

Registered number 06375826

A & A UK Investments Limited

Directors' report and financial statements

for the year ended 31 December 2011

THURSDAY



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A & A UK Investments Limited

Company Information

| | |
|--------------------------|--|
| Directors | A J Breugem A J de Gier |
| Company number | 06375826 |
| Registered office | 5 Barrow Man Road Birchington Kent CT7 0AX |
| Auditors | Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU |
| Bankers | Lloyds TSB Bank Plc 3 Sidney Street Cambridge Cambridgeshire CB2 3HQ Rabobank Postbus 9 2670 AA Naaldwijk Netherlands |

A & A UK Investments Limited

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A & A UK Investments Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company's principal activity for the year under review is that of investing and building a greenhouse on a plot of land in Thanet, Kent, which is rented to its fellow subsidiary for use in the group's trade.

Having assessed responses to enquiries from the company's parent A&A Holdings Limited, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the A&A Holdings group to continue as a going concern or its ability to continue with the current banking arrangements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Directors

The directors who served during the year were

A J Breugem
A J de Gier

A & A UK Investments Limited

Directors' report for the year ended 31 December 2011

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 2 July 2012 and signed on its behalf

A handwritten signature in black ink, appearing to read 'A J Breugem', with a long horizontal stroke extending to the right.

A J Breugem
Director

A & A UK Investments Limited

Independent auditors' report to the shareholders of A & A UK Investments Limited

We have audited the financial statements of A & A UK Investments Limited for the year ended 31 December 2011, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 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 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 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 Directors' report 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 company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

A & A UK Investments Limited

Independent auditors' report to the shareholders of A & A UK Investments Limited

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Reeves & Co LLP

Nigel Fright FCCA (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Canterbury

3 July 2012

A & A UK Investments Limited

**Profit and loss account
for the year ended 31 December 2011**

| | Note | 2011 £ | 2010 £ |
|--|-------------|-------------------------|----------------------|
| Turnover | 1 | 1,450,000 | 1,454,043 |
| Administrative expenses | | <u>(1,150,476)</u> | <u>(1,118,385)</u> |
| Operating profit | 2 | 299,524 | 335,658 |
| Interest receivable and similar income | | 1,445 | - |
| Interest payable and similar charges | | <u>(291,620)</u> | <u>(249,574)</u> |
| Profit on ordinary activities before taxation | | 9,349 | 86,084 |
| Tax on profit on ordinary activities | 3 | <u>(178,934)</u> | <u>(48,569)</u> |
| (Loss)/profit for the financial year | 10 | <u>(169,585)</u> | <u>37,515</u> |

The notes on pages 7 to 12 form part of these financial statements

A & A UK Investments Limited
Registered number: 06375826

Balance sheet
as at 31 December 2011

| | Note | £ | 2011 £ | £ | 2010 £ |
|---|------|--------------------|-------------------------|--------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 9,964,624 | | 11,136,711 |
| Current assets | | | | | |
| Debtors | 5 | 61,317 | | 437,178 | |
| Cash at bank and in hand | | 3,478 | | 3,783 | |
| | | <u>64,795</u> | | <u>440,961</u> | |
| Creditors , amounts falling due within one year | 6 | <u>(1,459,344)</u> | | <u>(3,333,049)</u> | |
| Net current liabilities | | | <u>(1,394,549)</u> | | <u>(2,892,088)</u> |
| Total assets less current liabilities | | | <u>8,570,075</u> | | <u>8,244,623</u> |
| Creditors : amounts falling due after more than one year | 7 | | (6,759,045) | | (6,442,942) |
| Provisions for liabilities | | | | | |
| Deferred tax | 8 | | <u>(701,003)</u> | | <u>(522,069)</u> |
| Net assets | | | <u><u>1,110,027</u></u> | | <u><u>1,279,612</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 873,338 | | 873,338 |
| Share premium account | 10 | | 46,738 | | 46,738 |
| Profit and loss account | 10 | | <u>189,951</u> | | <u>359,536</u> |
| Shareholders' funds | | | <u><u>1,110,027</u></u> | | <u><u>1,279,612</u></u> |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 July 2012



A J Breugem
Director



A J de Gier
Director

The notes on pages 7 to 12 form part of these financial statements

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors Report

As highlighted in notes 6 and 7 to the financial statements, the company's investment in fixed assets has been financed through bank loans. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to meet the repayment terms of the bank loan. The company has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms

Having assessed responses to enquires from the company's parent A&A Holdings Limited, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the A&A Holdings group to continue as a going concern or its ability to continue with the current banking arrangements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis

1.3 Turnover

Turnover comprises rental income receivable by the company

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

| | |
|-------------------|-----------------------|
| Freehold property | - 10% straight line |
| Plant & machinery | - 5-20% straight line |

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies (continued)

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2 Operating profit

The operating profit is stated after charging

| | 2011 £ | 2010 £ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 1,248,463 | 1,386,474 |
| Auditors' remuneration | 2,985 | 3,825 |

During the year, no director received any emoluments (2010 - £NIL)

3 Taxation

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Analysis of tax charge/(credit) in the year | | |
| Current tax | | |
| Adjustments in respect of prior periods | - | (250,000) |
| Deferred tax (see note 8) | | |
| Origination and reversal of timing differences | 178,934 | 298,569 |
| Tax on profit on ordinary activities | 178,934 | 48,569 |

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

3 Taxation (continued)

Factors affecting tax charge for the year

The company's corporation tax charge for the year is affected by normal disallowable expenditure and capital allowances

Factors that may affect future tax charges

The company has corporation tax losses of approximately £104,000 available for offset against future taxable profits

4. Tangible fixed assets

| | Freehold property £ | Plant & machinery £ | Total £ |
|-----------------------|---------------------------|---------------------------|------------|
| Cost | | | |
| At 1 January 2011 | 6,257,531 | 7,329,911 | 13,587,442 |
| Additions | - | 83,750 | 83,750 |
| Disposals | - | (9,218) | (9,218) |
| At 31 December 2011 | 6,257,531 | 7,404,443 | 13,661,974 |
| Depreciation | | | |
| At 1 January 2011 | 972,986 | 1,477,745 | 2,450,731 |
| Charge for the year | 515,472 | 732,991 | 1,248,463 |
| On disposals | - | (1,844) | (1,844) |
| At 31 December 2011 | 1,488,458 | 2,208,892 | 3,697,350 |
| Net book value | | | |
| At 31 December 2011 | 4,769,073 | 5,195,551 | 9,964,624 |
| At 31 December 2010 | 5,284,545 | 5,852,166 | 11,136,711 |

Included above is freehold land at cost of £608,612 which is not depreciated

Accumulated finance costs capitalised in freehold land and buildings above amounts to £222,485 (2010 £222,485)

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

5. Debtors

| | 2011 £ | 2010 £ |
|------------------------------------|---------------|----------------|
| Amounts owed by group undertakings | 61,317 | - |
| Other debtors | - | 437,178 |
| | <u>61,317</u> | <u>437,178</u> |

Included within other debtors due within one year is a loan to A J De Gier, a director, amounting to £56,958 (2010 £58,275) See related parties note 12 for additional information regarding advances to director's

6. Creditors: Amounts falling due within one year

| | 2011 £ | 2010 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | 928,260 | 928,265 |
| Trade creditors | 5,149 | 149,999 |
| Amounts owed to group undertakings | - | 1,075,159 |
| Social security and other taxes | 71,618 | - |
| Other creditors | 454,317 | 1,179,626 |
| | <u>1,459,344</u> | <u>3,333,049</u> |

7. Creditors: Amounts falling due after more than one year

| | 2011 £ | 2010 £ |
|------------------------------------|------------------|------------------|
| Bank loans | 5,404,712 | 6,442,942 |
| Amounts owed to group undertakings | 1,031,926 | - |
| Other creditors | 322,407 | - |
| | <u>6,759,045</u> | <u>6,442,942</u> |

Creditors include amounts not wholly repayable within 5 years as follows

| | 2011 £ | 2010 £ |
|--------------------------|------------------|------------------|
| Repayable by instalments | <u>1,691,672</u> | <u>2,729,907</u> |

The company's bank loans are secured by way of a fixed and floating charges over all of the company's assets

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

8. Deferred taxation

| | 2011 £ | 2010 £ |
|----------------------|----------------|----------------|
| At beginning of year | 522,069 | 223,500 |
| Charge for year | 178,934 | 298,569 |
| At end of year | <u>701,003</u> | <u>522,069</u> |

The provision for deferred taxation is made up as follows

| | 2011 £ | 2010 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | 727,905 | 788,211 |
| Tax losses carried forward | (26,902) | (266,142) |
| | <u>701,003</u> | <u>522,069</u> |

9. Share capital

| | 2011 £ | 2010 £ |
|------------------------------------|----------------|----------------|
| Allotted, called up and fully paid | | |
| 873,338 Ordinary shares of £1 each | <u>873,338</u> | <u>873,338</u> |

10. Reserves

| | Share premium account £ | Profit and loss account £ |
|---------------------|----------------------------------|---------------------------------|
| At 1 January 2011 | 46,738 | 359,536 |
| Loss for the year | | (169,585) |
| At 31 December 2011 | <u>46,738</u> | <u>189,951</u> |

11. Contingent liabilities

i) Together with other group companies, the company has entered into a joint venture agreement for a period of 10 years and is therefore liable for any liabilities which might occur under this agreement

ii) The company has provided a guarantee, secured by a debenture in favour of The Cooperative Rabobank Westland UA to support a finance facility provided to A&A Cucumbers Limited, a fellow subsidiary. The company is severally liable for all liabilities, due under this facility

At 31 December 2011 the total exposure amounted to £220,789 (2010 £26,165)

iii) Together with fellow subsidiary A&A Cucumbers Limited, the company has provided a guarantee to Total Gas and Power Limited in the sum of £nil (2010 £158,081), to facilitate ongoing power supply

A & A UK Investments Limited

Notes to the financial statements for the year ended 31 December 2011

12. Related party transactions

During the year, the company received working capital advances from various group companies

The balances owed to/(from) related business at 31 December 2011 were as follows

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| A&A Holding Limited - parent company | 1,031,926 | 998,614 |
| A&A Cucumbers Limited - fellow subsidiary | (63,317) | 76,544 |
| R C Maatschap (formerly A&A VOF - partnership in which Mr A Breugem and Mr A J De Gier were partners) | - | 324,296 |

The year end balances above have been adjusted for foreign exchange translation

In addition to the above, the company has rented it's freehold property to fellow subsidiary A&A Cucumbers Limited for £1,450,000

All transactions are at arm's length and on normal commercial terms

The company has made advances to a director, A J de Gier, with the total outstanding at the year shown below

Advances to directors

| | 2011 £ | 2010 £ |
|-------------|-----------|-----------|
| A J De Gier | - | 58,275 |

13 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of A&A UK Holding Limited

In the opinion of the directors there is no controlling party