

**Esca Food Solutions Holdings Limited**

**Annual Report**

**For the 53 weeks ended 3 January 2009**

**Registered Number 2489193**



**Esca Food Solutions Holdings Limited**  
**Annual Report**  
**For the 53 weeks ended 3 January 2009**

<b>CONTENTS</b>	<b>PAGE</b>
Directors and advisors	2
Directors' report	3 - 4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11

**Esca Food Solutions Holdings Limited****Directors and advisors****The Board of Directors**

M H Back  
D M Gullang (resigned 18 April 2008)  
S Lavin (resigned 18 April 2008)  
D G McDonald (appointed 18 April 2008)  
W J Weimer (appointed 18 April 2008)

**Company Secretary**

M H Back

**Registered Office**

Lunenburg Way  
Skippingdale  
Scunthorpe  
North Lincs  
DN15 8LP

**Auditors**

PricewaterhouseCoopers LLP  
Abacus House  
Castle Park  
Cambridge  
CB3 0AN

## **Esca Food Solutions Holdings Limited**

### **Directors' report for the 53 weeks ended 3 January 2009**

The directors present their annual report and the audited financial statements of the company for the 53 weeks ended 3 January 2009.

### **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, Esca Food Solutions Limited, are given in the directors' report for that company.

### **Results and dividends**

The retained profit for the period, after payment of dividends of £1,600,000 (2007: £1,600,000) was £nil (2007: £nil).

### **Directors**

The directors who held office during the period 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 cash and short-term debtors and creditors.

### **Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

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 that 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 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.

**Esca Food Solutions Holdings Limited****Directors' report for the 53 weeks ended 3 January 2009 (continued)****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.

**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**

## **Esca Food Solutions Holdings Limited**

### **Independent auditors' report to the members of Esca Food Solutions Holdings Limited**

We have audited the financial statements of Esca Food Solutions Holdings Limited for the 53 weeks ended 3 January 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

#### **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 3 January 2009 and of its profit for the 53 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
**PricewaterhouseCoopers LLP**  
 Chartered Accountants and Registered Auditors  
 Cambridge 23 June 2009.

**Esca Food Solutions Holdings Limited**

**Profit and loss account**

**For the 53 weeks ended 3 January 2009**

		<b>53 weeks to 3 January 2009 £'000</b>	<b>52 weeks to 29 December 2007 £'000</b>
	<b>Note</b>		
Income from fixed asset investments		<b>1,600</b>	<b>1,600</b>
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>1,600</b>	<b>1,600</b>
Tax on profit on ordinary activities	<b>3</b>	<b>-</b>	<b>-</b>
<b>Profit on ordinary activities after taxation</b>	<b>8</b>	<b>1,600</b>	<b>1,600</b>

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 on ordinary activities after taxation stated above and their historical cost equivalents.

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

**Esca Food Solutions Holdings Limited**

**Balance Sheet as at 3 January 2009**

		3 January 2009	29 December 2007
	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Investments	5	5,319	5,319
<b>CREDITORS: amounts falling due within one year</b>	6	(6)	(6)
<b>NET CURRENT LIABILITIES</b>		<u>(6)</u>	<u>(6)</u>
<b>NET ASSETS</b>		<u>5,313</u>	<u>5,313</u>
<b>CAPITAL AND RESERVES</b>			
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	3,243	3,243
<b>TOTAL SHAREHOLDERS' FUNDS</b>	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 18 June 2009 and were signed on its behalf by:

  
 .....  
**M H Back**  
**Director**



## Esca Food Solutions Holdings Limited

### Notes to the financial statements for the 53 weeks ended 3 January 2009

#### 1. Principal accounting policies

The financial statements have been prepared on a going concern basis in accordance with the Companies Act 1985 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 228 of the Companies Act 1985, from preparing group accounts on the grounds that it is included in the consolidated accounts of its parent company, Gands (U.K.), a 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, Esca Food Solutions Limited, has agreed to pay the company's auditor's remuneration on its behalf.

No director received any emoluments during the year (2007: nil). The company has no employees (2007: no employees).

#### 3. Tax on profit on ordinary activities

##### Analysis of tax charge in the period

	53 weeks to 3 January 2009 £'000	52 weeks to 29 December 2007 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the period	-	-
<b>Tax on profit on ordinary activities</b>	-	-

## Esca Food Solutions Holdings Limited

### 3. Tax on profit on ordinary activities (continued)

#### Factors affecting the tax charge in the year

The tax charge for the period is lower than the standard rate of corporation tax in the UK (28.5%).

The differences are explained below:

	53 weeks to 3 January 2009 £'000	52 weeks to 29 December 2007 £'000
Profit on ordinary activities before taxation	1,600	1,600
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	456	480
Effects of dividend income	(456)	(480)
Current tax charge for the period	-	-

### 4 Dividends

	53 weeks to 3 January 2009 £'000	52 weeks to 29 December 2007 £'000
Interim paid: £35.2035 (2007: £35.2035) per £1 ordinary share	1,600	1,600

### 5. Fixed asset investments

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

### 6. Creditors: amounts falling due within one year

	3 January 2009 £'000	29 December 2007 £'000
Amounts owed to group undertakings	6	6
	6	6

### 7. Called up share capital

#### Authorised:

	3 January 2009 £'000	29 December 2007 £'000
45,450 ordinary shares of £1 each	45	45

#### Allotted, called up and fully paid:

	3 January 2009 £'000	29 December 2007 £'000
45,450 ordinary shares of £1 each	45	45

## Esca Food Solutions Holdings Limited

### 8. Reserves

	Capital redemption reserve	Merger reserve	Profit and loss account
	£'000	£'000	£'000
At 29 December 2007	5	2,020	3,243
Profit on ordinary activities after taxation	-	-	1,600
Dividends	-	-	(1,600)
At 3 January 2009	<u>5</u>	<u>2,020</u>	<u>3,243</u>

### 9. Reconciliation of movements in shareholders' funds

	3 January 2009	29 December 2007
	£'000	£'000
Opening shareholders' funds	5,313	5,313
Profit on ordinary activities after taxation	1,600	1,600
Dividends	(1,600)	(1,600)
Closing shareholders' funds	<u>5,313</u>	<u>5,313</u>

### 10. Guarantees

In November 2008, the company participated in a global loan facility with an international syndicate of banks. Total borrowings under this facility as at 3 January 2009 were £1,928,000 (29 December 2007: £131,656,000). 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.

### 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 intermediate parent undertaking, are publicly available.

**Esca Food Solutions Holdings Limited****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 Esca Food Solutions Holdings Limited are consolidated is that of Gands (U.K.), the intermediate 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.