

EURILAIT LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 1999

Registered number: 02667268

HOUGHTON STONE
REGISTERED AUDITORS
Hambrook



EURILAIT LIMITED
FINANCIAL STATEMENTS
for the year ended 31 December 1999

CONTENTS

	Page
Company information	1
Directors' report	2 and 2a
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes	8 to 14

The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

EURILAIT LIMITED
COMPANY INFORMATION
31 December 1999

NUMBER	02667268
DIRECTORS	P Bissey J M Spencer M Bouessel Du Bourg
SECRETARY	E D'Huimieres
REGISTERED OFFICE	The Conifers Filton Road Hambrook Bristol BS16 1QG
BANKERS	Lloyds Bank plc 64 Fore Street Trowbridge Wilts
AUDITORS	Houghton Stone Registered Auditors The Conifers Filton Road Hambrook Bristol BS16 1QG

EURILAIT LIMITED**DIRECTORS' REPORT****31 December 1999**

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activity

The principal activity of the company is wholesale of French soft cheeses.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £11,477.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

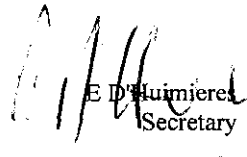
	31 December 1999	1 January 1999
	Ordinary	Ordinary
	shares	shares
P Bissey	-	-
J M Spencer	-	-
M Bouessel Du Borg	-	-

continued

EURILAIT LIMITED**DIRECTORS' REPORT**
(continued)**31 December 1999****Auditors**

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Houghton Stone will continue in office.

On behalf of the board


E. D'Huimieres
Secretary

The Conifers
Filton Road
Hambrook
Bristol
BS16 1QG

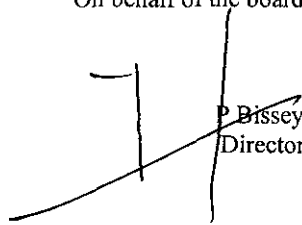
EURILAIT LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 period. In preparing those financial statements, the directors are required to:

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

On behalf of the board



P. Bissey
Director

25/1/01

EURILAIT LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Eurilait Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Houghton Stone
Registered Auditors

The Conifers
Filton Road
Hambrook
Bristol
BS16 1QG

EURILAIT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

	Note	1999 £	1998 £
Turnover	2	11,490,584	12,316,735
Cost of sales		(10,360,746)	(11,647,537)
Gross profit		1,129,838	669,198
Net operating expenses			
Administrative expenses		(903,216)	(630,132)
Other operating income		11,291	18,176
Operating profit	3	237,913	57,242
Interest payable	5	(21,673)	(11,721)
Profit on ordinary activities before taxation		216,240	45,521
Taxation	6	(121,229)	(9,043)
Profit on ordinary activities after taxation		95,011	36,478
Dividends	7	94,000	(35,000)
Retained profit for the year	14	1,011	1,478

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

EURILAIT LIMITED

BALANCE SHEET

at 31 December 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	8		29,249		19,935
Current assets					
Stocks	9	13,042		895	
Debtors	10	3,816,375		3,451,024	
Cash at bank and in hand		658		191,719	
			<u>3,830,075</u>	<u>3,643,638</u>	
Creditors: amounts falling due within one year	11	<u>(3,847,847)</u>		<u>(3,653,107)</u>	
Net current assets/(liabilities)			(17,772)		(9,469)
Total assets less current liabilities			<u>11,477</u>		<u>10,466</u>
Capital and reserves					
Called up share capital	13		5,000		5,000
Profit and loss account	14		6,477		5,466
Total shareholders' funds	12		<u>11,477</u>		<u>10,466</u>

The financial statements on pages 5 to 14 were approved by the board of directors on and signed on its behalf by:

P Bissey
Director

25/1/01

EURILAIT LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 1999

	Note	£	1999 £	£	1998 £
Net cash inflow from operating activities	17		(260,322)		(148,851)
Returns on investments and servicing of finance					
Interest paid			(21,673)		(11,721)
Taxation					
Corporation tax (paid)/received			(19,482)		4,887
Capital expenditure and financial investment					
Purchase of tangible fixed assets			(18,329)		(21,328)
			(319,806)		(177,013)
Equity dividends paid			(35,000)		(6,000)
(Decrease)/increase in cash			<u>(354,806)</u>		<u>(183,013)</u>

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Interest receivable	11,291	18,176
and after charging:		
Audit and accountancy	4,500	3,550
Depreciation of tangible fixed assets (note 8):		
Owned assets	9,015	6,645
	9,015	6,645

4 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments:		
Wages and salaries	139,029	60,413
Pension costs	6,394	3,015
	145,423	63,428
	1999 £	1998 £
Average monthly number employed including executive directors:		
Administration	2	2
Sales and marketing	4	5
	6	7

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,394 (1998 £3,015) including contributions in respect of employees. Contributions totalling £0 (1998 £0) were payable to the fund at 31 December 1999 and are included in creditors.

5 Interest payable

	1999 £	1998 £
Interest payable	21,673	11,721
	21,673	11,721

6 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 20% (1998 21%)	90,119	9,367
Under/(over) provision in earlier years	31,110	(324)
	121,229	9,043

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

7 Dividends

	1999 £	1998 £
Equity - ordinary/final	94,000	35,000

8 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Total £
1 January 1999	11,940	18,625	30,565
Additions	18,000	329	18,329
31 December 1999	29,940	18,954	48,894
Depreciation			
1 January 1999	2,985	7,645	10,630
Charge for the year	6,364	2,651	9,015
31 December 1999	9,349	10,296	19,645
Net book amount			
31 December 1999	20,591	8,658	29,249
1 January 1999	8,955	10,980	19,935

9 Stocks

	1999 £	1998 £
Stocks	13,042	895

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

10 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	3,767,044	3,344,438
Other debtors	49,331	106,586
	<u>3,816,375</u>	<u>3,451,024</u>

11 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdrafts	163,745	-
Trade creditors	1,298,440	1,356,826
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,165,685	1,228,408
Corporation tax	119,864	9,367
Other taxation and social security	4,142	10,946
Other creditors	1,095,971	1,047,560
	<u>3,847,847</u>	<u>3,653,107</u>

Included within amounts owed to group undertakings is an amount of £1,165,685 (1998 £1,228,408) which is owed to Laita S.A , the company's ultimate parent undertaking. Included within trade creditors is an amount of £321,207 (1998 £269,495) owed to Eurial Poitouaine which is an associated company. Also included in Trade creditors is an amount of £176,563 (1998 £236,766) owed to Western Phoenix Limited of which J Spencer is a director.

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

12 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	95,011	36,478
Dividends	94,000	(35,000)
Net addition to shareholders' funds	1,011	1,478
Opening shareholders' funds	10,466	8,988
Closing shareholders' funds	11,477	10,466

13 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

14 Profit and loss account

	1999 £
1 January 1999	5,466
Retained profit for the year	1,011
31 December 1999	6,477

15 Directors' interests and loans

During the year the company employed the services of Western Phoenix Limited on normal commercial terms. J M Spencer is a director of Western Phoenix Limited.

16 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Laita S.A., a company incorporated in France.

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating profit	237,913	57,242
Depreciation charges	9,015	6,645
(Increase)/decrease in stocks	(12,147)	6,927
Increase in debtors	(365,351)	(1,853,228)
(Decrease)/increase in creditors	(129,752)	1,633,563
Net cash inflow from operating activities	(260,322)	(148,851)

18 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	191,719	(191,061)	658
Bank overdrafts	-	(163,745)	(163,745)
		<u>(354,806)</u>	
Total	191,719	(354,806)	(163,087)

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Decrease in cash in the year	(354,806)	(183,013)
Change in net debt resulting from cash flows	(354,806)	(183,013)
Net debt at 1 January 1999	191,719	374,732
Net debt at 31 December 1999	(163,087)	191,719

EURILAIT LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1999

19 Related parties

During the year the following expenditure was generated through transactions with the following related parties:

	£
Laita S.A	3,360,001
Eurial Poitouaine	1,156,461
Western Phoenix Limited	906,676

Laita S.A is the company's ultimate parent undertaking. Eurial Poitouaine is an associated company. J Spencer is a director of Western Phoenix Limited.