

Cermex U.K. Limited

Report and Abbreviated Accounts

31 December 2005

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Independent auditors' report

to Cermex U.K. Limited pursuant to section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2005 which comprise the Abbreviated Balance Sheet and the related notes 1 to 4, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

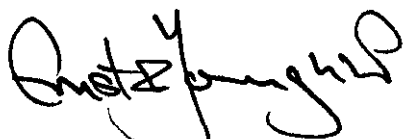
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Ernst & Young LLP
Registered Auditor
Cambridge

12 January 2007

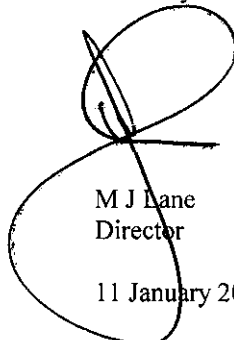
Abbreviated balance sheet

at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	2	13,039	18,005
Current assets			
Stocks		53,819	57,909
Debtors		200,616	258,343
Cash at bank and in hand		28,748	19,555
		283,183	335,807
Creditors: amounts falling due within one year		289,741	331,533
Net current (liabilities)/assets		(6,558)	4,274
Total assets less current liabilities		6,481	22,279
Creditors: amounts falling due after more than one year		-	2,609
		6,481	19,670
Capital and reserves			
Called up share capital	3	20,000	20,000
Profit and loss account		(13,519)	(330)
Shareholders' funds		6,481	19,670

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 11 January 2007 and are signed on their behalf by:



M J Lane
Director
11 January 2007

Notes to the abbreviated accounts at 31 December 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Going concern

The Company's immediate parent has agreed to provide financial support to allow the company to meet its liabilities as they fall due. For this reason, the directors believe that the accounts should be presented on a going concern basis.

Fixed assets

All fixed assets are initially recorded at cost.

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Furniture, fixtures & fittings	- 10 years
Motor vehicles	- 4 years
Equipment	- 3 to 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	- purchase cost on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus Attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the abbreviated accounts

at 31 December 2005

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails 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 in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Fixed assets

	<i>Tangible Assets £</i>
<i>Cost</i>	
At 1 January 2005	115,207
Additions	4,509
At 31 December 2005	<u>119,716</u>
<i>Depreciation</i>	
At 1 January 2005	97,202
Charge for year	9,475
At 31 December 2005	<u>106,677</u>
<i>Net book value</i>	
At 31 December 2005	<u>13,039</u>
At 31 December 2004	<u>18,005</u>

Notes to the abbreviated accounts

at 31 December 2005

3. Share capital

	<i>Authorised</i>	
	2005	2004
	£	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	2005	2004
		£	£
Ordinary shares of £1 each	20,000	<u>20,000</u>	<u>20,000</u>

4. Ultimate parent company

The immediate parent company is Cermex SA, incorporated in France. The ultimate parent is Tetra Laval SA, incorporated in Sweden.