

OSI Food Solutions UK Holdings Limited

Annual Report

For the year ended 31 December 2012

Registered Number 2489193

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OSI Food Solutions UK Holdings Limited**Annual Report****For the year ended 31 December 2012**

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OSI Food Solutions UK Holdings Limited**Directors and advisors****The Board of Directors**

M H Back
D G McDonald
W J Weimer

Company Secretary

M H Back

Registered Office

Luneburg Way
Skippingdale
Scunthorpe
United Kingdom
DN15 8LP

Independent Auditors

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

OSI Food Solutions UK Holdings Limited

Directors' report for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2012

Principal activity, review of business and future developments

The principal activity of the Company was as an intermediate holding company. This is expected to continue for the foreseeable future. Fuller details of the activities of the trading subsidiary, OSI Food Solutions UK Limited, are given in the directors' report for that company, which does not form part of these financial statements.

Results and dividends

The retained profit for the year, after payment of interim dividends of £2,000,000 (2011: £2,000,000) was £nil (2011: £nil). The Directors do not recommend the payment of a final dividend (2011: £nil).

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

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.

Directors

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

Financial risk management

Given the size of the Company, responsibility for monitoring financial risk management is in the hands of the Board. For these purposes, the Company has no financial instruments other than short-term creditors.

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

OSI Food Solutions UK Holdings Limited**Directors' report for the year ended 31 December 2012 (continued)****Statement of directors' responsibilities (continued)**

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.

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 independent auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board



M H Back
Company Secretary
13 May 2013

OSI Food Solutions UK Holdings Limited

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

We have audited the financial statements of OSI Food Solutions UK Holdings Limited for the year ended 31 December 2012 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 pages 3 and 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. In addition, we read all the financial and non-financial information in the Annual 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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

14 May 2013

OSI Food Solutions UK Holdings Limited

Profit and loss account

For the year ended 31 December 2012

		2012	2011
		£'000	£'000
	Note		
Income from fixed asset investments		2,000	2,000
Profit on ordinary activities before taxation	2	2,000	2,000
Tax on profit on ordinary activities	3	-	-
Profit for the financial year	8	2,000	2,000

All amounts above relate to continuing operations

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

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

The notes on pages 8 to 11 form part of the financial statements

OSI Food Solutions UK Holdings Limited

Balance Sheet as at 31 December 2012

Registered Number: 2489193

		2012	2011
	Note	£'000	£'000
FIXED ASSETS			
Investments	5	<u>5,319</u>	<u>5,319</u>
CREDITORS: amounts falling due within one year	6	<u>(6)</u>	<u>(6)</u>
NET CURRENT LIABILITIES		<u>(6)</u>	<u>(6)</u>
TOTAL ASSETS LES CURRENT LIABILITIES		<u>5,313</u>	<u>5,313</u>
CAPITAL AND RESERVES			
Called up share capital	7	45	45
Capital redemption reserve	8	5	5
Merger reserve	8	2,020	2,020
Profit and loss account	8	<u>3,243</u>	<u>3,243</u>
TOTAL SHAREHOLDERS' FUNDS	9	<u>5,313</u>	<u>5,313</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 13 May 2013 and were signed on its behalf by



M H Back
Director

OSI Food Solutions UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies

The financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and 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.

Consolidation

The Company has taken advantage of the exemption, conferred by section 400 of the Companies Act 2006, from preparing group financial statements on the grounds that it is included in the consolidated financial statements of its parent company, Gands (U K), an unlimited company incorporated in England and Wales.

Investments

Fixed asset investments are shown at cost, less provision for permanent diminution in value.

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.

2. Profit on ordinary activities before taxation

The Company's wholly owned subsidiary, OSI Food Solutions UK Limited, has agreed to pay the company's auditors' remuneration of £1,000 (2011: £1,000) without recharge.

No director received any emoluments during the year (2011: nil) in respect of their services to this company. The Company has no employees (2011: no employees).

3. Tax on profit on ordinary activities

Analysis of tax charge in the year

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax on profits of the year	-	-
Tax on profit on ordinary activities	-	-

OSI Food Solutions UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

3. Tax on profit on ordinary activities (continued)

Factors affecting the tax charge in the year

The tax assessed for the year is lower (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	2,000	2,000
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	490	530
Dividend income not subject to tax	(490)	(530)
Current tax charge for the year	-	-

Factors affecting future tax charges

The standard rate of Corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24.5%. It was announced in the March 2012 UK Budget Statement that the standard UK Corporation Tax rate will reduce from 24% to 23% from 1 April 2013. Further reductions to the main rate were proposed in the March 2013 UK Budget Statement to reduce the rate from 1 April 2014 to 21% and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements. The deferred tax balances in the financial statements have been calculated using a rate of 23% as this was the rate enacted in law at the balance sheet date for the period in which the deferred tax balance is forecast to be utilised. The changes are not anticipated to have a material impact on the Company's financial statements in future periods.

4 Dividends

	2012 £'000	2011 £'000
Interim paid £44,004.4 (2011: £44,004.4) per £1 ordinary share	2,000	2,000

5. Fixed asset investments

The Company owns 100% of the ordinary share capital of OSI Food Solutions UK Limited, incorporated in England and Wales. OSI Food Solutions UK Limited is engaged in the manufacture and sale of meat products. The Company's investment is stated at cost.

The directors believe that the carrying value of the investments is supported by the underlying net assets.

6. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	6	6
	6	6

OSI Food Solutions UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

7. Called up share capital

Authorised:

	2012 £'000	2011 £'000
45,450 (2011 45,450) ordinary shares of £1 each	45	45

Allotted and fully paid:

	2012 £'000	2011 £'000
45,450 (2011 45,450) ordinary shares of £1 each	45	45

8. Reserves

	Capital redemption reserve £'000	Merger reserve £'000	Profit and loss account £'000
At 1 January 2012	5	2,020	3,243
Profit for the financial year	-	-	2,000
Dividends	-	-	(2,000)
At 31 December 2012	5	2,020	3,243

9. Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	5,313	5,313
Profit for the financial year	2,000	2,000
Dividends	(2,000)	(2,000)
Closing shareholders' funds	5,313	5,313

10. Guarantees

In November 2012, the OSI Group LLC arranged global loan facilities with various international banks. Total borrowings under these facilities as at 31 December 2012 were £488,000,000 (2011 £414,000,000). 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 and its subsidiary to arise in respect of the guarantees.

OSI Food Solutions UK Holdings Limited**Notes to the financial statements for the year ended 31 December 2012 (continued)****11. Related party transactions**

The Company has taken advantage of the exemptions contained in FRS8 "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 immediate parent undertaking, are publicly available

12. Immediate and ultimate parent company and controlling party

The immediate parent undertaking of the Company is Gands (U K), an unlimited 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 Holdings Limited are consolidated is that of Gands (U K), the intermediate parent company and the largest group for which group financial statements are prepared is OSI Group LLC. 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.