

**REPORT OF THE DIRECTORS AND  
AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011  
FOR  
ERMS UK (HOLDINGS) LIMITED**

THURSDAY



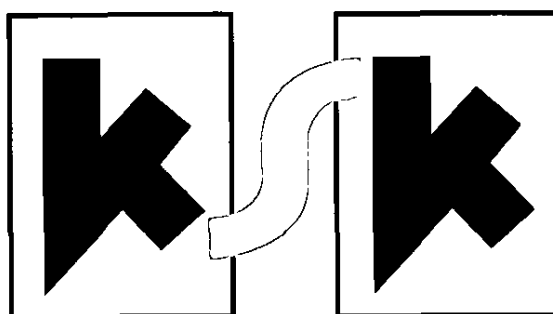
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COMPANIES HOUSE



**KEENS SHAY KEENS**  
**LIMITED**  
CHARTERED ACCOUNTANTS  
AND BUSINESS ADVISERS

**ERMS UK (HOLDINGS) LIMITED**

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FOR THE YEAR ENDED 31ST DECEMBER 2011**

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**ERMS UK (HOLDINGS) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

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**DIRECTORS:**

I M Smith  
A F Troost

**SECRETARY:**

I M Smith

**REGISTERED OFFICE:**

Frans House  
Fenton Way  
Chatteris  
Cambridgeshire  
PE16 6UP

**REGISTERED NUMBER:**

01993374 (England and Wales)

**AUDITORS:**

Keens Shay Keens Limited  
Chartered Accountants &  
Registered Auditors  
2nd Floor Exchange Building  
16 St Cuthberts Street  
Bedford  
Bedfordshire  
MK40 3JG

**BANKERS:**

National Westminster Bank Plc  
7 Cornhill  
Bury St Edmunds  
Suffolk  
IP33 1BQ

## **ERMS UK (HOLDINGS) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2011**

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The directors present their report with the financial statements of the company and the group for the year ended 31st December 2011

#### **PRINCIPAL ACTIVITIES**

The principal activities of the group in the year under review were those of firstly the wholesale distribution of salad, citrus and grape produce and secondly that of freehold property owners in Chatteris, Cambridgeshire, with the properties let commercially to its subsidiary company Erms (UK) Limited

#### **REVIEW OF BUSINESS**

With the Company's annual results always being susceptible to the financial effect of any movement in the UK Pound/Euro exchange rate there is not going to be a consistency in the published results. This is certainly the case in 2011 where there was a favourable movement of £44,247 compared to a gain of £96,964 in 2010

The directors are pleased to again report a good years trading for the subsidiary with a 4.7% increase in turnover. That said gross margins have been under pressure for most of the year and this situation is not expected to change in 2012

Whilst the directors are cautiously optimistic as to the likely results in 2012 they are mindful that again, there are external factors that could well adversely affect turnover and profitability

Again the directors acknowledge the tremendous efforts made by a very loyal workforce without whose involvement these results would have not been possible. This sincere compliment must be extended to our loyal customer base and all those that are associated with the group. It is this "large family" involvement which led the directors to demonstrate their appreciation by recognising the 25th year of business with two celebratory events held at the company's premises in September

#### **DIVIDENDS**

An interim dividend of £15.31 per share was paid on 3rd May 2011

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2011 to the date of this report

I M Smith  
A F Troost

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

Charitable donations in the year totalled £11,298

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

In view of the financial controls that are in place and the past record of cash management, the directors consider that the financial risk management objectives and policies in place are sufficient to enable the assessment of the risks affecting assets, liabilities, financial position and profit or loss of the company. In all cases the risks are considered to be low

**ERMS UK (HOLDINGS) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 company and the group 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,
- 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 and the group'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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Keens Shay Keens Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD**



I M Smith - Secretary

Date 22/03/2012

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ERMS UK (HOLDINGS) LIMITED**

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We have audited the financial statements of Erms UK (Holdings) Limited for the year ended 31st December 2011 on pages six to nineteen. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 and express an opinion on 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.

### **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 the 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. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2011 and of the group's profit 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

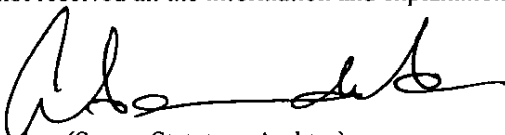
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ERMS UK (HOLDINGS) LIMITED**

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**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



Graham Saunders (Senior Statutory Auditor)  
for and on behalf of Keens Shay Keens Limited  
Chartered Accountants &  
Registered Auditors  
2nd Floor Exchange Building  
16 St Cuthberts Street  
Bedford  
Bedfordshire  
MK40 3JG

Date 22 May 2012

**ERMS UK (HOLDINGS) LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		<b>17,207,721</b>	<b>16,484,163</b>
Cost of sales		<u>14,283,480</u>	<u>13,459,855</u>
<b>GROSS PROFIT</b>		<b>2,924,241</b>	<b>3,024,308</b>
Administrative expenses		<u>2,040,562</u>	<u>1,931,238</u>
		883,679	1,093,070
Other operating income		<u>215,204</u>	<u>215,222</u>
<b>OPERATING PROFIT</b>	3	<b>1,098,883</b>	<b>1,308,292</b>
Interest receivable and similar income		<u>13,201</u>	<u>16,356</u>
		1,112,084	1,324,648
Interest payable and similar charges	4	<u>67,854</u>	<u>82,799</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,044,230</b>	<b>1,241,849</b>
Tax on profit on ordinary activities	5	<u>330,585</u>	<u>374,513</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<b><u>713,645</u></b>	<b><u>867,336</u></b>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profits for the current year or previous year



**ERMS UK (HOLDINGS) LIMITED**

**CONSOLIDATED BALANCE SHEET  
31ST DECEMBER 2011**

		2011		2010	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<u>6,287,559</u>		<u>6,367,736</u>
			6,287,559		6,367,736
<b>CURRENT ASSETS</b>					
Stocks	10	429,925		374,290	
Debtors	11	2,550,525		2,089,294	
Cash at bank and in hand		<u>859,424</u>		<u>1,113,261</u>	
		3,839,874		3,576,845	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>2,330,225</u>		<u>2,218,440</u>	
<b>NET CURRENT ASSETS</b>			<u>1,509,649</u>		<u>1,358,405</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,797,208		7,726,141
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(1,243,167)		(1,643,953)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(8,208)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>6,545,833</u>		<u>6,082,188</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		16,324		16,324
Share premium	19		51,636		51,636
Revaluation reserve	19		177,460		181,157
Profit and loss account	19		<u>6,300,413</u>		<u>5,833,071</u>
<b>SHAREHOLDERS' FUNDS</b>	23		<u>6,545,833</u>		<u>6,082,188</u>

The financial statements were approved by the Board of Directors on its behalf by

22/05/2012

and were signed on

A F Troost - Director

T M Smith - Director

The notes form part of these financial statements

**ERMS UK (HOLDINGS) LIMITED**

**COMPANY BALANCE SHEET  
31ST DECEMBER 2011**

		2011		2010	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		5,921,987		5,993,463
Investments	9		<u>100</u>		<u>100</u>
			5,922,087		5,993,563
<b>CURRENT ASSETS</b>					
Debtors	11	30,525		34,323	
Cash at bank		<u>62,137</u>		<u>6,410</u>	
		92,662		40,733	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,353,921</u>		<u>895,616</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,261,259)</u>		<u>(854,883)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,660,828		5,138,680
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<u>1,243,167</u>		<u>1,643,953</u>
<b>NET ASSETS</b>			<u>3,417,661</u>		<u>3,494,727</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		16,324		16,324
Share premium	19		51,636		51,636
Revaluation reserve	19		177,460		181,157
Profit and loss account	19		<u>3,172,241</u>		<u>3,245,610</u>
<b>SHAREHOLDERS' FUNDS</b>	23		<u>3,417,661</u>		<u>3,494,727</u>

The financial statements were approved by the Board of Directors on its behalf by

22/05/2012

and were signed on

A F Troost - Director

T M Smith - Director

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011

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1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards as modified by the revaluation of certain assets

**Basis of consolidation**

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

**Cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company is consolidated into the publicly available financial statements of Holding Familie Troost B.V., a company registered in The Netherlands.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost or revalued amounts
Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost and 10% on cost
Motor vehicles	- 33% on reducing balance

Freehold property is revalued every 5 years with an interim revaluation in year 3. The valuers are independent and qualified. Where the valuation exceeds the depreciated historical cost the surplus is recorded within the revaluation reserve. Any permanent diminution is recorded as a cost to the profit and loss account.

**Stocks**

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

**Deferred tax**

Deferred taxation 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 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, or 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 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.

**ERMS UK (HOLDINGS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011****1 ACCOUNTING POLICIES - continued****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 transaction. Exchange differences are taken into account in arriving at the operating result.

**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 group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**2 STAFF COSTS**

	2011 £	2010 £
Wages and salaries	2,241,066	2,212,715
Social security costs	242,310	235,790
Other pension costs	43,921	43,456
	<u>2,527,297</u>	<u>2,491,961</u>

The average monthly number of employees during the year was as follows

	2011	2010
Production staff	70	74
Administrative staff	10	11
	<u>80</u>	<u>85</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Hire of plant and machinery	148,506	121,088
Other operating leases	19,428	28,367
Depreciation - owned assets	213,038	251,818
(Profit)/Loss on disposal of fixed assets	(3,681)	3,985
Auditors' remuneration	13,200	10,350
Foreign exchange gains	<u>(44,247)</u>	<u>(96,964)</u>
Directors' remuneration	221,666	258,407
Directors' pension contributions to money purchase schemes	<u>24,316</u>	<u>23,530</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**3 OPERATING PROFIT - continued**

Information regarding the highest paid director is as follows

	2011	2010
	£	£
Emoluments etc	221,666	258,407
Pension contributions to money purchase schemes	<u>24,316</u>	<u>23,530</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011	2010
	£	£
Bank interest	28	7
Interest payable on related party loan	<u>67,826</u>	<u>82,792</u>
	<u>67,854</u>	<u>82,799</u>

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	320,810	383,846
Deferred tax	<u>9,775</u>	<u>(9,333)</u>
Tax on profit on ordinary activities	<u>330,585</u>	<u>374,513</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>1,044,230</u>	<u>1,241,849</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.500% (2010 - 28%)	276,721	347,718
Effects of		
Expenses not deductible for tax purposes	37,452	11,759
Depreciation in advance of capital allowances	6,637	24,465
Marginal corporation tax rate adjustment	-	(96)
associated company		
Current tax charge	<u>320,810</u>	<u>383,846</u>

# ERMS UK (HOLDINGS) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2011

### 6 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £172,934 (2010 - £144,381)

### 7 DIVIDENDS

	2011 £	2010 £
Interim	<u>250,000</u>	<u>220,000</u>

### 8 TANGIBLE FIXED ASSETS

#### Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st January 2011	6,075,445	513,113	294,121	80,815	6,963,494
Additions	-	57,484	29,596	51,100	138,180
Disposals	-	-	-	(35,900)	(35,900)
At 31st December 2011	<u>6,075,445</u>	<u>570,597</u>	<u>323,717</u>	<u>96,015</u>	<u>7,065,774</u>
<b>DEPRECIATION</b>					
At 1st January 2011	88,648	299,244	160,506	47,360	595,758
Charge for year	67,476	98,108	34,377	13,077	213,038
Eliminated on disposal	-	-	-	(30,581)	(30,581)
At 31st December 2011	<u>156,124</u>	<u>397,352</u>	<u>194,883</u>	<u>29,856</u>	<u>778,215</u>
<b>NET BOOK VALUE</b>					
At 31st December 2011	<u>5,919,321</u>	<u>173,245</u>	<u>128,834</u>	<u>66,159</u>	<u>6,287,559</u>
At 31st December 2010	<u>5,986,797</u>	<u>213,869</u>	<u>133,615</u>	<u>33,455</u>	<u>6,367,736</u>

The useful life of freehold property was reassessed at 1st January 2010, the directors considered this to be 50 years

If freehold land and buildings had not been revalued they would have been included at a historical cost of £6,419,994 (2010 - £6,419,994)

The aggregate depreciation related to the freehold land and buildings would have been £636,755 (2010 - £561,553)

The value of land included in the freehold land and buildings is £2,173,550 (2010 - £2,173,550)

Freehold land and buildings were valued on an open market basis on 17th June 2009 by Cheffins, registered Chartered Surveyors

**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**8 TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st January 2011 and 31st December 2011	<u>6,075,445</u>	<u>20,000</u>	<u>6,095,445</u>
<b>DEPRECIATION</b>			
At 1st January 2011	88,648	13,334	101,982
Charge for year	<u>67,476</u>	<u>4,000</u>	<u>71,476</u>
At 31st December 2011	<u>156,124</u>	<u>17,334</u>	<u>173,458</u>
<b>NET BOOK VALUE</b>			
At 31st December 2011	<u>5,919,321</u>	<u>2,666</u>	<u>5,921,987</u>
At 31st December 2010	<u>5,986,797</u>	<u>6,666</u>	<u>5,993,463</u>

The useful life of freehold property was reassessed at 1st January 2010, the directors considered this to be 50 years

If freehold land and buildings had not been revalued they would have been included at a historical cost of £6,419,994 (2010 - £6,419,994)

The aggregate depreciation related to the freehold land and buildings would have been £636,755 (2010 - £561,553)

The value of land included in the freehold land and buildings is £2,173,550 (2010 - £2,173,550)

Freehold land and buildings were valued on an open market basis on 17th June 2009 by Cheffins, registered Chartered Surveyors

**9 FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1st January 2011 and 31st December 2011	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31st December 2011	<u>100</u>
At 31st December 2010	<u>100</u>

# ERMS UK (HOLDINGS) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2011

### 9 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

#### Subsidiary

##### Erms (UK) Limited

Nature of business wholesale distribution of salad, citrus and grape

	%
Class of shares	holding
Ordinary £1 shares	100 00

The fixed asset investment represents 100% of the issued share capital in Erms (UK) Limited, a company incorporated in England

### 10 STOCKS

	Group	
	2011	2010
	£	£
Produce goods for resale	<u>429,925</u>	<u>374,290</u>

### 11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,382,494	1,830,351	-	-
Amounts owed by group undertakings	-	120,684	-	-
VAT	-	-	2,175	4,168
Deferred tax asset	-	1,567	11,894	15,070
Prepayments and accrued income	<u>168,031</u>	<u>136,692</u>	<u>16,456</u>	<u>15,085</u>
	<u>2,550,525</u>	<u>2,089,294</u>	<u>30,525</u>	<u>34,323</u>

#### Deferred tax asset

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Deferred tax	<u>-</u>	<u>1,567</u>	<u>11,894</u>	<u>15,070</u>



**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans (see note 14)	<b>177,564</b>	182,636	<b>177,564</b>	182,636
Trade creditors	<b>1,191,446</b>	1,372,510	-	1,833
Amounts owed to group undertakings	<b>13,437</b>	26,780	-	-
Tax	<b>185,810</b>	103,847	<b>87,518</b>	82,378
Social security and other taxes	<b>124,292</b>	114,268	-	-
VAT	<b>196,504</b>	110,474	-	-
Other creditors	<b>2,655</b>	8,361	<b>1,067,216</b>	593,371
Accruals and deferred income	<b>438,517</b>	299,564	<b>21,623</b>	35,398
	<b><u>2,330,225</u></b>	<b><u>2,218,440</u></b>	<b><u>1,353,921</u></b>	<b><u>895,616</u></b>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans (see note 14)	<b><u>1,243,167</u></b>	<b><u>1,643,953</u></b>	<b><u>1,243,167</u></b>	<b><u>1,643,953</u></b>

**14 LOANS**

An analysis of the maturity of loans is given below

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand				
Related party loan	<b><u>177,564</u></b>	<b><u>182,636</u></b>	<b><u>177,564</u></b>	<b><u>182,636</u></b>
Amounts falling due between one and two years				
Related party loan	<b><u>177,564</u></b>	<b><u>182,636</u></b>	<b><u>177,564</u></b>	<b><u>182,636</u></b>
Amounts falling due between two and five years				
Related party loan	<b><u>532,692</u></b>	<b><u>547,909</u></b>	<b><u>532,692</u></b>	<b><u>547,909</u></b>
Amounts falling due in more than five years				
Repayable by instalments				
Related party loan	<b><u>532,911</u></b>	<b><u>913,408</u></b>	<b><u>532,911</u></b>	<b><u>913,408</u></b>

**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**15 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

**Group**

	<b>Other operating leases</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Expiring		
Within one year	<b>71,476</b>	13,883
Between one and five years	<b><u>14,323</u></b>	<u>74,336</u>
	<b><u>85,799</u></b>	<u>88,219</u>

**16 SECURED DEBTS**

The following secured debts are included within creditors

	<b>Company</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Related party loan	<b><u>1,420,731</u></b>	<u>1,826,589</u>

Until 26th October 2011, the related party loan from Handel-en Exploitiemaatschappij A F Troost BV is secured by a charge over the freehold property, Ronald House, Fenton Way, Chatteris, Cambridgeshire

On the 26th October 2011 the legal charge over the property was transferred to Holding Familie Troost BV from Handel-en Exploitiemaatschappij A F Troost BV

Any bank loans and overdrafts made to the group by the National Westminster Bank PLC are secured by way of an inter-company guarantee within the group, and a fixed and floating charge over all of the group's assets

**17 PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Deferred tax	<b><u>8,208</u></b>	<u>-</u>
<b>Group</b>		
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1st January 2011		(1,567)
Reversal of excess taxation allowances over depreciation		<u>9,775</u>
Balance at 31st December 2011		<b><u>8,208</u></b>

**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**17 PROVISIONS FOR LIABILITIES - continued**

**Company**

	Deferred tax £
Balance at 1st January 2011	(15,070)
Reversal of excess taxation allowances over depreciation	<u>3,176</u>
Balance at 31st December 2011	<u>(11,894)</u>

Deferred tax has not been provided for in relation to the timing differences arising from the revaluation of freehold land and buildings

The current net book value of freehold land and buildings is less than the original cost, therefore a deferred tax provision is not expected as a result of revaluation

**18 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid

Number	Class	Nominal value £1	2011 £	2010 £
16,324	Ordinary		<u>16,324</u>	<u>16,324</u>

**19 RESERVES**

**Group**

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1st January 2011	5,833,071	51,636	181,157	6,065,864
Profit for the year	713,645			713,645
Dividends	(250,000)			(250,000)
Depreciation of revalued asset	<u>3,697</u>	<u>-</u>	<u>(3,697)</u>	<u>-</u>
At 31st December 2011	<u>6,300,413</u>	<u>51,636</u>	<u>177,460</u>	<u>6,529,509</u>

**Company**

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1st January 2011	3,245,610	51,636	181,157	3,478,403
Profit for the year	172,934			172,934
Dividends	(250,000)			(250,000)
Depreciation of revalued asset	<u>3,697</u>	<u>-</u>	<u>(3,697)</u>	<u>-</u>
At 31st December 2011	<u>3,172,241</u>	<u>51,636</u>	<u>177,460</u>	<u>3,401,337</u>

## ERMS UK (HOLDINGS) LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2011

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#### 20 ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is Holding Familie Troost B V incorporated in The Netherlands

Holding Familie Troost B V, which is incorporated in The Netherlands, is the smallest and largest group in which the group is consolidated

Holding Familie Troost B V financial statements are publicly available in The Netherlands

#### 21 RELATED PARTY DISCLOSURES

The group borrowed 3,183,901 euros from Handel-en Exploitiemaatschappij A F Troost BV in the year to 31st December 2007 which is the personal pension fund of Mr A Troost, a director of the company. Interest is currently payable at 4.0% per annum on this loan, which is due for repayment over a 15 year period. At the year end the company owed Handel-en Exploitiemaatschappij A F Troost BV £nil (2010 - £1,826,589). Interest paid on the loan until 26th October 2011 amounted to £58,229 (2010 £82,792).

On the 26th October 2011 the legal charge of this loan was transferred to Holding Familie Troost BV. At the year end the company owed £1,420,731 (2010 £nil). Interest paid on the loan after 26th October 2011 amounted to £9,597.

During the year the group sold goods of £20,997 (2010 £151,373) to and purchased goods of £119,780 (2010 £287,339) from Lehmann & Troost BV, a company which is incorporated in the Netherlands and of which Mr A Troost is a director. At the year end the group was owed £13,437 (2010 £93,904) by Lehmann & Troost BV.

Dividends paid to the directors during the year totalled £20,277 (2010 £17,844).

#### 22 ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are Bram Troost and Petra Troost by virtue of their majority shareholding.

#### 23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2011 £	2010 £
Profit for the financial year	713,645	867,336
Dividends	(250,000)	(220,000)
<b>Net addition to shareholders' funds</b>	<b>463,645</b>	<b>647,336</b>
Opening shareholders' funds	6,082,188	5,434,852
<b>Closing shareholders' funds</b>	<b>6,545,833</b>	<b>6,082,188</b>

**ERMS UK (HOLDINGS) LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2011**

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**23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued**

<b>Company</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>172,934</b>	<b>144,381</b>
Dividends	<b><u>(250,000)</u></b>	<b><u>(220,000)</u></b>
<b>Net reduction of shareholders' funds</b>	<b>(77,066)</b>	<b>(75,619)</b>
Opening shareholders' funds	<b><u>3,494,727</u></b>	<b><u>3,570,346</u></b>
<b>Closing shareholders' funds</b>	<b><u>3,417,661</u></b>	<b><u>3,494,727</u></b>

This page does not form part of the statutory financial statements