
Decrease in cash	21		(232,348)		(5,586)

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 2008

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.

Deferred taxation

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 2008 (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

	2008 £	2007 £
Analysis by geographical market:		
United Kingdom	46,309,813	41,677,789
Europe	813,658	477,028
	<u>47,123,471</u>	<u>42,154,817</u>

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

3 Operating profit

	2008 £	2007 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	176,644	183,576
Hire of other assets - operating leases	268,696	282,191
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	15,500	14,950
- fees payable to the company's auditor for taxation services	2,400	2,300
Exchange differences	463,399	(143,445)
	<u> </u>	<u> </u>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

4 Employees

Staff costs (including directors) consist of:

	2008 £	2007 £
Wages and salaries	1,884,086	1,793,018
Social security costs	194,527	191,597
Other pension costs	83,819	74,479
	<u>2,162,432</u>	<u>2,059,094</u>

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

	2008 Number	2007 Number
Administration	13	11
Sales and marketing	11	11
Stock handling	57	59
	<u>81</u>	<u>81</u>

5 Directors' remuneration

	2008 £	2007 £
Directors' emoluments	105,145	104,120
Company contributions to money purchase pension schemes	11,256	10,925
	<u>116,401</u>	<u>115,045</u>

There was 1 director in the company's defined contribution pension scheme during the year (2007 - 1).

6 Interest payable and similar charges

	2008 £	2007 £
Bank overdrafts	69,426	69,435
	<u>69,426</u>	<u>69,435</u>

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)

7 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	138,323	174,730
Adjustment in respect of previous periods	(1,812)	2,089
	<hr/>	<hr/>
Total current tax	136,511	176,819
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	12,096	(14,910)
Adjustment in respect of previous periods	1,691	-
	<hr/>	<hr/>
Movement in deferred tax provision	13,787	(14,910)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	150,298	161,909
	<hr/>	<hr/>

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:

	2008 £	2007 £
Profit on ordinary activities before tax	449,488	511,736
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2007 - 30%)	125,857	153,521
Effect of:		
Expenses not deductible for tax purposes	7,241	2,995
Other timing differences	(1,652)	3,192
Fixed asset timing differences	(10,441)	11,717
Adjustment to tax in respect of previous periods	(1,812)	2,089
Effect of variable tax rates on deferred tax	2,414	3,305
Effect of abolition of IBA claw back	14,904	-
	<hr/>	<hr/>
Current tax charge for the year	136,511	176,819
	<hr/>	<hr/>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

8 Dividends

	2008 £	2007 £
Ordinary shares		
Final dividend paid for 2007 of £121.77 (2007 - for 2006 of £90.26) per share	348,000	295,000

The final dividend for the year ended 31 December 2007 of £121.77 per share was approved by the shareholders on 18 June 2008 and was paid in two instalments on 17 November 2008 and 17 December 2008.

Two shareholders waived their dividend entitlement during the year. These entitlements totalled £243.54. One shareholder waived part of their dividend entitlement during the year. This entitlement totalled £260,603.13.

9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2008	763,137	129,793	300,386	1,193,316
Additions	94,965	51,063	67,957	213,985
Disposals	(125,791)	(31,195)	(66,462)	(223,448)
At 31 December 2008	732,311	149,661	301,881	1,183,853
<i>Depreciation</i>				
At 1 January 2008	566,892	55,681	240,222	862,795
Provided for the year	109,821	29,652	37,171	176,644
Disposals	(125,791)	(14,298)	(66,462)	(206,551)
At 31 December 2008	550,922	71,035	210,931	832,888
<i>Net book value</i>				
At 31 December 2008	181,389	78,626	90,950	350,965
At 31 December 2007	196,245	74,112	60,164	330,521

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2008 *(continued)*

10 Stocks

	2008 £	2007 £
Finished goods and goods for resale	1,919,485	1,446,959

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

11 Debtors

	2008 £	2007 £
Trade debtors	9,264,362	8,460,514
Prepayments and accrued income	158,584	98,483
Other debtors	104,380	41,478
Other tax debtor	79,628	78,411
Deferred taxation	32,493	46,280
	<u>9,639,447</u>	<u>8,725,166</u>

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

	Deferred taxation £
At 1 January 2008	46,280
Charged to profit and loss account	(13,787)
	<u>32,493</u>
At 31 December 2008	<u>32,493</u>

Deferred taxation

	2008 £	2007 £
The amount of deferred tax provided for is as follows:		
Accelerated capital allowances	28,376	38,817
Sundry timing differences	4,117	7,463
	<u>32,493</u>	<u>46,280</u>

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

12 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank overdrafts (secured)	1,045,826	682,583
Trade creditors	6,112,240	5,102,431
Amounts owed to group undertakings	2,663,919	2,210,134
Amounts owed to associated undertakings	1,328,435	1,309,489
Corporation tax	55,823	107,817
Other taxation and social security	65,212	71,350
Other creditors	81,312	98,519
Accruals and deferred income	380,627	564,115
	<u>11,733,394</u>	<u>10,146,438</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 £83,819 (2007 - £74,479). Contributions amounting to £14,704 (2007 - £12,650) were payable to the fund at the year end and are included in accruals in note 12.

14 Share capital

	2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	2007 £
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

15 Reserves

	Profit and loss account £
At 1 January 2008	352,834
Profit for the year	299,190
Dividends	(348,000)
	<u>304,024</u>
At 31 December 2008	

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 *(continued)*

16 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the year	299,190	349,827
Dividends	(348,000)	(295,000)
Net (deductions from)/additions to shareholders' funds	(48,810)	54,827
Opening shareholders' funds	357,834	303,007
Closing shareholders' funds	309,024	357,834

17 Commitments under operating leases

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

	Land and buildings 2008 £	Other 2008 £	Land and buildings 2007 £	Other 2007 £
Operating leases which expire:				
Within one year	-	-	63,905	-
In two to five years	189,598	57,582	189,598	23,943
	189,598	57,582	253,503	23,943

Eurilait Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

18 Related party disclosures

Related party transactions and balances

	Purchases from related parties 2008 £	Purchases from related parties 2007 £	Amounts owed to related parties 2008 £	Amounts owed to related parties 2007 £
Laita SAS	9,992,693	9,719,572	2,663,919	2,210,135
Eurial Poitouaine	7,327,706	6,268,403	1,328,435	1,309,489

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 £28,254 (2007: £29,100) was paid to Eurial Poitouaine and £65,923 (2007: £68,000) was paid to Laita SAS in respect of management fees.

At the year end £114,680 was outstanding from Laita SAS and £104,104 was outstanding from Eurial Poitouaine in respect of marketing support recharges.

During the year an interest free loan amounting to £14,500 was made to H Newmarch, a director. The loan was repaid in full by the year end.

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

	2008 £	2007 £
Operating profit	515,698	578,205
Depreciation of tangible fixed assets	176,644	183,576
Loss on sale of tangible fixed assets	4,397	3,071
Increase in stocks	(472,526)	(556,496)
Increase in debtors	(928,068)	(528,420)
Increase in creditors	1,275,707	1,270,091
Net cash inflow from operating activities	571,852	950,027

Eurilait Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 *(continued)*

21 Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
Decrease in cash	(232,348)	(5,586)
Opening net debt	(680,957)	(675,371)
Closing net debt	(913,305)	(680,957)

22 Analysis of net debt

	At 1 January 2008 £	Cashflow £	At 31 December 2008 £
Cash at bank and in hand	1,626	130,895	132,521
Bank overdrafts	(682,583)	(363,243)	(1,045,826)
Total	(680,957)	(232,348)	(913,305)