

REPORT AND FINANCIAL STATEMENTS

BFP WHOLESALE LIMITED

31st DECEMBER 2005

Registered Number 2758805



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COMPANIES HOUSE 24/08/2006

BFP Wholesale Limited

Registered No. 2758805

DIRECTORS

H C Jongejan (Chairman)

N J T Harris (Managing)

S R Delaforce

D van der Boon

SECRETARY

S R Delaforce

AUDITORS

Ernst & Young LLP

Compass House

80 Newmarket Road

Cambridge

CB5 8DZ

BANKERS

Lloyds TSB Bank plc

P.O. Box 72

Bailey Drive

Gillingham Business Park

Kent

ME8 0LS

REGISTERED OFFICE

Unit 8 Connections Industrial Centre

Vestry Road

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TN14 5DF

BFP Wholesale Limited
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st December 2005

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BFP Wholesale Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31st December 2005.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is the storage and distribution of yeast and bakery raw materials.

A disappointing year, turnover fell by 5%. Whilst the market remains competitive, the major factor affecting performance was disruption following changes in some key personnel.

The directors consider the company's financial position at the end of the year to be satisfactory.

RESULTS AND DIVIDEND

The result for the year after taxation was a loss of £797,000 (2004 – profit of £189,000).

No dividend was paid in the year (2004 – Nil).

FUTURE DEVELOPMENTS

The directors consider that the appropriate actions have been taken that should lead to a return to profitability in 2006.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown below:

H C Jongejan	(Chairman)
N J T Harris	(Managing)
D van der Boon	
S R Delaforce	

None of the directors have any interest in the share capital of the company.

DISABLED EMPLOYEES

Wherever possible it is company policy to employ disabled persons, to offer continuity of employment to employees who become disabled, and to provide career and training opportunities commensurate with their abilities.

DIRECTORS LIABILITIES

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

BFP Wholesale Limited
DIRECTORS' REPORT (continued)

EMPLOYEE CONSULTATION

It is the company's policy to provide employees with adequate information on all matters of concern to them. Regular meetings take place to acquaint staff with the plans and progress of the company and to consult with them on matters affecting their interests.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



S R Delaforce
Secretary

21st August 2006

BFP Wholesale Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the Financial Statements.

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 financial statements comply with the Companies Act 1985. 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.

BFP Wholesale Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BFP WHOLESALE LIMITED

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BFP Wholesale Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BFP WHOLESALE LIMITED (continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP

Registered Auditor

Cambridge

Date *22 August* 2006

BFP Wholesale Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31st December 2005

	Notes	2005 £000	2004 £000
TURNOVER	2	55,565	58,685
Operating costs	3	(56,246)	(58,163)
		—	—
OPERATING (LOSS)/PROFIT	4	(681)	522
Interest receivable	6	33	54
Interest payable and similar charges	7	(246)	(300)
		—	—
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(894)	276
Tax on loss/(profit) on ordinary activities	8	97	(87)
		—	—
RETAINED (LOSS)/PROFIT FOR THE YEAR	16	<u>(797)</u>	<u>189</u>

STATEMENT OF TOTAL RECOGNISED LOSS OR GAINS

There are no recognised gains or losses in the current or prior year other than the (loss) / profit attributable to shareholders of the company shown above as retained profit for the year.

BFP Wholesale Limited**BALANCE SHEET at 31st December 2005**

	Notes	2005 £000	2004 £000
FIXED ASSETS			
Tangible assets	9	432	515
		—	—
CURRENT ASSETS			
Stocks	10	2,624	2,453
Debtors	11	8,592	8,489
Cash at bank and in hand		2,454	3,901
		13,670	14,843
CREDITORS: Amounts falling due within one year	12	(7,919)	(10,638)
		—	—
NET CURRENT ASSETS		5,751	4,205
		—	—
TOTAL ASSETS LESS CURRENT LIABILITIES		6,183	4,720
CREDITORS: Amounts falling due after more than one year	13	(4,760)	(2,500)
		—	—
NET ASSETS		<u>1,423</u>	<u>2,220</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account	16	1,423	2,220
		—	—
TOTAL SHAREHOLDERS' FUNDS	16	<u>1,423</u>	<u>2,220</u>

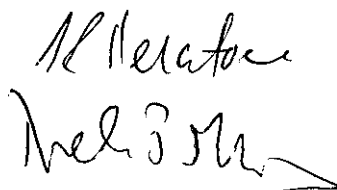
Approved by the board on

S R Delaforce

N J T Harris

21st August) Directors
)

2006



BFP Wholesale Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31st December 2005

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

DEPRECIATION

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

Leasehold buildings	- over the lease term
Plant and machinery	- 3-14 years

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

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

TAXATION

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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, or a right to pay less, tax in the future have occurred at the balance sheet date. 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.

CASH FLOW

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

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS****at 31st 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.

LEASING COMMITMENTS

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

PENSIONS

The company participates in the British Fermentation Products Limited Retirement Benefits Scheme, which is a defined benefit pension scheme, and which requires contributions to be made to separately administered funds. The company cannot identify its share of underlying assets and liabilities of the scheme. Therefore, the company has accounted for the pension scheme as a defined contribution scheme and its contributions are charged in the profit and loss account in accordance with the provisions of FRS 17 "Retirement Benefits" (see note 18).

2. TURNOVER

Turnover represents the invoiced value of sales, net of trade discounts, and Value Added Tax. Analysis of turnover by differing classes of business and by geographical markets is not provided since, in the opinion of the directors, such disclosure would be seriously prejudicial to the company's interests.

3. OPERATING COSTS

	2005	2004
	£000	£000
Change in stocks of finished goods		
and goods for resale	(171)	349
Raw materials and consumables	46,139	48,102
Staff costs (Note 5)	4,648	4,672
Depreciation	100	118
Foreign exchange loss	165	-
Other operating charges	5,365	4,922
	<u>56,246</u>	<u>58,163</u>

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS
at 31st December 2005****4. OPERATING (LOSS) / PROFIT**

Operating profit is stated after charging:

	2005 £000	2004 £000
Directors' remuneration (see Note 5)	211	174
Depreciation of owned assets	100	118
Hire of plant and equipment	337	195
Operating lease rentals - other	605	521
- plant and machinery	1,015	1,100
Foreign exchange loss	165	-
Auditor's remuneration - audit	14	8
- other services	6	5
	<u> </u>	<u> </u>

5. STAFF COSTS

	2005 £000	2004 £000
Staff Costs:		
Wages and salaries	3,898	3,908
Social Security costs	323	323
Other pension costs	427	441
	<u> </u>	<u> </u>
	<u>4,648</u>	<u>4,672</u>

The average monthly number of employees was made up as follows:

	Number	Number
Selling and distribution	159	156
Administration	19	22
	<u> </u>	<u> </u>
	<u>178</u>	<u>178</u>

BFP Wholesale Limited
NOTES TO THE FINANCIAL STATEMENTS
at 31st December 2005

5. STAFF COSTS (continued)

DIRECTORS' REMUNERATION

	2005	2004
	£000	£000
Emoluments	<u>211</u>	<u>174</u>

Retirement benefits accrue to two (2004: two) directors under a defined benefit scheme.

Highest paid director

	2005	2004
	£000	£000
Emoluments	143	111
Accrued Pension Benefits	<u>113</u>	<u>85</u>

6. INTEREST RECEIVABLE

	2005	2004
	£000	£000
Bank interest	<u>33</u>	<u>54</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£000	£000
Group interest payable	<u>246</u>	<u>300</u>

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS****at 31st December 2005****8. TAX****Tax on (Loss)/Profit on Ordinary Activities**

	2005 £000	2004 £000
UK Corporation tax		
UK Corporation tax on results of the period	-	77
Adjustments in respect of previous periods	31	33
	<u>31</u>	<u>110</u>
Total current tax	31	110
Deferred tax		
Originating and reversal of timing differences (Note 14)	<u>(128)</u>	<u>(23)</u>
Tax on (Loss)/Profit on Ordinary Activities	<u>(97)</u>	<u>87</u>

Factors affecting the tax charge for the period

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2005 £000	2004 £000
(Loss)/Profit on ordinary activities before tax	<u>(894)</u>	<u>276</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30.00% (2004: 30.00%)	(268)	83
Effect of:		
Disallowed expenses	13	13
Capital allowances in excess of depreciation	(16)	(23)
Other timing differences	(25)	4
Adjustments in respect of previous periods	31	33
Unrelieved tax losses carried forward	<u>296</u>	<u>-</u>
Current tax charge for the period	<u>31</u>	<u>110</u>

Factors that may affect future tax charges

Deferred tax assets have been recognised in the current and prior year as the Directors consider that within the GBI group there are suitable taxable profits from which the future reversal of the assets can be deducted by way of group relief.

BFP Wholesale Limited
NOTES TO THE FINANCIAL STATEMENTS
at 31st December 2005

9. TANGIBLE FIXED ASSETS

	Leasehold buildings £000	Plant and machinery £000	Total £000
Cost:			
At 31 st December 2004	140	2,069	2,209
Additions	-	17	17
Disposals	-	(44)	(44)
	<hr/>	<hr/>	<hr/>
At 31 st December 2005	140	2,042	2,182
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 31 st December 2004	56	1,638	1,694
Charge for the year	10	90	100
Disposals	-	(44)	(44)
	<hr/>	<hr/>	<hr/>
At 31 st December 2005	66	1,684	1,750
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 st December 2004	<u>84</u>	<u>431</u>	<u>515</u>
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 st December 2005	<u>74</u>	<u>358</u>	<u>432</u>

10. STOCKS

	2005 £000	2004 £000
Finished goods and goods for resale	<u>2,624</u>	<u>2,453</u>

The difference between purchase price of stocks and their replacement cost is not material.

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS****at 31st December 2005****11. DEBTORS**

	2005 £000	2004 £000
Trade debtors	7,593	7,723
Deferred tax	244	116
Amounts owed by parent and fellow subsidiary undertakings	25	47
Prepayments and accrued income	730	603
	<u>8,592</u>	<u>8,489</u>

12. CREDITORS: Amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	7,191	7,101
Amounts owing to parent undertaking	120	2,991
Corporation tax	-	77
Other taxation and Social Security	100	98
Accruals	508	371
	<u>7,919</u>	<u>10,638</u>

13. CREDITORS:

Amounts falling due in more than two years but not more than five years	2005 £000	2004 £000
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Inter Company Loans		
Wholly repayable on 15 th November 2008	-	2,500
€724,638 wholly repayable on 31st December 2010 at 5%	499	-
	<u>499</u>	<u>2,500</u>

Amounts falling due in more than five years	2005 £000	2004 £000
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Inter Company Loans		
€6,191,638 wholly repayable on 30 th June 2012 at 5%	<u>4,261</u>	-
	<u>4,760</u>	<u>2,500</u>

BFP Wholesale Limited
NOTES TO THE FINANCIAL STATEMENTS
at 31st December 2005

14. DEFERRED TAX

	Deferred tax asset £000
At 1 st January 2005	116
Profit and loss account :	
Current year	96
Adjustments in respect of prior years	<u>32</u>
At 31st December 2005	<u>244</u>

The deferred tax asset consists of:

	2005 £000	2004 £000
Decelerated capital allowances	32	46
Taxation losses	212	70
	<u> </u>	<u> </u>
Total deferred tax assets	<u>244</u>	<u>116</u>

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS****at 31st December 2005****15. CALLED UP SHARE CAPITAL**

	2005	2004
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**16. RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share Capital £000	Profit and Loss A/c £000	Total £000
At 31 st December 2003	-	2,031	2,031
Profit for the year	-	189	189
At 31 st December 2004	<u>-</u>	<u>2,220</u>	<u>2,220</u>
Loss for the year	-	(797)	(797)
At 31 st December 2005	<u>-</u>	<u>1,423</u>	<u>1,423</u>

BFP Wholesale Limited
NOTES TO THE FINANCIAL STATEMENTS
at 31st December 2005

17. LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases for land and buildings are:

	2005 £000	2004 £000
Leases expiring between 2 and 5 years	67	49
Leases expiring after 5 years	494	494
	<u>561</u>	<u>543</u>

Annual commitments under non-cancellable operating leases for other are:

	2005 £000	2004 £000
Leases expiring within 1 year	93	81
Leases expiring between 2 and 5 years	1,036	811
Leases expiring after 5 years	4	2
	<u>1,133</u>	<u>894</u>

BFP Wholesale Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31st December 2005

18. PENSION COSTS

The employees of the company participate in a defined benefit scheme, the British Fermentation Products Limited Retirement Benefits Scheme, operated by GB Ingredients Limited. The scheme is funded by payment of contributions to a separate trustee administered fund.

The company contributed £427,000 (2004: £441,000) to the scheme.

The group pension liability is recognised within the accounts of GB Ingredients Limited, as BFP Wholesale Ltd cannot identify its shares of underlying assets and liabilities of the scheme. Therefore the company has accounted for the pension scheme as a defined contribution scheme and its contributions are charged in the profit and loss account in accordance with the provisions of FRS 17 "Retirement Benefits".

An actuarial valuation of the scheme was carried out by Aon Limited as at 1 June 2004 using the projected unit method. These figures were updated to reflect the positions at 31 December 2005. The principal assumptions were that retail price inflation would be 2.75% per annum, pension increases would be in line with price inflation, salary growth would be 3.50% per annum, the real investment return would be 7.75% per annum and the discount rate would be 4.8%. At that date the market value of the scheme's assets was £37,784,000. Assets represented 82% of the value of benefits that had accrued to members to that date, and the shortfall in value is being funded by increased contributions from the company.

The assets in the defined benefit schemes and their expected rates of return were:

<i>Long term rate of return expected at:</i>	31 Dec 2005	31 Dec 2004	31 Dec 2003	31 Dec 2002	31 Dec 2001
Equities	7.75	8.00	8.50	8.00	7.50
Bonds	4.80	5.30	5.40	5.50	6.00
Gilts	4.10	4.50	4.80	4.75	5.00
Other	4.00	4.00	4.00	4.00	4.00
	=====	=====	=====	=====	=====
<i>Value at:</i>	31 Dec 2005 £'000	31 Dec 2004 £'000	31 Dec 2003 £'000	31 Dec 2002 £'000	31 Dec 2001 £'000
Equities	20,266	17,272	15,837	16,248	20,095
Bonds	7,947	5,165	5,953	3,747	3,699
Gilts	9,570	6,676	5,003	3,686	3,632
Other	1	61	18	145	104
	=====	=====	=====	=====	=====
Total market value of assets	37,784	29,174	26,811	23,826	27,530
Present value of scheme liabilities	(45,996)	(39,987)	(38,287)	(33,715)	(29,380)
	=====	=====	=====	=====	=====
Deficit in the scheme	(8,212)	(10,813)	(11,476)	(9,889)	(1,850)
Related deferred tax asset	2,464	3,244	3,443	2,967	555
	=====	=====	=====	=====	=====
Net pension liability	(5,748)	(7,569)	(8,033)	(6,922)	(1,295)
	=====	=====	=====	=====	=====

BFP Wholesale Limited**NOTES TO THE FINANCIAL STATEMENTS****at 31st December 2005****18. PENSION COSTS (continued)**

Charged to the profit and loss account:

	2005 £000	2004 £000
Current service cost	1,010	1,061
Past service cost	<u>—</u>	<u>—</u>
Total charged to operating profit	<u>1,010</u>	<u>1,061</u>
Expected return on pension scheme assets	(2,038)	(1,873)
Interest on pension scheme liabilities	<u>2,095</u>	<u>2,032</u>
Net return	<u>57</u>	<u>159</u>
Total charge	<u>1,067</u>	<u>1,220</u>
	2005 £000	2004 £000
Difference between the expected and actual return on scheme assets value	4,150	593
Percentage of scheme assets	<u>11%</u>	<u>2%</u>
Experience gains and losses on scheme liabilities value	(656)	19
Percentage of the present value of the scheme liabilities	<u>1%</u>	<u>0%</u>
Total amount that would have been recognised in the STRGL value	(705)	978
Percentage of the present value of the scheme liabilities	<u>(2%)</u>	<u>2%</u>

19. PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of GBI Holdings BV, a company incorporated in The Netherlands, in whose consolidated accounts it is included, a copy of which can be obtained from GBI Holdings BV, PO Box 443, 2600 AK Delft, The Netherlands.

20. RELATED PARTY TRANSACTIONS

The company has significant transactions with fellow subsidiaries of GBI Holdings BV. Since the company is a wholly owned subsidiary, advantage has been taken of the exemption granted by Financial Reporting Standard Number 8 from the disclosure of these transactions.