

**A Heald Limited**

**Directors' report and financial  
statements**

**Registered number 1208752**

**31 December 2009**

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## **Company information**

### **Directors**

P Lauritzen  
JE Pedersen

### **Secretary**

T Soar

### **Registered Office**

4 Savannah Way  
Leeds Valley Park  
Leeds  
LS10 1AB

### **Auditors**

KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## **Directors' report**

The directors present their annual report and financial statements for the year ended 31 December 2009. The comparative period was for the year ended 31 December 2008. In the comparative year the Company was exempt from the requirement to have its financial statements audited.

### **Principal activities and review of business developments**

The Company has not traded during the current or previous year. During the year the Company's intermediate parent company, Arla Foods UK plc, waived an intercompany creditor of £4,076,000 (2008 nil). A further £367,000 of intercompany balances owed by subsidiary undertakings was waived as these companies were liquidated in the year. In the prior year the Company impaired investments of £117,000.

### **Future developments**

No future trading plans are envisaged for the company.

### **Directors' interests**

The directors of the company during the year and to the date of this report are shown below:

P Lauritzen  
JE Pedersen

### **Indemnity provisions**

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### **Charitable and political donations**

The Company made no political or charitable donations in the year (2008: £nil).

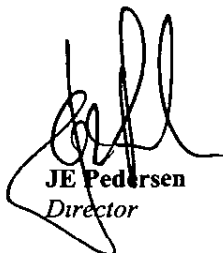
### **Disclosure of information to the auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

KPMG LLP was appointed as auditors during the year. In accordance with Section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



JE Pedersen  
Director

4 Savannah Way  
Leeds Valley Park  
Leeds  
LS10 1AB  
9 March 2010

## **Statement of Directors' Responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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,
- state whether applicable UK 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **KPMG LLP**

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

### **Independent auditors' report to the members of A Heald Limited**

We have audited the financial statements of A Heald Limited for the year ended 31 December 2009 as set out on pages 8 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 set out on page 5, 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 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.fic.org.uk/apb/scope/UKNP](http://www.fic.org.uk/apb/scope/UKNP).

#### **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 2009 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditors' report to the members of A Heald Limited *(continued)***

### **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

### **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

**Johnathan Pass (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

9 March 2010

**Profit and Loss Account**  
*for the year ended 31 December 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	2008 £000
Impairment of investments	3	-	(117)
Income from shares in group undertakings		-	33
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		-	(84)
Taxation on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>		-	(84)
		<hr/>	<hr/>

There is no difference between the loss for the year stated above and their historical cost equivalents



**Balance Sheet**  
*at 31 December 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	2008 £000
<b>Creditors: amounts falling due after more than one year</b>	5	-	(4,443)
<b>Net liabilities</b>		-	(4,443)
<b>Capital and reserves</b>			
Called up share capital	6	660	660
Share premium account	6	27,720	27,720
Profit and loss account	7	(28,380)	(32,823)
<b>Shareholders' deficit</b>	8	-	(4,443)

The financial statements of the company were approved by the board of directors on 9 March 2010 and signed on its behalf by

  
JE Pedersen  
Director

**Statement of Total Recognised Gains and Losses**  
*for the year ended 31 December 2009*

	<b>2009</b>	2008
	<b>£000</b>	£000
Loss for the year	-	(84)
Intercompany debt waiver treated as a capital contribution	<b>4,443</b>	-
	<hr/>	<hr/>
<b>Total recognised gains/(losses) relating to the financial year</b>	<b>4,443</b>	(84)
	<hr/>	<hr/>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### **Accounting convention**

These financial statements are prepared on the going concern basis. The directors believe this is appropriate given the financial position and performance of the Company.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006, from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Arla Foods UK Services Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8, 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

Under Financial Reporting Standard 1, 'Cash Flow Statements', the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published financial statements.

#### **Taxation**

The charge for taxation is based on the profit/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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19, 'Deferred Tax'.

#### **Classification of financial instruments issued by the Company**

Following the adoption of Financial Reporting Standard 25, 'Financial Instruments: Disclosure and Presentation', financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

## Notes (continued)

### 1. Accounting policies (continued)

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### 2. Remuneration of directors

There are no employees of the Company, other than the directors. The directors of the Company are also directors or employees of other companies within the Arla Foods UK plc group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company.

### 3. Impairment of investments

During 2008 a number of subsidiary companies in which the Company held an investment were liquidated. Consequently, the investment in these subsidiaries was fully impaired, resulting in a £117,000 charge to the Profit and Loss Account.

### 4. Taxation

#### *Analysis of charge in the year*

	2009 £000	2008 £000
<i>UK Corporation tax</i>		
Current tax on loss for the year	-	-
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	-	-
	<hr/>	<hr/>

## Notes (continued)

### 4. Taxation (continued)

#### *Factors affecting the tax charge for the current year*

The current tax for the year is equal to (2008 higher than) the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009	2008
	£000	£000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	-	(84)
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	-	(24)
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	33
Income not taxable	-	(9)
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

During 2008 the UK standard rate of corporation tax changed from 30% to 28%. 28.5% is therefore a weighted average rate for that year

### 5. Creditors' amounts falling due after more than one year

	2009	2008
	£000	£000
Amounts owing to group undertakings	-	4,443
	<hr/>	<hr/>

### 6. Called up share capital

	2009	2008
	£000	£000
<i>Authorised</i>		
1,100 ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
600 ordinary shares of 20p each	1	1
	<hr/>	<hr/>

## Notes (continued)

### 7. Share premium and reserves

	<b>Profit and loss account £000</b>
At beginning of year	(32,823)
Intercompany debt waiver	4,443
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<b>At end of year</b>	<b>(28,380)</b>
	<hr/>

### 8. Reconciliation of shareholders' deficit

	<b>2009 £000</b>	<b>2008 £000</b>
Loss for the year	-	(84)
Intercompany debt waiver	4,443	-
	<hr/>	<hr/>
<b>Net addition to/(deduction from) shareholders' deficit</b>	<b>4,443</b>	<b>(84)</b>
Opening shareholder's deficit	(4,443)	(4,359)
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<b>Closing shareholders' deficit</b>	<b>-</b>	<b>(4,443)</b>
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### 9. Ultimate parent company

The immediate parent undertaking is Arla Foods UK Services Limited, a company registered in England. The intermediate parent undertaking is Arla Foods UK plc, a company registered in England. The Company's ultimate parent company is Arla Foods amba, incorporated and registered in Denmark.

The largest group in which the results of the Company are consolidated is that headed by Arla Foods amba. No other group financial statements include the results of the Company. The consolidated financial statements of Arla Foods amba can be obtained from the secretary at Skanderborgvej 277, DK-8260 Viby J, Denmark.