

AARHUSKARLSHAMN UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2009

REGISTERED NUMBER 1585686



AARHUSKARLSHAMN UK LIMITED DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the Group and Company continued to be that of processing edible vegetable oils

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 group and parent company 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 group and the company and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUSINESS REVIEW

In the year the Group made a loss after taxation of £164,000 (2008 profit £16,259,000) and accordingly £164,000 (2008 £16,259,000) has been transferred to reserves.

The Directors continue to mark to market raw material stock internally for risk management purposes in order to control risk and to understand the underlying business performance from an internal management viewpoint. However, as required by SSAP9 and following changes to company law, the mark to market true and fair override is no longer permitted for statutory reporting purposes. If true and fair override were still permitted, the Group would have made a profit of £12,148,000 (2008 £6,766,000). The exceptional volatility of commodity prices in 2008 and in 2009 is reflected in the material impact of FRS26, as shown in the table below, and is expected to cause further volatility in reported results going forward.

AARHUSKARLSHAMN UK LIMITED
DIRECTORS' REPORT (CONTINUED)

	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Turnover		325,166		347,527
Cost of sales		<u>(291,185)</u>		<u>(317,334)</u>
Gross Profit with stock at marked to market fair value		33,981		30,193
Impact of stock valued at historical cost as required by SSAP 9		<u>(13,288)</u>		<u>13,185</u>
Gross Profit after FRS 26		20,693		43,378
Distribution costs	(8,064)		(9,238)	
Administration expenses	(9,978)		(9,641)	
		<u>(18,042)</u>		<u>(18,879)</u>
Operating profit		2,651		24,499

2009 has been another challenging, but overall very good year, excluding the effect of FRS26 Vegetable oil prices fell back from the record levels seen in 2008 and remained at lower levels through most of the year Working capital improved significantly in the year because of this, improving the Group's cash position greatly compared to 2008

The Group's core business of refining of vegetable oils for the food manufacturing, foodservice and bakery sectors continued to provide a diversified range of products Performance of the core business was as expected despite continued difficult external economic pressures in UK and export markets

The Group's acquisitions in recent years, AAK Foods, a manufacturer of sauces and dips, and AAK Bakery Services, a provider of oil based products for manufacture of bakery products, both performed well in the year improving on the previous year The success of the recent acquisitions has been partly achieved because of the strategy of utilising the existing sales and manufacturing expertise within the Group

Book&Claim Limited (formerly GreenPalm Limited), a subsidiary company, performed well as demand for GreenPalm certificates increased in the year Its business activity is to promote the growth of sustainable palm oil It achieves this by facilitating the sale of GreenPalm certificates by palm plantations to consumers of palm oil in the food, cosmetics and biodiesel industries Further information can be found on www.greenpalm.org

The outlook for 2010, given the current global economic recession, remains hard to predict The Group's strategy of a diversified product range is expected to protect the business from the potential risk of a downturn in any specific product market 2010 will again be a year of continued consolidation and investment in the existing businesses, in the face of increasing UK competition

PRINCIPAL RISKS

FINANCIAL RISK FACTORS

Liquidity, financial capacity and financial exposure

The Group has established a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity and to constrain the level of assessed capital at risk for the purposes of positions taken in financial instruments Failure to operate within the set financial framework could lead to financial loss Commercial credit risk is also measured and controlled to determine the Group's total credit risk Fluctuations in both vegetable oil prices and exchange rates are both managed using the financial framework in place in order to control financial risk from exposure to fluctuations and associated financial loss

**AARHUSKARLSHAMN UK LIMITED
DIRECTORS' REPORT (CONTINUED)**

Liabilities and provisions

Changes in the external environment, such as new laws and regulations, market volatility or other factors, could affect the adequacy of provisions for tax, environmental and legal liabilities. The Group mitigates this risk by relying on its internal systems and process and through retaining the services of external advisors to highlight such changes to the Board.

OPERATIONAL RISK FACTORS

Process safety

Inherent in operations are hazards that require continual oversight and control. Failure to manage these risks could result in injury or loss of life, environmental damage and/or loss of production. The Group mitigates these risks through stringent adherence to health and safety guidelines.

Environmental factors

If the Group does not apply its resources to overcome the perceived trade off between global access to edible oils and the protection or improvement of the natural environment, the Group could fail to live up to its aspiration of minimal damage to the environment whilst contributing to human progress. This aspiration was a key factor in the development of Book&Claim Limited (formerly GreenPalm Limited) which aims to promote the growth of sustainably produced palm oil globally by providing a trading platform that will fund the growth of sustainable palm oil.

KPI'S AND MANAGEMENT OF BUSINESS PERFORMANCE

The key performance measures that are monitored on a Group wide and regional basis are earnings before interest, return on capital employed and cash flow.

Budgeting and forecast reviews

Monthly results are reviewed against budget and significant variances are investigated to give the Board a clear view of the current trading position of the company. Forecasts are updated on a monthly basis to monitor performance against expectation more closely.

EVENTS SINCE THE BALANCE SHEET DATE

No material events have occurred.

DIVIDEND

During the year a dividend of £nil was paid (2008: £nil). The directors formally approved the payment of a final dividend of £20,000,000 on 19th March 2010, which was paid on 30th March 2010 (2008: £nil).

DIRECTORS

Directors during the year were

I McIntosh
D M Craven
T A Stephenson
D Smith

CHARITABLE CONTRIBUTIONS

The Group made charitable contributions amounting to £5,049 (2008: £2,296).

**AARHUSKARLSHAMN UK LIMITED
DIRECTORS' REPORT (CONTINUED)**

EMPLOYMENT OF DISABLED PERSONS

The Group continues its policy regarding the employment of disabled persons and of giving full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. Full and fair consideration is given to retraining for alternative work of employees who become disabled.

EMPLOYEE INVOLVEMENT

The Group is aware of the importance of good communication in relationships with its staff. The Group follows a policy of encouraging training and regular meetings between management and staff in order to provide a common awareness on the part of the staff of the financial and economic circumstances affecting the Group's performance.

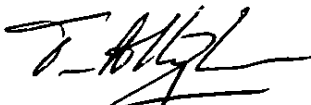
AUDITORS

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board,



TA Stephenson
Director

King George Dock
Kingston-Upon-Hull
Hull HU9 5PX

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AARHUSKARLSHAMN UK LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of AarhusKarlshamn UK Limited for the year ended 31 December 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 group's and parent 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 group's and the parent company's affairs as at 31 December 2009 and of the group's loss 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Stephen Simpson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Office - Hall
31 March 2010

AARHUSKARLSHAMN UK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Note</i>	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Turnover	2		325,166		347,527
Cost of sales			<u>(304,473)</u>		<u>(304,149)</u>
Gross Profit			20,693		43,378
Distribution costs		(8,064)		(9,238)	
Administration expenses		(9,978)		(9,641)	
			<u>(18,042)</u>		<u>(18,879)</u>
Operating profit			2,651		24,499
Interest payable and similar charges	3		(838)		(3,037)
Interest receivable	4		-		68
			<u></u>		<u></u>
Profit on ordinary activities before taxation	5		1,813		21,530
Taxation	8		<u>(1,977)</u>		<u>(5,271)</u>
(Loss)/Profit for the year			<u>(164)</u>		<u>16,259</u>

There are no recognised gains and losses other than the result for the year

There is no difference between the result as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

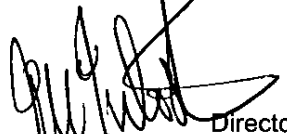
Loss attributable to the Company included in Group loss amounted to £336,000 (2008 profit £16,365,000)

The notes on pages 9 to 20 form part of these accounts

AARHUSKARLSHAMN UK LIMITED
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009

		2009		2008	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets					
Intangible assets		45		59	
Goodwill		2,961		3,181	
Negative goodwill		(211)		(372)	
	10		2,795		2,868
Tangible fixed assets	11		29,527		32,824
			32,322		35,692
Current assets					
Stock	13	28,285		38,418	
Debtors	14	41,806		102,999	
Cash at bank and in hand		3,357		586	
		73,448		142,003	
Creditors: amounts falling due within one year	15	(47,851)		(85,609)	
Net current assets			25,597		56,394
Total assets less current liabilities			57,919		92,086
Creditors: amounts falling due after more than one year	16		(7,407)		(34,548)
Provisions for liabilities					
Deferred taxation	17		(3,386)		(10,248)
Net assets			47,126		47,290
Capital and reserves					
Called up share capital	18		23,600		23,600
Profit and loss account	19		23,526		23,690
Shareholders' funds	20		47,126		47,290

These accounts were approved by the Board of Directors of the Company on 31 March 2010

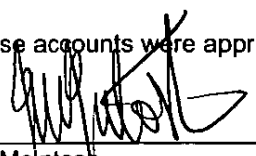

 Director
 Ian McIntosh
 AarhusKarlshamn UK Limited
 Registered no 1585686

The notes on pages 9 to 20 form part of these accounts

AARHUSKARLSHAMN UK LIMITED
COMPANY BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	10				
Goodwill		3,201		3,446	
Negative Goodwill		<u>(211)</u>		<u>(372)</u>	
		2,990			3,074
Tangible fixed assets	11	29,527			32,824
Investments	12	<u>5,287</u>		<u>5,287</u>	
		37,804			41,185
Current assets					
Stock	13	28,285		38,418	
Debtors	14	42,113		103,172	
Cash at bank and in hand		<u>2,722</u>		<u>468</u>	
		73,120		142,058	
Creditors: amounts falling due within one year					
	15	<u>(47,594)</u>		<u>(85,574)</u>	
Net current assets			<u>25,526</u>		<u>56,484</u>
Total assets less current liabilities			<u>63,330</u>		<u>97,669</u>
Creditors: amounts falling due after more than one year					
	16		(13,437)		(40,578)
Provisions for liabilities					
Deferred taxation	17		<u>(3,386)</u>		<u>(10,248)</u>
Net assets			<u>46,507</u>		<u>46,843</u>
Capital and reserves					
Called up share capital	18		23,600		23,600
Profit and loss account	19		<u>22,907</u>		<u>23,243</u>
Shareholders' funds	20		<u>46,507</u>		<u>46,843</u>

These accounts were approved by the Board of Directors on 31 March 2010


 _____ Director
 Ian McIntosh
 AarhusKarlshamn UK Limited
 Registered no 1585686

The notes on pages 9 to 20 form part of these accounts

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards on the basis of the following accounting policies which have been applied consistently in dealing with items which are considered material

1.1 Basis of consolidation:

The Group financial statements consolidate the accounts of AarhusKarlshamn UK Limited and all its subsidiary undertakings. No separate profit and loss account is presented for AarhusKarlshamn UK Limited, as permitted by section 408 the Companies Act 2006

1.2 Basis of accounting:

The financial statements have been prepared on the historical cost basis

1.3 Turnover:

Turnover comprises sales of products and services to third parties at amounts invoiced net of trade discounts excluding taxes on revenue

Revenue from the sale of products is recognised upon transfer to the customer of the significant risks and rewards of ownership. This is generally upon signing of the goods receipts note, except that sales of inventory located at customers' premises and available for customers' immediate use are recognised when notification is received that the product has been used

Appropriate provision for returns and trade discounts are deducted from revenue

1.4 Foreign currencies.

Foreign currency balances are translated into sterling at the rates of exchange ruling at the balance sheet date, any profits or losses arising being included in the result for the year together with any profits or losses arising from transactions in foreign currencies during the year. Forward currency contracts entered into by the Group are recognised at fair value within debtors and creditors as appropriate. Movements in fair value are recognised in the profit and loss account in the year in which they arise

1.5 Goodwill:

Goodwill representing the excess of fair value of the consideration over the fair value of the separable net assets acquired is capitalised and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Any excess of the fair value of the separable net assets acquired over the fair value of consideration (negative goodwill) is shown in intangible assets and amortised over its useful economic life up to 20 years

1.6 Tangible fixed assets and depreciation:

Tangible fixed assets are stated at cost less depreciation, with the exception of land, which is not depreciated. The following annual depreciation rates, which reflect the expected useful lives of the assets concerned, are applied to the cost of the fixed assets

Freehold buildings	5	%
Plant and machinery	6-10	%
Motor vehicles	25	%
Furniture, fixtures and fittings	15-20	%
Laboratory equipment	15	%
Computer equipment	33	%
Leasehold buildings	Over the period of the lease	

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

17 Forward contract position:

Group activities involve entering into forward contracts for the purchase and sale of commodities and foreign exchange. The contracted cost of open material and currency forward contracts are compared with the equivalent contracted value of open forward sales contracts or open market value where applicable ("marked to market") with the difference being included within debtors or creditors as appropriate.

Fair valuation of all forward contracts in accordance with FRS 26 is appropriate on the basis that all forward contracts whether for sales or purchases can be settled with the other contracted party on a net cash settlement basis and the Group has a practice of settling such contracts net.

18 Stock and work in progress:

Stocks are stated at the lower of cost and net realisable value. Finished goods value includes direct cost and an appropriate allocation of overheads. Net realisable value is the estimated selling price less all further costs to be incurred prior to sale.

19 Pension scheme:

The Group operates non-contributory money purchase pension schemes through life assurance companies which hold fund contributions independent from Group finances. Group pension contributions are accounted for on an accruals basis.

110 Deferred taxation:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised.

111 Trademarks and other intangibles:

Trademarks and other intangibles are initially recorded at costs and amortised on a straight line basis over their estimated useful economic lives.

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

1 12 Leases.

Where leases entail taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

The rental cost of operating leases is charged against profit on a straight line basis over the period of the lease.

2 TURNOVER

Turnover represents amounts invoiced during the year, excluding value added tax, analysed by geographical area as follows:

	2009 £'000	2008 £'000
United Kingdom	280,099	301,438
Rest of Europe	41,740	42,574
Other	3,327	3,515
	<u>325,166</u>	<u>347,527</u>

3 INTEREST PAYABLE

	2009 £'000	2008 £'000
On bank loans, overdrafts and other loans repayable within five years	749	2,982
On finance leases	89	55
	<u>838</u>	<u>3,037</u>

4 INTEREST RECEIVABLE

	2009 £'000	2008 £'000
On deposits	-	68
	<u>-</u>	<u>68</u>

AARHUSKARLSHAMN UK LIMITED
NOTE TO THE ACCOUNTS
(CONTINUED)

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging/(crediting) the following	2009 £'000	2008 £'000
Depreciation of owned tangible fixed assets	5,011	4,952
Depreciation of assets held under finance leases and hire purchase agreements	157	168
Amortisation of goodwill and intangibles	234	226
Release of negative goodwill	(161)	(161)
Fees payable to the company's auditors for		
- The audit of the consolidated annual accounts	40	39
- The audit of the company's annual accounts	6	6
- Other taxation services	27	35
Loss on disposal of fixed assets	10	-
Hire of other assets – operating leases	528	513

6 REMUNERATION OF DIRECTORS

	2009 £'000	2008 £'000
Emoluments as directors	910	858
Company contributions to money purchase pension schemes	112	87
	1,022	945
Members of money purchase pension scheme	4	4

The emoluments of the highest paid director were £353,842 (2008 £319,757). The highest paid director was a member of a money purchase pension scheme under which payments into the scheme amounted to £34,460 (2008 £33,064)

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

7 STAFF NUMBERS AND COSTS

The average number of employees, including directors, of the Group during the year, analysed by category, was as follows

	2009	2008
Production	386	350
Sales	54	55
Administration	64	64
	<u>504</u>	<u>469</u>

The aggregate payroll costs of these employees were as follows

	2009 £'000	2008 £'000
Wages and salaries	15,583	14,395
Social security costs	1,624	1,515
Other pension costs	1,198	1,067
	<u>18,405</u>	<u>16,977</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
UK Corporation Tax		
Current tax on income from the period	7,779	(919)
Adjustments in respect of prior years	1,060	(1,019)
Total current tax	<u>8,839</u>	<u>(1,938)</u>
Deferred tax		
Origination/reversal of timing differences	(7,062)	6,715
Adjustments in respect of prior years	200	494
	<u>(6,862)</u>	<u>7,261</u>
Tax on profit on ordinary activities	<u>1,977</u>	<u>5,271</u>

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge

The current tax charge is higher (2008 lower) than the standard rate of corporation tax in the UK (28%, 2008 28.5%) The differences are explained below

	2009 £'000	2008 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	1,813	21,530
Current tax at 28% (2008 28.5%)	508	6,136
Expenses not deductible for tax purposes	209	8
Depreciation in excess of capital allowances	393	219
Other short term timing differences	6,669	(7,392)
Permanent difference on IBA's	-	110
Adjustments to tax charge in respect of prior year	1,060	(1,019)
Total current tax charge	<u>8,839</u>	<u>(1,938)</u>

9 PROFIT FOR THE FINANCIAL YEAR

Under the provisions of section 408 the Companies Act 2006, the Company has not produced its own profit and loss account The result of the holding company dealt with in the consolidated profit and loss account amounted to a loss of £336,000 (2008 profit £16,365,000)

10. INTANGIBLE FIXED ASSETS

Group

	Intangible Assets £'000	Trademarks £'000	Goodwill £'000	Negative Goodwill £'000	Total £'000
COST					
At 1 January 2009	65	363	4,407	(888)	3,947
Additions	-	-	-	-	-
At 31 December 2009	<u>65</u>	<u>363</u>	<u>4,407</u>	<u>(888)</u>	<u>3,947</u>
AMORTISATION					
At 1 January 2009	6	363	1,226	(516)	1,079
Provided during the year	14	-	220	(161)	73
At 31 December 2009	<u>20</u>	<u>363</u>	<u>1,446</u>	<u>(677)</u>	<u>1,152</u>
NET BOOK VALUE					
At 31 December 2009	<u>45</u>	<u>-</u>	<u>2,961</u>	<u>(211)</u>	<u>2,795</u>
At 31 December 2008	59	-	3,181	(372)	2,868

The intangible assets relate to the website for Book&Claim Limited (formerly GreenPalm Limited)

AARHUSKARLSHAMN UK LIMITED

NOTES TO THE ACCOUNTS
(CONTINUED)

10. INTANGIBLE FIXED ASSETS (Continued)

Company

	Trademarks £'000	Goodwill £'000	Negative Goodwill £'000	Total £'000
COST				
At 1 January 2009	363	4,896	(888)	4,371
Additions in the year	-	-	-	-
At 31 December 2009	363	4,896	(888)	4,371
AMORTISATION				
At 1 January 2009	363	1,450	(516)	1,297
Provided during the year	-	245	(161)	84
At 31 December 2009	363	1,695	(677)	1,381
NET BOOK VALUE				
At 31 December 2009	-	3,201	(211)	2,990
At 31 December 2008	-	3,446	(372)	3,074

11 TANGIBLE FIXED ASSETS

Group and company

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant and machinery subject to finance leases £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
COST						
At 1 January 2009	3,610	9,289	12,066	82,417	4,537	111,919
Additions	1	133	52	1,288	535	2,009
Disposals	-	-	(239)	(75)	(6)	(320)
At 31 December 2009	3,611	9,422	11,879	83,630	5,066	113,608
DEPRECIATION						
At 1 January 2009	92	6,916	11,393	57,127	3,567	79,095
Charged in year	30	471	157	4,105	405	5,168
Disposals	-	-	(150)	(28)	(4)	(182)
At 31 December 2009	122	7,387	11,400	61,204	3,968	84,081
NET BOOK VALUE						
At 31 December 2009	3,489	2,035	479	22,426	1,098	29,527
At 31 December 2008	3,518	2,373	673	25,290	970	32,824

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

12 INVESTMENTS – COMPANY

Fixed asset investments

	2009	2008
	£'000	£'000
Cost		
At beginning of the period	5,287	5,287
Additions	<u>-</u>	<u>-</u>
At end of the period	<u>5,287</u>	<u>5,287</u>

A listing of the Company's subsidiaries is shown in note 24

13 STOCK

Group and Company

	2009	2008
	£'000	£'000
Raw materials	20,724	27,834
Work in progress	175	379
Finished goods	<u>7,386</u>	<u>10,205</u>
	<u>28,285</u>	<u>38,418</u>

14 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	30,833	36,792	30,626	36,754
Amounts owed by fellow group companies	975	7,887	1,489	8,098
Forward contract position (see note 17)	2,868	47,565	2,868	47,565
Corporation Tax	-	3,450	-	3,398
Other debtors, prepayments and accrued income	<u>7,130</u>	<u>7,305</u>	<u>7,130</u>	<u>7,357</u>
	<u>41,806</u>	<u>102,999</u>	<u>42,113</u>	<u>103,172</u>

Amounts owed by fellow group companies are interest free and repayable on demand

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

15. CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

Group and Company

	Group		Company	
	2009	2008	2009	2008
	£000	£'000	£'000	£'000
Bank loans and overdrafts	10,925	1,490	10,925	1,490
Obligations under finance leases and lease purchases	394	488	394	488
Trade creditors	4,810	4,449	4,642	4,414
Amounts owed to fellow group companies	10,885	12,973	10,885	12,973
Corporation tax	1,877	-	1,821	-
Forward contract position (see note 17)	5,901	26,879	5,901	26,879
Accruals and deferred income	13,059	39,330	13,026	39,330
	<u>47,851</u>	<u>85,609</u>	<u>47,594</u>	<u>85,574</u>

Amounts owed to fellow group companies are interest free and repayable on demand

16. CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts owed to fellow group companies	71	71	6,101	6,101
Bank loans				
Amounts due in more than two years but less than five years	7,000	34,000	7,000	34,000
Obligations under finance lease and lease purchases due in more than one year but less than two years	336	438	336	438
Obligations under finance lease and lease purchases due in more than two years but less than five years	-	39	-	39
	<u>7,407</u>	<u>34,548</u>	<u>13,437</u>	<u>40,578</u>

Bank loans are not secured by way of charges over group assets, but are guaranteed by the parent company
Group borrowings are financed at variable rates of interest, supplemented by an interest rate swap

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

17 DEFERRED TAXATION

The amounts provided for deferred taxation are set out below

Group and Company

	Deferred taxation £'000
At 1 January 2009	10,248
Profit and loss account in the year (note 8)	<u>(6,862)</u>
At 31 December 2009	<u>3,386</u>

Gains arising on the disposal of capital assets which are rolled over on the purchase of replacement assets are not regarded as timing differences and accordingly no provision is made for deferred taxation

The elements of deferred taxation are as follows

	2009 £'000	2008 £'000
Difference between accumulated depreciation and amortisation and capital allowances	4,290	4,483
Other timing differences	<u>(904)</u>	<u>5,765</u>
Deferred tax liability	<u>3,386</u>	<u>10,248</u>

18 SHARE CAPITAL

Group and company

	2009 £'000	2008 £'000
Authorised		
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>23,600</u>	<u>23,600</u>

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

19. MOVEMENT ON RESERVES

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Profit and loss account at 1 January	23,690	7,431	23,243	6,878
(Loss)/profit for the financial year	(164)	16,259	(336)	16,365
Profit and loss account at 31 December	<u>23,526</u>	<u>23,690</u>	<u>22,907</u>	<u>23,243</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Shareholders funds at 1 January	47,290	31,031	46,843	30,478
(Loss)/profit for the year	(164)	16,259	(336)	16,365
Dividends paid	-	-	-	-
Closing shareholders' funds	<u>47,126</u>	<u>47,290</u>	<u>46,507</u>	<u>46,843</u>

The directors approved the payment of a final dividend of £20,000,000 on 19th March 2010, which was paid on 30th March 2010

21. COMMITMENTS

Capital commitments at 31 December 2009, for which no provision has been made in these accounts for the Group and Company, were as follows

	2009 £'000	2008 £'000
Contracted	<u>261</u>	<u>237</u>

AARHUSKARLSHAMN UK LIMITED
NOTES TO THE ACCOUNTS
(CONTINUED)

The Group and Company were committed at 31 December 2009 to the following payments within the next year in respect of operating leases analysed by the date of expiry of lease

Date of Expiry	2009		2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	475	97	461	94
Within between two and five years	-	-	-	-
After more than five years	379	-	310	-
Total	<u>854</u>	<u>97</u>	<u>771</u>	<u>94</u>

22. CASH FLOW STATEMENT

The Group and Company has taken advantage of the exemptions in FRS1 not to prepare a cash flow statement as the Group and Company's cash flows are included in the Group cash flow of the ultimate parent company

23. PARENT UNDERTAKING OF THE COMPANY PRODUCING GROUP ACCOUNTS

The smallest and largest higher group of undertakings for which Group accounts are drawn up and of which the Company is a member is AarhusKarlshamn AB, a company incorporated in Sweden, the address of which is AarhusKarlshamn AB, Skeppsgatan 19, SE-211 19 Malmö, Sweden. The company's ultimate controlling party is also AarhusKarlshamn AB.

24. SUBSIDIARY UNDERTAKINGS

The following companies were subsidiary undertakings of the Company at 31 December 2009. All are registered in England and Wales.

Company	Class of holding	Principal activity	Proportion held
Rowallan Creamery Limited	Ordinary £1	Holding company	100%
Allied Foods Limited	Ordinary £1	Non trading	100%
Midsummer Foods Limited	Ordinary £1	Non trading	100%
Nutritionelle Limited	Ordinary £1	Non trading	100%
Book&Claim Limited (formerly GreenPalm Limited)	Ordinary £1	Trading agent	100%

25. RELATED PARTY TRANSACTIONS

The Group has a trading relationship with US Food Group, a distributor and agent based in Baltimore, USA which is controlled by Ms Sally Beaton, Mr Ian McIntosh's wife. During the year to 31 December 2009, payments on commercial terms to US Food Group amounted to £105,749. At 31 December 2009, £8,403 was payable to US Food Group.

The company has taken advantage of the FRS 8 exemption to not disclose transactions with other group companies.