

Registra

2667268

**Eurilait Limited**

Report and Financial Statements

Year Ended

31 December 2005

**IBDO**  
BDO Stoy Hayward  
Chartered Accountants

SATURDAY



A06 16/12/2006 649  
COMPANIES HOUSE

**Eurilait Limited**

**Annual report and financial statements for the year ended 31 December 2005**

---

**Contents**

**Page:**

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Statement of total recognised gains and losses
7	Balance sheet
8	Cash flow statement
9	Notes forming part of the financial statements

---

**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

**Report of the directors for the year ended 31 December 2005**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

**Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

Interim dividends of £78.43 per share were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

One of the shareholders, P Bissey, waived his entitlement to receive a dividend. This entitlement totaled £78.43.

**Principal activities, review of business and future developments**

The company's principal activity is the import and distribution of continental cheeses.

The results for the year are set out on page 5. The directors are pleased with the result for the year and expect the current level of activity to be maintained for the foreseeable future.

**Directors**

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	<b>Ordinary Shares of £1 each</b>	
	<b>31 December</b>	<b>1 January</b>
	<b>2005</b>	<b>2005</b>
H Newmarch	-	-
P Bissey	1	1
O Pretelat	-	-

**Directors' responsibilities**

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.

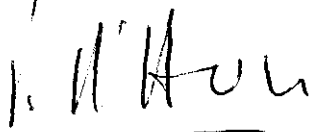
**Auditors**

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.

**By order of the board**

E D Humieres

Secretary

A handwritten signature in dark ink, appearing to read 'J. H. Humieres', written over a horizontal line.

Date: 1 November 2006

**To the shareholders of Eurilait Limited**

We have audited the financial statements of Eurilait Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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.

Report of the independent auditors (*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 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Southampton*

Date: *12<sup>th</sup> December 2006*

**Eurilait Limited****Profit and loss account for the year ended 31 December 2005**

	Note	2005 £	2004 £
Turnover	2	29,505,022	26,485,975
Cost of sales		26,125,125	23,562,922
Gross profit		3,379,897	2,923,053
Administrative expenses		2,850,403	2,376,504
Operating profit	3	529,494	546,549
Other interest receivable and similar income		6,433	5,369
Interest payable and similar charges	6	(12,601)	(16,261)
Profit on ordinary activities before taxation		523,326	535,657
Taxation on profit on ordinary activities	7	164,304	164,190
Profit on ordinary activities after taxation	14	359,022	371,467

All amounts relate to continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

**Eurilait Limited**

**Statement of total recognised gains and losses for the year ended 31 December 2005**

	<b>Note</b>	<b>2005 £</b>	<b>2004 £</b>
Profit for the financial year		<b>359,022</b>	371,467
Prior year adjustment	16	<b>392,000</b>	<u>          </u>
<b>Total gains and losses recognised since last financial statements</b>		<b>751,022</b>	<u>          </u>

The notes on pages 9 to 19 form part of these financial statements.



**Eurilait Limited**

**Balance sheet at 31 December 2005**

	Note	2005 £	2005 £	2004 As restated £	2004 As restated £
<b>Fixed assets</b>					
Tangible assets	9		405,574		232,870
<b>Current assets</b>					
Stocks	10	765,417		592,936	
Debtors	11	5,472,031		5,366,139	
Cash at bank and in hand		189,352		654,109	
		6,426,800		6,613,184	
<b>Creditors: amounts falling due within one year</b>	12	6,467,637		6,448,339	
<b>Net current (liabilities)/assets</b>			(40,837)		164,845
<b>Total assets less current liabilities</b>			364,737		397,715
<b>Capital and reserves</b>					
Called up share capital	13		5,000		5,000
Profit and loss account	14		359,737		392,715
<b>Equity shareholders' funds</b>	15		364,737		397,715

The financial statements were approved by the Board on 1 November 2006

P Bissey  
Director

The notes on pages 9 to 19 form part of these financial statements.

**Eurilait Limited**

**Cash flow statement for the year ended 31 December 2005**

	Note	2005 £	2005 £	2004 £	2004 £
<b>Net cash inflow from operating activities</b>	18		228,860		980,307
<b>Returns on investments and servicing of finance</b>					
Interest received		6,433		5,369	
Interest paid: other		(12,601)		(16,261)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(6,168)		(10,892)
<b>Taxation</b>					
Corporation tax paid			(182,110)		(35,924)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(300,960)		(70,919)	
Receipts from sale of tangible fixed assets		3,400		-	
<b>Net cash outflow from capital expenditure and financial investment</b>			(297,560)		(70,919)
<b>Equity dividend paid</b>			(392,000)		(85,000)
<b>(Decrease)/increase in cash</b>	19		(648,978)		777,572

The notes on pages 9 to 19 form part of these financial statements.

## 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, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery	- 25% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 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 dates. Any differences are taken to the profit and loss account.

### *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:

- 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 arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

**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 during the lease term. 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. 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**

	2005 £	2004 £
Analysis by geographical market:		
United Kingdom	29,066,530	26,048,231
Europe	438,492	437,744
	<hr/>	<hr/>
	29,505,022	26,485,975
	<hr/>	<hr/>

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

**3 Operating profit**

	2005 £	2004 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	126,432	123,989
Hire of other assets - operating leases	201,354	167,064
Audit services	13,500	13,000
Non-audit services	6,806	16,877
Exchange differences	(90,005)	(82,480)
	<u>          </u>	<u>          </u>

**4 Employees**

Staff costs (including directors) consist of:

	2005 £	2004 £
Wages and salaries	1,241,401	1,016,271
Social security costs	141,543	100,691
Other pension costs	46,047	35,155
	<u>          </u>	<u>          </u>
	1,428,991	1,152,117
	<u>          </u>	<u>          </u>

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

	2005 Number	2004 Number
Administration	10	9
Sales & marketing	9	7
Stock handling	36	30
	<u>      </u>	<u>      </u>
	55	46
	<u>      </u>	<u>      </u>

**5 Directors' remuneration**

	2005 £	2004 £
Directors' emoluments	99,369	110,150
Company contributions to money purchase pension schemes	4,358	4,125
	<u>          </u>	<u>          </u>

There was 1 director in the company's defined contribution pension scheme during the year (2004 - 1).

**6 Interest payable and similar charges**

	2005 £	2004 £
Bank loans and overdrafts	12,601	12,285
Loans from group companies	-	3,976
	<u>          </u>	<u>          </u>
	12,601	16,261
	<u>          </u>	<u>          </u>

**7 Taxation on profit on ordinary activities**

	2005 £	2004 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	164,382	177,954
Adjustment in respect of previous periods	4,156	(1)
	<u>          </u>	<u>          </u>
Total current tax	168,538	177,953
<i>Deferred tax</i>		
Origination and reversal of timing differences	(6,057)	(16,509)
Adjustment in respect of previous periods	1,823	2,746
	<u>          </u>	<u>          </u>
Movement in deferred tax provision	(4,234)	(13,763)
	<u>          </u>	<u>          </u>
Taxation on profit on ordinary activities	164,304	164,190
	<u>          </u>	<u>          </u>

**7 Taxation on profit on ordinary activities (*continued*)**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	523,326	535,657
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 - 30%)	156,998	160,697
Effect of:		
Expenses not deductible for tax purposes	1,328	749
Capital allowances for period in excess of depreciation	-	15,069
Other timing differences	9,235	1,439
Fixed asset timing differences	(3,179)	-
Adjustment to tax charge in respect of previous periods	4,156	(1)
	<u>          </u>	<u>          </u>
Current tax charge for period	168,538	177,953
	<u>          </u>	<u>          </u>

**8 Dividends**

	2005 £	2004 £
Interim paid of £78.43 (2004 - £17.00) per share	392,000	85,000
	<u>          </u>	<u>          </u>

Two shareholders waived their dividend entitlement in the year. These entitlements total £156.86.

**9 Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>				
At 1 January 2005	375,771	67,518	239,837	683,126
Additions	228,041	30,495	42,424	300,960
Disposals	-	(14,591)	(39,066)	(53,657)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	<b>603,812</b>	<b>83,422</b>	<b>243,195</b>	<b>930,429</b>
<i>Depreciation</i>				
At 1 January 2005	317,956	22,730	109,570	450,256
Provided for the year	52,074	21,796	52,562	126,432
Disposals	-	(12,767)	(39,066)	(51,833)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	<b>370,030</b>	<b>31,759</b>	<b>123,066</b>	<b>524,855</b>
<i>Net book value</i>				
At 31 December 2005	<b>233,782</b>	<b>51,663</b>	<b>120,129</b>	<b>405,574</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	<b>57,815</b>	<b>44,788</b>	<b>130,267</b>	<b>232,870</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**10 Stocks**

	2005 £	2004 £
Finished goods and goods for resale	<b>765,417</b>	<b>592,936</b>
	<hr/>	<hr/>

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



**11 Debtors**

	2005 £	2004 £
Trade debtors	5,225,152	5,219,441
Other debtors	75,986	5,992
Prepayments and accrued income	83,474	52,867
Other tax debtor	58,777	63,431
Deferred taxation	28,642	24,408
	<u>5,472,031</u>	<u>5,366,139</u>

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

		Deferred taxation £
At 1 January 2005		24,408
Credited to profit and loss account		4,234
		<hr/>
At 31 December 2005		<b>28,642</b>
		<hr/> <hr/>
<i>Deferred taxation</i>		
	<b>2005</b> <b>£</b>	<b>2004</b> <b>£</b>
Accelerated capital allowances	<b>17,966</b>	22,968
Sundry timing differences	<b>10,676</b>	1,440
	<hr/>	<hr/>
	<b>28,642</b>	24,408

12 Creditors: amounts falling due within one year

	2005 £	2004 As restated £
Bank loans and overdrafts (secured)	184,221	-
Trade creditors	3,060,509	2,838,837
Amounts owed to group undertakings	1,787,478	1,738,890
Amounts owed to associated undertakings	998,892	1,166,556
Corporation tax	164,382	177,954
Other taxation and social security	48,181	15,929
Other creditors	41,246	175,117
Accruals and deferred income	182,728	335,056
	<u>6,467,637</u>	<u>6,448,339</u>

Bank loans and overdrafts are secured by an unlimited debenture over all of the company's assets.

13 Share capital

	2005 £	Authorised 2004 £	Allotted, called up and fully paid 2005 £	2004 £
<i>Equity share capital</i>				
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

14 Reserves

	Profit and loss account £
At 1 January 2005 as previously stated	715
Prior year adjustment (Note: 16)	<u>392,000</u>
At 1 January 2005 as restated	392,715
Profit for the year	359,022
Dividends	<u>(392,000)</u>
At 31 December 2005	<u>359,737</u>

**15 Reconciliation of movements in shareholders' funds**

	2005 £	2004 £
Profit for the year	359,022	371,467
Dividends	(392,000)	(85,000)
	<u>(32,978)</u>	<u>286,467</u>
Opening shareholders' funds as previously stated	5,715	26,248
Prior year adjustment	392,000	85,000
	<u>397,715</u>	<u>111,248</u>
Opening shareholders' funds as restated	397,715	111,248
	<u>364,737</u>	<u>397,715</u>
Closing shareholders' funds	<u>364,737</u>	<u>397,715</u>

**16 Prior year adjustment**

In order to comply with the requirements of Financial Reporting Standard 21 "Events after the balance sheet date", the dividends proposed at 31 December 2004 and 31 December 2003 have been removed from the financial statements at that date and have been included as Interim dividends paid during the years ended 31 December 2005 and 31 December 2004 respectively. The effect of this adjustment has been to increase the Shareholders' Funds at 1 January 2004 by £85,000 and at 31 December 2004 by £392,000. These adjustments have no effect on the profit on ordinary activities after taxation as disclosed in the profit and loss account on page 5.

**17 Pensions**

The company operates a defined contribution pension scheme and makes payments to employees' individual pension plans. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £46,047 (2004 - £35,155). Contributions amounting to £7,599 (2004 - £4,801) were payable to the fund at 31 December 2005 and are included in accruals in note 12.

**18 Reconciliation of operating profit to net cash inflow from operating activities**

	2005 £	2004 £
Operating profit	529,494	546,549
Depreciation of tangible fixed assets	126,432	123,989
Profit on sale of tangible fixed assets	(1,576)	-
(Increase)/decrease in stocks	(172,481)	262,968
(Increase)/decrease in debtors	(101,658)	20,975
(Decrease)/increase in creditors	(151,351)	25,826
Net cash inflow from operating activities	<u>228,860</u>	<u>980,307</u>

**19 Reconciliation of net cash flow to movement in net funds**

	2005 £	2004 £
(Decrease)/increase in cash	(648,978)	777,572
Movement in net funds	<u>(648,978)</u>	<u>777,572</u>
Opening net funds/(debt)	654,109	(123,463)
Closing net funds	<u>5,131</u>	<u>654,109</u>

**20 Analysis of net funds**

	At 1 January 2005 £	Cash flow £	At 31 December 2005 £
Cash at bank and in hand	654,109	(464,757)	189,352
Bank overdrafts	-	(184,221)	(184,221)
		<u>(648,978)</u>	
Total	<u>654,109</u>	<u>(648,978)</u>	<u>5,131</u>

**21 Commitments under operating leases**

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

	2005 Land and buildings £	2005 Other £	2004 Land and buildings £	2004 Other £
Operating leases which expire:				
Within one year	63,905	-	-	-
In two to five years	-	23,762	-	12,064
After five years	167,062	-	167,062	-
	<u>230,967</u>	<u>23,762</u>	<u>167,062</u>	<u>12,064</u>

**22 Related party disclosures**

*Related party transactions and balances*

	Purchases from related party 2005 £	Purchases from related party 2004 £	Amounts owed to related party 2005 £	Amounts owed to related party 2004 £
<b>Related party</b>				
Laita SAS	7,933,177	6,692,776	1,787,478	1,738,890
Eurial Poitouaine	5,607,371	4,661,886	998,892	1,166,556

Laita SAS is the parent undertaking, holding 70% of the company's shares. Eurial Poitouaine is an associated company, holding 30% of the company's shares.

During the year £52,225 (2003: £33,059) was paid to Eurial Poitouaine and £44,771 (2003: £77,136) was paid to Laita SAS in respect of management fees.

**23 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.