

COMPANY REGISTRATION NUMBER 1993374

**ERMS (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR
31 DECEMBER 2004**



ERMS (UK) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2004

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ERMS (UK) LIMITED**OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors

I M Smith
A F Troost

Company secretary

A F Troost

Registered office

Frans House
Fenton Way
Chatteris
Cambridgeshire
PE16 6UP

Auditors

Keens Shay Keens Limited
Chartered Accountants
& Registered Auditors
Exchange Building
16 St Cuthbert's Street
Bedford
MK40 3JG

Bankers

National Westminster Bank Plc
16 Market Street
Ely
Cambridgeshire
CB7 4LS

Solicitors

Borneo Linnells
77-97 Harpur Street
Bedford
MK40 2SY

ERMS (UK) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 2004**

The directors have pleasure in presenting their report and the Accounts of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be the importation and wholesale distribution of salad products.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached Accounts.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE PARENT COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary Shares of £1 Each in the parent company	
	At 31 December 2004	At 1 January 2004
I M Smith	1,324	1,324
A F Troost	—	—

DIRECTORS SHARE OPTIONS

Mr I M Smith had an option to purchase a further 1,324 shares for the sum of £52,960 which had to be exercised by 31 December 2004. This has now been extended so as to expire on 31 December 2005.

AUDITORS

A resolution to re-appoint Keens Shay Keens Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Frans House
Fenton Way
Chatteris
Cambridgeshire
PE16 6UP

Signed by order of the directors



A F TROOST
Company Secretary

Approved by the directors on 24th May 2005.

ERMS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2004

Company law requires the directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those Accounts, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the Accounts 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 Accounts comply with the Companies Act 1985. The directors 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.

ERMS (UK) LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 14, together with the Accounts of the company for the year ended 31 December 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

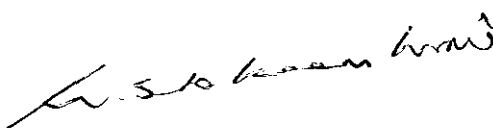
We have carried out the procedures we consider necessary to confirm, by reference to the Accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the Accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 14 are properly prepared in accordance with those provisions.

Exchange Building
16 St Cuthbert's Street
Bedford
MK40 3JG

27th May 2005



KEENS SHAY KEENS LIMITED
Chartered Accountants
& Registered Auditors

ERMS (UK) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
GROSS PROFIT		1,765,394	1,738,598
Distribution Costs		11,646	17,284
Administrative expenses		987,419	964,931
OPERATING PROFIT	2	766,329	756,383
Interest receivable		11,544	5,757
Interest payable and similar charges	5	(70,160)	(85,387)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		707,713	676,753
Tax on profit on ordinary activities	6	212,558	203,961
RETAINED PROFIT FOR THE FINANCIAL YEAR		495,155	472,792

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

ERMS (UK) LIMITED**ABBREVIATED BALANCE SHEET****31 DECEMBER 2004**

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	3,136,861	3,175,228
CURRENT ASSETS			
Stocks	8	133,572	135,877
Debtors	9	1,096,631	896,489
Cash at bank and in hand		628,493	467,070
		<u>1,858,696</u>	<u>1,499,436</u>
CREDITORS: Amounts falling due within one year	10	<u>1,910,482</u>	<u>1,500,475</u>
NET CURRENT LIABILITIES		<u>(51,786)</u>	<u>(1,039)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,085,075</u>	<u>3,174,189</u>
CREDITORS: Amounts falling due after more than one year	11	<u>694,747</u>	<u>1,271,259</u>
		<u>2,390,328</u>	<u>1,902,930</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	9,641	17,398
		<u>2,380,687</u>	<u>1,885,532</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	16,324	16,324
Share premium account		51,636	51,636
Profit and loss account	16	<u>2,312,727</u>	<u>1,817,572</u>
SHAREHOLDERS' FUNDS	17	<u>2,380,687</u>	<u>1,885,532</u>

These abbreviated Accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 24 May 2005 and are signed on their behalf by:



I M SMITH



A F TROOST

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES**Basis of accounting**

The Accounts have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the Accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% on cost
Plant & Machinery	- 20% on cost
Motor Vehicles	- 33% on reducing balance
Fixtures, Fittings and Equipment	- 10%/ 33% on cost

Freehold property includes land costing £770,000 which is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES *(continued)***Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation of owned fixed assets	132,197	120,094
Depreciation of assets held under finance lease agreements	4,928	6,939
Loss/(Profit) on disposal of fixed assets	544	(1,527)
Auditors' remuneration		
- as auditors	4,800	8,250
Operating lease costs:		
Land and buildings	8,172	1,200
Vehicles	11,646	17,284
Net profit on foreign currency translation	<u>(2,457)</u>	<u>(3,216)</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of production staff	35	33
Number of administrative staff	9	10
	<u>44</u>	<u>43</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	1,068,232	988,135
Social security costs	114,301	104,609
Other pension costs	19,527	22,167
	<u>1,202,060</u>	<u>1,114,911</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	152,506	146,854
Value of company pension contributions to money purchase schemes	—	4,754
	<u>152,506</u>	<u>151,608</u>

Mr I M Smith had an option to purchase a further 1,324 ordinary shares in the company for the sum of £52,960, which had to be exercised by 31 December 2004. This has now been extended so as to expire on 31 December 2005.

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004	2003
	£	£
Interest payable on bank borrowing	51,087	58,501
Finance charges	335	669
Other similar charges payable	18,738	26,217
	<u>70,160</u>	<u>85,387</u>

6. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2004	2003
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	220,315	208,313
Total current tax	<u>220,315</u>	<u>208,313</u>
Deferred tax:		
Origination and reversal of timing differences	(7,757)	(4,351)
Tax on profit on ordinary activities	<u>212,558</u>	<u>203,962</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>707,713</u>	<u>676,753</u>
Profit/(loss) on ordinary activities by rate of tax	212,314	203,026
Expenses not deductible for tax purposes	3,505	4,004
Depreciation charges in excess of capital allowances	4,496	1,283
Total current tax (note 6(a))	<u>220,315</u>	<u>208,313</u>

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****7. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
COST					
At 1 January 2004	3,043,776	354,531	52,520	89,199	3,540,026
Additions	47,116	17,716	—	35,221	100,053
Disposals	—	—	—	(3,022)	(3,022)
At 31 December 2004	3,090,892	372,247	52,520	121,398	3,637,057
DEPRECIATION					
At 1 January 2004	123,517	178,528	12,590	50,163	364,798
Charge for the year	45,833	60,881	13,308	17,103	137,125
On disposals	—	—	—	(1,727)	(1,727)
At 31 December 2004	169,350	239,409	25,898	65,539	500,196
NET BOOK VALUE					
At 31 December 2004	2,921,542	132,838	26,622	55,859	3,136,861
At 31 December 2003	2,920,259	176,003	39,930	39,036	3,175,228

Finance lease agreements

Included within the net book value of £3,136,861 is £Nil (2003 - £5,337) relating to assets held under hire purchase agreements, and £17,235 (2003 - £18,951) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £Nil (2003 - £2,100), and £4,928 (2003 - £4,839) in respect of assets held under finance lease agreements.

8. STOCKS

	2004 £	2003 £
Finished goods	133,572	135,877

9. DEBTORS

	2004 £	2003 £
Trade debtors	997,201	849,460
Prepayments and accrued income	99,430	47,029
	1,096,631	896,489

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****10. CREDITORS: Amounts falling due within one year**

	2004	2003
	£	£
Bank loans and overdrafts	259,800	203,984
Trade creditors	882,948	715,031
Amounts owed to group undertakings	115,326	45,450
Other creditors including taxation and social security:		
Corporation tax	134,622	109,051
Other taxation and social security	119,093	97,859
Finance lease agreements	5,596	7,031
Accruals and deferred income	393,097	322,069
	<u>1,910,482</u>	<u>1,500,475</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	<u>259,800</u>	<u>203,984</u>

The bank borrowings are secured by a fixed and floating charge over all current and future assets of the company.

11. CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans and overdrafts	499,282	798,137
Amounts owed to group undertakings	183,120	458,145
Other creditors:		
Finance lease agreements	12,345	14,977
	<u>694,747</u>	<u>1,271,259</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	<u>499,282</u>	<u>798,137</u>

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****12. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS**

Future commitments under finance lease agreements are as follows:

	2004	2003
	£	£
Amounts payable within 1 year	5,596	7,533
Amounts payable between 2 to 5 years	12,345	14,977
	<u>17,941</u>	<u>22,510</u>
Less interest and finance charges relating to future periods	—	(502)
	<u>17,941</u>	<u>22,008</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2004	2003
	£	£
Provision brought forward	17,398	21,749
Profit and loss account movement arising during the year	(7,757)	(4,351)
Provision carried forward	<u>9,641</u>	<u>17,398</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,641	17,398
	<u>9,641</u>	<u>17,398</u>

ERMS (UK) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****14. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>5,596</u>	<u>11,556</u>

15. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>16,324</u>	<u>16,324</u>	<u>16,324</u>	<u>16,324</u>

16. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	1,817,572	1,344,780
Retained profit for the financial year	<u>495,155</u>	<u>472,792</u>
Balance carried forward	<u>2,312,727</u>	<u>1,817,572</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	495,155	472,792
Opening shareholders' equity funds	<u>1,885,532</u>	<u>1,412,740</u>
Closing shareholders' equity funds	<u>2,380,687</u>	<u>1,885,532</u>

18. ULTIMATE PARENT COMPANY

The Ultimate parent undertaking is Holding Familie Troost BV, a company incorporated in the Netherlands.