

LAITA UK LIMITED

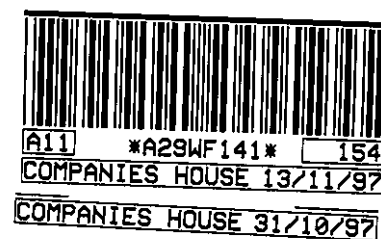
Registered Number: 02667268

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

HOUGHTON STONE

REGISTERED AUDITORS



LAITA UK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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LAITA UK LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 1996

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1996

The directors present their report and the audited financial statements for the year ended 31 December 1996.

Present directors

P Bissey
J M Spencer
E D'Huimieres

The directors of the company during the year ended 31 December 1996 were those listed above.

Principal activity

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

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were as follows:

	31 December 1996	1 January 1996
	Ordinary shares	Ordinary shares
P Bissey	-	-
J M Spencer	-	-
E D'Huimieres	-	-

The interests of the directors in the shares of the parent company are disclosed in the accounts of that company.

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Houghton Stone as auditors to the company will be put to the annual general meeting.

Small company exemptions

In preparing this report advantage has been taken of the special exemptions applicable to small companies.

Signed on behalf of the directors,

J-L Guillerm
Secretary

Date

8/10/97

LAITA UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

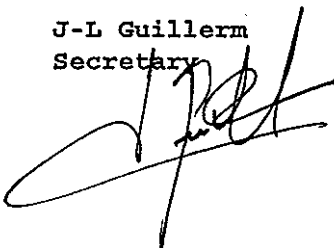
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985.

We are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board:

J-L Guillerm
Secretary



Date

8/10/97

LAITA UK LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Laita UK Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

May - 12
18/10/97

HOUGHTON STONE
Registered Auditors
The Conifers
Filton Road
Hambrook
Bristol
BS16 1QG

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1996

	Note	1996 £	1995 £
Turnover		3,596,935	2,515,132
Cost of sales		(3,427,856)	(2,399,854)
Gross profit		169,079	115,278
Net operating expenses			
Administrative expenses		(163,234)	(121,045)
Other operating income		6,504	5,014
Operating profit/(loss)	2	12,349	(753)
Taxation	3	(2,956)	242
Profit/(loss) on ordinary activities after taxation		9,393	(511)
Dividends		(8,000)	-
Retained profit/(loss) for the year	10	1,393	(511)

Movements in reserves are shown in note 10.

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

There are no recognised gains and losses in 1996 or 1995 other than the profit/(loss) for the year.

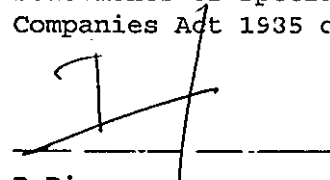
LAITA UK LIMITED

BALANCE SHEET

AT 31 DECEMBER 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	4		2,096		2,045
Current assets					
Stocks	5	28,073		4,707	
Debtors	6	700,977		622,871	
Cash at bank and in hand		371,873		49,092	
		<u>1,100,923</u>		<u>676,670</u>	
Creditors: amounts falling due within one year	7	(2,095,981)		(673,070)	
Net current assets			4,942		3,600
Total assets less current liabilities			<u>7,038</u>		<u>5,645</u>
Capital and reserves					
Called up share capital	9		5,000		5,000
Profit and loss account	10		2,038		645
Total shareholders' funds	8		<u>7,038</u>		<u>5,645</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1935 on the basis that the company qualifies as a small company.


P Bissey
Director

15/10/97
Date

The notes on pages 8 to 12 form part of these financial statements.

LAITA UK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1996

	1996		1995	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		323,538		(105,782)
Returns on investments and servicing of finance				
Dividends paid	-		(8,000)	
Net cash (outflow) from returns on investments and servicing of finance		-		(8,000)
Taxation				
Corporation tax paid (including ACT)	(7)		(2,604)	
Tax paid		(7)		(2,604)
Investing activities				
Payments to acquire: Tangible fixed assets	(750)		(165)	
Net cash (outflow) from investing activities		(750)		(165)
Net cash inflow/(outflow) before financing		322,781		(116,551)
Financing		-		-
Increase/(decrease) in cash and cash equivalents		322,781		(116,551)

See Note 13 for the notes to this statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting policies

Basis of accounting

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

Depreciation

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

Fixtures and fittings	25% reducing balance
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Foreign Currency

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

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.

2 Operating profit/(loss)

	1996 £	1995 £
Operating profit/(loss) is stated after crediting		
Interest receivable	6,504	5,014
and after charging		
Staff costs	7,229	6,562
Auditors' remuneration	4,000	4,000
Depreciation of tangible fixed assets (note 4) owned assets	699	681

3 Taxation

	1996 £	1995 £
Corporation tax on profit on ordinary activities at 24% (1995 25%)	2,956	(242)
	2,956	(242)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4 Tangible fixed assets

Cost	Fixtures and Fittings £
1 January 1996	3,580
Additions	750
31 December 1996	<u>4,330</u>
Depreciation	
1 January 1996	1,535
Charge for year	699
31 December 1996	<u>2,234</u>
Net book amount	
31 December 1996	<u>2,096</u>
1 January 1996	<u>2,045</u>

5 Stocks

	1996 £	1995 £
Stocks	<u>28,073</u>	<u>4,707</u>

6 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	687,515	613,665
Other debtors	13,462	9,206
	<u>700,977</u>	<u>622,871</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

7 Creditors: amounts falling due within one year

	1996 £	1995 £
Trade creditors	272,027	175,946
Amounts owed to group undertakings	777,005	457,840
Other creditors	46,949	39,284
	<u>1,095,981</u>	<u>673,070</u>

8 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial year	9,393	(511)
Dividends	(8,000)	-
Net addition to/(subtraction from) shareholders' funds	<u>1,393</u>	<u>(511)</u>
Opening shareholders' funds	5,645	6,156
Closing shareholders' funds	<u>7,038</u>	<u>5,645</u>

9 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
£1 ordinary shares	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Allotted called up and fully paid				
Equity shares				
£1 ordinary shares	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

10 Profit and loss account

	1996 £
1 January 1996	645
Retained profit for the year	1,393
	<hr/>
31 December 1996	2,038
	<hr/>

11 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. Transactions during the year with the above company totalled £91,678 (1995 £63,813). Accruals include an amount of £13,379 in respect of the above transactions.

12 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Laita S.A. , a company incorporated in France. Purchases totalling £2,221,040 were made from the parent company during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

13 Notes to the cash flow statement

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

	1996 £	1995 £
Operating profit/(loss)	12,349	(753)
Depreciation charges	699	681
(Increase) in stocks	(23,366)	(4,707)
(Increase) in debtors	(78,349)	(285,019)
Increase in creditors	412,205	184,018
Net cash inflow/(outflow) from operating activities	<u>323,538</u>	<u>(105,780)</u>
Analysis of changes in cash and cash equivalents as shown in the balance sheet		
Balance at 1 January 1996	49,092	165,643
Net cash inflow/(outflow)	<u>322,781</u>	<u>(116,551)</u>
Balance at 31 December 1996	<u>371,873</u>	<u>49,092</u>
Analysis of the balances of cash and cash equivalents as shown in the balance sheet		

	1996 £	1995 £	Change in year £
Cash at bank and in hand	<u>371,873</u>	<u>49,092</u>	<u>322,781</u>