

OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Annual Report

For the 52 weeks ended 1 January 2011

Registered Number 1372104

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OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Annual Report

For the 52 weeks ended 1 January 2011

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OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Directors and advisors

The Board of Directors

M H Back
P J Marsden
D G McDonald
W J Weimer

Company Secretary

M H Back

Registered Office

Luneburg Way
Skippingdale
Scunthorpe
North Lincolnshire
DN15 8LP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House
Castle Park
Cambridge
CB3 0AN

Bankers

Bank of Ireland Ltd
PO Box 1755
Croydon
CR9 2SB

OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Directors' report for the 52 weeks ended 1 January 2011

The directors present their annual report and the audited financial statements of the company for the 52 weeks ended 1 January 2011

Review of business and principal activity

The principal activity of the company has continued to be the manufacture and sale of meat products. During 2010, the company recorded a pre tax profit of £2,602,000 (2009: £2,387,000) on sales of £124,407,000 (2009 £120,635,000). An interim dividend of £1,900,000 (2009 £2,600,000) was paid and the loss after taxation and dividends was £89,000 (2009 loss £921,000). The Directors do not recommend the payment of a final dividend (2009 £nil).

Raw material costs rose significantly in 2010 compared with the previous year. The impact of this was passed on in higher sales prices. It is anticipated that volumes sold in 2011 will be in line with 2010.

The Company changed its name from Esca Food Solutions Limited to OSI Food Solutions UK Limited by special resolution on 29 November 2010.

Key Performance Indicators ("KPI's") and Principal Risks and Uncertainties

The Company's management evaluates performance on an on-going basis paying attention to a large number of performance criteria. Included within this review are a number of KPI's which are closely monitored, including sales, meat costs and conversion costs.

This enables effective decision making to be carried out both at company level and at European group level and ensures that regular reports are supplied to the ultimate holding company. Performance comparisons with fellow group members in Europe, which are engaged in a similar market, are a clearer indication of the overall efficiency of the company.

Further discussion of the key performance indicators and the company's principal risks and uncertainties, in the context of the group as a whole, including the company, is provided on page 2 of the Gands (U K) annual report, which does not form part of this report.

Financial risk management

The company's operations expose it to a variety of financial risks that include commodity price risk, liquidity risk, interest rate cash flow risk and foreign exchange currency rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for operations.

OSI Food Solutions UK Limited
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Directors' report for the 52 weeks ended 1 January 2011 (*continued*)

Financial risk management (*continued*)

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Fixed interest bearing liabilities include finance leases from third parties. There were also variable interest rate loans from the parent undertaking. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Foreign exchange currency rate risk

The company has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency flows and putting in place, where appropriate, forward currency exchange rate contracts.

The directors will revisit the appropriateness of the above policies should the company's operations change in size or nature.

Charitable donations

Donations to the Ronald McDonald House Charity during the period amounted to £8,000 (2009: £13,000).

Directors

The directors who served during the year, and up to the date of signing the financial statements, are set out on page 2.

Statement of directors' responsibilities

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 prepared 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 judgements and accounting 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 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.

OSI Food Solutions UK Limited
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Directors' report for the 52 weeks ended 1 January 2011 (*continued*)

Employee involvement

The company maintains its commitment to involving its employees in the company's activities. This is achieved by monthly staff briefings covering the company's financial and commercial performance. To encourage employee involvement a focused training programme is in place underpinned by the company's participation in the Investors In People Scheme.

Employment of disabled persons

The company is committed to the concept of equal employment opportunities for all and fair consideration is given to disabled persons, whether registered or not, for all job vacancies for which they are suitable applicants. Where possible, employees who become disabled in the company's employment will be offered alternative employment and appropriate retraining.

Market value of land and buildings

In the opinion of the directors there was no significant difference between market and book values of freehold land and buildings at 1 January 2011.

Disclosure of information to auditors

Each director who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant information of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



M H Back
Company Secretary
16 September 2011

OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Independent auditors' report to the members of OSI Food Solutions UK Limited

We have audited the financial statements of OSI Food Solutions UK Limited for the 52 weeks ended 1 January 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 1 January 2011 and of its profit for the 52 weeks 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

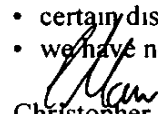
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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


Christopher Maw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
20 September 2011

OSI Food Solutions UK Limited
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Profit and loss account

For the 52 weeks ended 1 January 2011

		52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Turnover	Note 2	124,407	120,635
Cost of sales		(118,390)	(114,699)
Gross profit		6,017	5,936
Distribution costs		(1,388)	(1,141)
Administrative expenses		(2,002)	(2,351)
Operating profit		2,627	2,444
Interest receivable and similar income	6	26	31
Interest payable and similar charges	7	(51)	(88)
Profit on ordinary activities before taxation	3	2,602	2,387
Tax on profit on ordinary activities	8	(791)	(708)
Profit for the financial period	18, 19	1,811	1,679

All amounts above relate to continuing operations

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial periods stated above and their historical cost equivalents

The notes on pages 9 to 18 form part of these financial statements

OSI Food Solutions UK Limited
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Balance Sheet as at 1 January 2011

Registered Number: 1372104

		1 January 2011	2 January 2010
	Note	£'000	£'000
FIXED ASSETS			
Tangible assets	10	<u>6,148</u>	<u>6,162</u>
CURRENT ASSETS			
Stocks	11	3,695	2,466
Debtors	12	3,637	4,366
Cash at bank and in hand		<u>612</u>	<u>1,601</u>
		7,944	8,433
CREDITORS: amounts falling due within one year	13	<u>(10,732)</u>	<u>(10,170)</u>
NET CURRENT LIABILITIES		(2,788)	(1,737)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,360	4,425
CREDITORS: amounts falling due after more than one year	14	(218)	(1,238)
Provisions for liabilities and charges	16	(176)	(132)
NET ASSETS		<u>2,966</u>	<u>3,055</u>
CAPITAL AND RESERVES			
Called up share capital	17	51	51
Revaluation reserve	18	86	92
Profit and loss account	18	<u>2,829</u>	<u>2,912</u>
TOTAL SHAREHOLDERS' FUNDS	19	<u>2,966</u>	<u>3,055</u>

The financial statements on pages 7 to 18 were approved by the board of directors on 16 September 2011 and were signed on its behalf by:



M H Back
Director

OSI Food Solutions UK Limited
(formerly Esca Food Solutions Limited)

Notes to the financial statements for the 52 weeks ended 1 January 2011

1. Principal accounting policies

The financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the board of directors in accordance with Financial Reporting Standard ("FRS") 18, "Accounting Policies", and have been applied consistently, is set out below.

Basis of accounting

These financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (revised), "Cash flow statements" not to prepare a cash flow statement on the basis that the cash flows of the company are included within the consolidated financial statements of its intermediate parent company, Gands (U K), whose financial statements are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write down the cost or valuation of tangible fixed assets to their estimated residual values on a straight-line basis over the period of their expected useful economic lives, as follows:

Freehold land	Nil
Freehold buildings	Over 33 years
Additions to freehold buildings	Over the remaining depreciation period of the main building
Plant and machinery	Over 3 to 8 years
Assets held under finance leases or hire purchase agreements	Over the period of the lease or hire purchase agreement or useful life, whichever is shorter

Valuation of tangible fixed assets

The directors have taken advantage of the option within the transitional provisions of FRS 15, "Tangible Fixed Assets", to retain the book values of certain tangible fixed assets at their previously revalued amounts. No further revaluations will be undertaken. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Raw meat and packaging	Purchase cost on a first-in, first-out basis
Engineering spare parts	Purchase cost on an average basis
Finished products	Cost of direct materials and labour, plus attributable overheads, based on a weekly level of activity

Where necessary provision is made for obsolete, slow moving and defective stocks.

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1. Principal accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Grants

Government grants received are written off to the profit and loss account over the same period as the assets to which they relate.

Capitalisation of finance costs

Finance costs incurred in the construction of freehold buildings were capitalised and are being written off over the expected useful economic life of the building. All other finance costs, not incurred in the construction of fixed assets, are written off to the profit and loss account in the year in which they are incurred.

Leased assets

Tangible fixed assets acquired under finance leases and hire purchase agreements are depreciated over the period of the lease or useful life, if shorter. The related obligations, net of finance charges, are included in creditors. The finance charges are charged to the profit and loss account over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Pensions

During the period, the company contributed to a money purchase pension scheme, the OSI Food Solutions UK Limited Group Personal Pension Plan. Contributions payable for the period are charged to the profit and loss account.

Foreign currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the rate of exchange prevailing at the balance sheet date. All exchange differences arising are taken to the profit and loss account.

Turnover

Turnover, which is stated net of value added tax, represents the amount derived from the provision of goods and services which fall within the company's ordinary activities. Turnover is recognised when the risks and rewards of ownership of the goods have transferred to the customer.

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2. Turnover

There is only one class of business which is the manufacture and sale of meat products.

An analysis of turnover by destination is given below

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
United Kingdom	118,055	113,911
Rest of EU	6,352	6,724
	124,407	120,635

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging / (crediting):

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Depreciation of tangible fixed assets		
- owned assets	947	865
- leased and hire purchase assets	-	39
Loss on disposal of tangible fixed assets	-	50
Release of deferred income (grants)	(20)	(20)
Auditors' remuneration		
- audit services	26	25
- audit of associated companies	1	1
- taxation services	10	21
Operating lease costs		
- Plant and equipment	67	72
- Other	102	96

4. Directors' emoluments

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Aggregate emoluments (including benefit in kind)	245	163
Contributions to money purchase pension scheme	31	19
	276	182

The total emoluments of the highest paid director were £276,000 (2009: £182,000).

The number of directors for whom retirement benefits are accruing under money purchase pension schemes is 1 (2009: 1)

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5. Employee information

The average monthly number of persons employed by the company during the period, including executive directors, is analysed below

	52 weeks to 1 January 2011	52 weeks to 2 January 2010
By activity:	Number	Number
Administration	19	22
Manufacturing	132	138
	151	160

Staff costs (for the above persons)

	52 weeks to 1 January 2011	52 weeks to 2 January 2010
	£'000	£'000
Wages and salaries	3,670	3,498
Social security costs	387	346
Other pension costs (see note 22)	112	88
	4,169	3,932

6. Interest receivable and similar income

	52 weeks to 1 January 2011	52 weeks to 2 January 2010
	£'000	£'000
Bank interest receivable	26	31

7. Interest payable and similar charges

	52 weeks to 1 January 2011	52 weeks to 2 January 2010
	£'000	£'000
Interest payable on bank loans and overdrafts	10	37
Interest payable on finance leases and hire purchase contracts	-	2
Interest payable on loan from group company	27	38
Loss on foreign exchange	14	11
	51	88

OSI Food Solutions UK Limited
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8. Tax on profit on ordinary activities

Analysis of tax charge in the period

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Current tax:		
UK corporation tax and group relief on profits of the period	747	674
Total current tax	747	674
Deferred tax:		
Origination and reversal of timing differences	11	34
Restatement for reduction in the corporation tax rate to 27%	(5)	-
Adjustments in respect of previous periods	38	-
Total deferred tax (note 16)	44	34
Tax on profit on ordinary activities	791	708

Factors affecting the tax charge in the period

The tax charge for the period is higher (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Profit on ordinary activities before taxation	2,602	2,387
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2009. 28%)	729	668
Effects of		
Expenses not deductible for tax purposes	35	12
Income not taxable	(6)	(6)
Differences between capital allowances and depreciation	(11)	-
Current tax charge for the period	747	674

9 Dividends

	52 weeks to 1 January 2011 £'000	52 weeks to 2 January 2010 £'000
Interim paid. £37 624 (2009 £51 485) per £1 ordinary share	1,900	2,600

OSI Food Solutions UK Limited
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10. Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Total
	£'000	£'000	£'000
Cost or valuation			
At 3 January 2010	6,020	9,698	15,718
Additions	295	638	933
At 1 January 2011	6,315	10,336	16,651
Depreciation			
At 3 January 2010	3,350	6,206	9,556
Charge for the year	175	772	947
At 1 January 2011	3,525	6,978	10,503
Net Book Value			
At 1 January 2011	2,790	3,358	6,148
At 2 January 2010	2,670	3,492	6,162

Hire purchase and finance lease agreements

Included within the net book value is £nil (2009 £nil) relating to plant and machinery held under hire purchase agreements and finance lease agreements

Capitalised interest

Included in tangible fixed assets is capitalised interest at an original cost of £335,945 (2009 £335,945) Depreciation relating to capitalised interest amounted to £10,180 (2009 £10,180)

Valuation

The land and buildings were valued by Edmond Shipway, Chartered Quantity Surveyors, on 28 March 1990, on a replacement cost basis, at £5,405,000 The cost of the land and buildings at 1 January 2011 was £6,048,000 (2009 £5,753,000) and their net book value, based on historic cost, was £2,704,000 (2009 £2,578,000)

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11. Stocks

	1 January 2011	2 January 2010
	£'000	£'000
Raw meat	374	298
Packaging and engineering spares	580	615
Finished goods	2,741	1,553
	3,695	2,466

The replacement value of stock is not materially different from the book value

12. Debtors

	1 January 2011	2 January 2010
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	3,228	4,039
Amounts owed by group undertakings	143	110
Prepayments and accrued income	121	104
Other debtors	145	113
	3,637	4,366

13. Creditors: amounts falling due within one year

	1 January 2011	2 January 2010
	£'000	£'000
Trade creditors	9,904	9,417
Amounts owed to group undertakings	100	48
Corporation tax and group relief	397	456
Other taxes and social security costs	101	89
Accruals	210	140
Deferred income – grant	20	20
	10,732	10,170

14. Creditors: amounts falling due after more than one year

	1 January 2011	2 January 2010
	£'000	£'000
Amounts owed to group undertakings	-	1,000
Deferred income – grant	218	238
	218	1,238

Amounts owed to group undertakings represented a loan from the UK parent company, Gands (U K), which incurred interest at variable rates based on LIBOR and was repaid on 1 January 2011

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15. Maturity of long-term creditors

Deferred income - grant

	1 January 2011	2 January 2010
	£'000	£'000
To be released within one year	20	20
To be released within two to five years	80	80
To be released in over five years	138	158
	238	258

16. Provisions for liabilities and charges

Deferred tax:

	1 January 2011	2 January 2010
	Provided	Provided
	£'000	£'000
Excess of capital allowances over depreciation	176	132
	176	132

	£'000
At 3 January 2010	132
Charged to the profit and loss account (note 8)	44
At 1 January 2011	176

There is no unprovided deferred tax (2009 £nil)

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No. 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. In the March 2011 Budget Statement, legislation was proposed to reduce the main rate of corporation tax to 26% from 1 April 2011 with further reductions proposed to reduce the main rate by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements. The changes are not anticipated to have a material impact on the company's financial statements in future periods.

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17. Called up share capital

Authorised:

	1 January 2011	2 January 2010
	£'000	£'000
50,500 ordinary shares of £1 each	<u>51</u>	<u>51</u>

Allotted and fully paid:

	1 January 2011	2 January 2010
	£'000	£'000
50,500 ordinary shares of £1 each	<u>51</u>	<u>51</u>

18. Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 3 January 2010	92	2,912
Profit for the financial period	-	1,811
Ordinary dividend paid	-	(1,900)
Transfer from revaluation reserve	(6)	6
At 1 January 2011	<u>86</u>	<u>2,829</u>

19. Reconciliation of movements in shareholders' funds

	1 January 2011	2 January 2010
	£'000	£'000
Opening shareholders' funds	3,055	3,976
Profit for the financial period	1,811	1,679
Dividends	(1,900)	(2,600)
Closing shareholders' funds	<u>2,966</u>	<u>3,055</u>

20. Commitments under operating leases

At 1 January 2011, the company had annual commitments under non-cancellable vehicle and equipment operating leases as set out below

	1 January 2011	2 January 2010
	£'000	£'000
Operating leases which expire		
Within 1 year	44	17
Within 2 to 5 years	<u>111</u>	<u>132</u>
	<u>155</u>	<u>149</u>

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21. Guarantees

Between November 2008 and June 2010, the company participated in global loan facilities with various international banks. Total borrowings under these facilities as at 1 January 2011 were £355,000,000 (2 January 2010 £285,000,000). All borrowings are secured by fixed and floating charges over the majority of assets and undertakings of companies within the group. These charges are supported by unlimited cross guarantees and by fixed charges and share pledges over the shares of the company. In addition, the company has entered into cross guarantees in respect of borrowings of other companies in the OSI Group LLC group. The directors do not expect any material loss to the company to arise in respect of the guarantees.

22. Pensions

The company contributes to a money purchase pension scheme, the OSI Food Solutions UK Limited Group Personal Pension Plan. The charge for the period was £112,000 (2009 £88,000). At the period end, the amount of contributions outstanding in accruals was £nil (2009 £nil).

23. Related party transactions

The company has taken advantage of the exemptions contained in FRS 8, "Related Party Disclosures", not to disclose transactions with its parent undertakings, fellow subsidiary undertakings or the associated undertakings of any group company on the grounds that it is a 100% owned subsidiary and the consolidated financial statements of Gands (U K), the intermediate parent undertaking, are publicly available.

24. Immediate and ultimate parent company and controlling party

The immediate parent undertaking of the company is OSI Food Solutions UK Holdings Limited, a company incorporated in England, by virtue of its 100% shareholding in the company. The directors regard OSI Group LLC, a company incorporated in the United States of America, to be the company's ultimate parent undertaking and ultimate controlling party, by virtue of its shareholding in the intermediate parent undertaking.

The smallest group in which the results of OSI Food Solutions UK Limited are consolidated is that of Gands (U K), the UK parent company. Copies of Gands (U K)'s financial statements are publicly available from Companies House, Cardiff. The financial statements of OSI Group LLC are not publicly available.

25. Capital commitments

Capital commitments at the balance sheet date amounted to £68,000 (2009 £74,000).