

Iglo Foods Finance Limited

Directors' Report and Financial Statements

Registered number 7101059

For Year Ended 31 December 2012

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Directors' Report

The Directors present their report and the audited financial statements of Iglo Foods Finance Limited (the 'Company') for the year ended 31 December 2012

Iglo Foods Finance Limited is a company registered in England & Wales and a member of the Iglo Foods Holdings Limited ('IFH') group of companies (the 'Group') which produce frozen food products under three iconic brands, Birds Eye in the United Kingdom and Ireland, Iglo in Continental Europe and Findus in Italy

Principal activities and business review

The Company is an indirectly wholly owned subsidiary of IFH and the principal activity of the Company is to carry out treasury related transactions on behalf of subsidiary companies of the Group

The Company commenced these treasury related transactions in 2012

The Statement of Financial Position on page 9 of the financial statements shows the Company's financial position at the year end

Principal risks and uncertainties

The Company's risks are managed by the Group at a Group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Business Review Section of the Group's Annual Report which is publically available.

Details of the Company's financial risk objectives and policies, and of the Company's exposure to credit risk and liquidity risk are included in note 6 to the financial statements

Key performance indicators

The Group manages its operations on a product and geographical basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The performance of the Group's central functions, which includes the Company, is discussed in the Overview and Business Review Sections of the Group's Annual Report

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' Officers' liability insurance in respect of itself and its Directors

Results and dividends

The profit for the year, after taxation, amounted to €1,327 (2011: €nil). The Directors do not recommend the payment of a dividend for 2012 (2011: €nil).

Directors' Report (continued)

Directors

The Directors of the Company who served throughout the year and up to the date of signing these financial statements were as follows

- Mark Burrows
- Tania Howarth
- Paul Kenyon appointed 3 July 2012
- Elio Leon Sceti appointed 24 May 2013
- Martin Glenn resigned 24 May 2013

Company secretary

- Anthony Barratt

Political and charitable contributions

The Company has not made any disclosable political or charitable donations (2011 £nil)

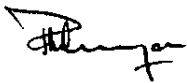
Going concern

The financial statements have been prepared on a going concern basis. Details of the Directors' assessment are included in note 10 to the financial statements.

Independent auditor

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 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.

By order of the board



Paul Kenyon
Director

25 June 2013

Iglo Foods Finance Limited
Building 5
New Square
Bedfont Lakes
Feltham
Middlesex TW14 8HA
United Kingdom

Registered number 7101059

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

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.

Independent Auditors' Report to the members of Iglo Foods Finance Limited

We have audited the financial statements of Iglo Foods Finance Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditor

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. 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 and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

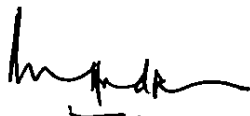
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the members of Iglo Foods Finance Limited (continued)

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



Martin Hodgson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 June 2013

Statement of Comprehensive Income
For the Year Ended 31 December 2012

	<i>Note</i>	2012 €	2011 €
Revenue		23,690	-
Operating costs		(21,935)	-
Gross profit		<u>1,755</u>	<u>-</u>
Finance costs	3	(428)	-
Profit before taxation	2	<u>1,327</u>	<u>-</u>
Taxation	4	-	-
Profit and total comprehensive income for the year		<u>1,327</u>	<u>-</u>
Attributable to:			
Equity owners		<u>1,327</u>	<u>-</u>

The notes on pages 11 to 18 are an integral part of these financial statements

Statement of Changes in Equity
For the Year Ended 31 December 2012

	<i>Note</i>	Share capital €	Retained earnings €	Total equity €
Balance at 31 December 2010 and 2011		2	-	2
Total comprehensive income for the year		-	1,327	1,327
Balance at 31 December 2012	5	2	1,327	1,329

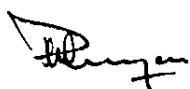
The notes on pages 11 to 18 are an integral part of these financial statements

Statement of Financial Position
At 31 December 2012

	<i>Note</i>	2012 €	2011 €
Current assets			
Amounts owed by Parent undertakings	8	1,757	2
Derivative financial assets	7	2,669,945	-
Total assets		2,671,702	2
Current liabilities			
Bank overdraft		428	-
Derivative financial liabilities	7	2,669,945	-
Total liabilities		2,670,373	-
Net assets		1,329	2
Equity attributable to owners			
Share capital	5	2	2
Retained earnings		1,327	-
Total equity		1,329	2

The notes on pages 11 to 18 are an integral part of these financial statements

These financial statements were approved by the Board of Directors on **25 June** 2013 and were signed on its behalf by



Paul Kenyon
Director

Statement of Cash Flows
for the year ended 31 December 2012

	<i>Note</i>	2012 €	2011 €
Cash flows from operating activities			
Profit before taxation		1,327	-
Adjustments for			
Finance costs	3	428	-
Net increase in amounts owed to Parent undertakings	8	(1,755)	-
Net amounts received from Group undertakings		1,247,131	-
Net amounts paid to financial institutions		(1,247,131)	-
Net cash flows from operating activities		<u>-</u>	<u>-</u>
 Cash flows from financing activities			
Interest paid		(428)	-
Net cash flows from financing activities		<u>(428)</u>	<u>-</u>
 Net decrease in cash and cash equivalents		(428)	-
Cash and cash equivalents at beginning of year		-	-
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at end of year		<u><u>(428)</u></u>	<u><u>-</u></u>

The notes on pages 11 to 18 are an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Iglo Foods Finance Limited (the "Company") is a company domiciled in the United Kingdom and incorporated in the United Kingdom under the Companies Act 2006

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and the Companies Act 2006 applicable to companies reporting under IFRS. The Company commenced trading in 2012, and so this is the first set of full financial statements prepared for the entity.

The accounting policies set out below have, unless otherwise stated, been applied consistently.

(a) Measurement convention

The financial statements are prepared on the historical cost basis except that financial instruments are stated at fair value.

(b) Foreign currency

These financial statements are presented in Euro, which is the Company's functional currency.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

(c) Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

(ii) Amounts owed to Group undertakings

Amounts owed to Group undertakings are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

(iii) Derivative financial instruments

Derivative financial instruments are recognised at fair value. All changes in its fair value are recognised immediately in the Statement of Comprehensive Income.

The fair value of forward exchange contracts is estimated by management at the financial year end date. The fair value of these instruments is determined by using valuations based on discounted cash flow calculations.

(d) Revenue

Revenue is recognised when management services have been performed and represents amounts receivable from Group undertakings for management services provided by the Company on behalf of those undertakings.

(e) Finance costs

Unless capitalised as part of the cost of borrowing, borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Notes (continued)

1 Accounting policies (continued)

(f) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities recognised for financial reporting purposes and the amounts used for taxation purposes on an undiscounted basis. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(g) New IFRS not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendment to IAS 1 'Presentation of financial statements'

IFRS 12 Disclosure of interests in other entities

IFRS 13 Fair value measurement

Amendment to IFRS 7 'Financial instruments – disclosures'

IAS 32 'Financial instruments Presentation'

The Directors anticipate that the adoption in future periods of these Standards and Interpretations where they are relevant to the Company will have no material impact on the financial statements of the Company.

(h) Accounting estimates

Fair value of derivative financial instruments

Note 8 includes detail of the fair value of the derivative instruments that the Company holds at 31 December 2012 and 2011. Management has estimated the fair value of these instruments by using valuations based on discounted cash flow calculations.

Notes (continued)

2 Profit before taxation

Profit before taxation is stated after charging

	2012 €	2011 €
Audit fees	3,000	-

The audit fees were paid by another Group undertaking

The remuneration of the Directors for services provided to this Company was paid by another member of the Group. This Company commenced trading in 2012, and so prior year salaries for Directors are not related to this entity

3 Finance costs

	2012 €	2011 €
Interest expense	428	-
Finance costs	428	-

4 Taxation

Recognised in the Statement of Comprehensive Income

	2012 €	2011 €
Current year expense	-	-
Total tax in Statement of Comprehensive Income	-	-

Reconciliation of effective tax rate

	2012 €	2011 €
Profit before taxation	1,327	-
Tax credit using the UK corporation tax rate of 24.5% (2011 26.5%)	325	-
Group relief surrendered for nil consideration	(325)	-
Total tax in Statement of Comprehensive Income	-	-

Notes (continued)

4 Taxation (continued)

During the year, the standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012

In addition to the change in rate of UK corporation tax disclosed above, a number of further changes to UK corporation tax rates were announced in the March 2013 Budget, March 2012 Budget and December 2012 Autumn Statements

There will be a further reduction of 1% to 23% with effect from 1 April 2013, a reduction of 2% to 21% by 1 April 2014 and a further reduction to 20% from 1 April 2015. The reduction to 23% had been substantively enacted by the year end date and is reflected in these financial statements. The further reduction to 21% and 20% however, had not been substantively enacted at the year end date and, therefore, has not been reflected in these financial statements

5 Share capital

	2012 €	2011 €
Ordinary shares of £1 each (2 shares) – unpaid share capital	2	2
Total	<u>2</u>	<u>2</u>
Shares classified in shareholders funds	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

6 Financial risk management

(a) Overall risk management policy

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk

The Company's risks are managed by Group at a Group level rather than at an individual company level. The Group's overall risk management programme focuses on minimising potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures

Risk management is led by senior management and is mainly carried out by a central treasury department which identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units

(b) Capital risk management policy

The Company's objectives when managing capital are to maximise shareholder value while safeguarding the Company's ability to continue as a going concern. The overall structuring of the Group is managed at a Group level rather than at an individual company level

Total capital is calculated as "total equity" as shown in the Statement of Financial Position, plus net debt. Net debt is calculated as the total "amounts owed to parent company" as shown in the Statement of Financial Position, less cash and cash equivalents

Notes (continued)

6 Financial risk management (continued)

(c) Market risk

Description

In managing market risks, the Group aims to minimise the impact of short term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange rates will have an impact on earnings.

The Group is exposed to foreign exchange risk where a business unit makes purchases in a currency other than its functional currency.

For the Group, the most significant of these exposures is the purchase of fish inventories in US Dollars, the purchase of goods and services in Euros by the UK business and purchases of goods in Swedish Krona by the Italian business.

Mitigation

The Group's policy is to reduce this risk by using foreign exchange forward contracts which are designated as cash flow hedges.

These contracts have a maturity of less than one year.

Sensitivity analysis

During 2012, the Euro weakened by 2.7% against Sterling, and strengthened by 2.1% against the US dollar.

For each 1% that the Euro strengthens or weakens against the US dollar, assuming all other variables remain constant, the impact would be to increase or decrease the Group's profit before tax by approximately €2.1 million for the year ended 31 December 2012, excluding the impact of any forward contracts.

The same situation for whether the Euro strengthens or weakens against Swedish Krona, the impact would be to increase or decrease the Group's profit before tax by approximately €0.2 million for the year ended 31 December 2012.

The same situation for whether the Euro strengthens or weakens against Sterling, the impact would be to increase or decrease the Group's profit before tax by approximately €1.3 million for the year ended 31 December 2012.

The payables and receivables fully offset, and so there would be a nil impact to the Company's Income Statement as a result of foreign exchange movements.

(d) Credit risk & liquidity risk

Description

Credit risk arises on derivative financial instruments with banks and financial institutions.

Liquidity risk arises as the Company is exposed to the risk that it is unable to meet its commitments to repay group and third party commitments as they fall due.

Mitigation

For banks and financial institutions, only parties with a minimum rating of A are accepted. The Company limits its exposure to individual financial institutions by spreading its forward foreign exchange contracts and surplus cash deposits between several institutions.

The Group ensures that it has sufficient cash and available funding through regular cash flow and covenant forecasting.

All forward contracts mature in 2013.

Notes (continued)

7 Financial instruments

(a) Categories of financial instruments

The following table shows the carrying amount of each statement of financial position class split into the relevant category of financial instrument as defined in IAS 39 "Financial Instruments Recognition & Measurement"

2012	Loans and receivables	Financial assets/liabilities at fair value through Profit and Loss	Financial liabilities at amortised cost	Total
	€	€	€	€
Assets				
Amount owed by Parent undertaking	1,757	-	-	1,757
Derivative financial assets	-	2,669,945	-	2,669,945
Liabilities				
Bank overdraft	-	-	(428)	(428)
Derivative financial liabilities	-	(2,669,945)	-	(2,669,945)
Total	1,757	-	(428)	1,329
2011	Loans and receivables	Financial assets/liabilities at fair value through Profit and Loss	Financial liabilities at amortised cost	Total
	€	€	€	€
Assets				
Amount owed by Group undertakings	2	-	-	2
Total	2	-	-	2

(b) Fair values

The carrying value of all assets and liabilities are deemed to equal fair value

Notes (continued)

7 Financial instruments (continued)

(c) Derivatives

2012	2012 €	2011 €
USD forward exchange contracts	2,244,894	-
EUR forward exchange contracts	387,318	-
GBP forward exchange contracts	37,733	-
Total derivative financial assets	2,669,945	-
USD forward exchange contracts	(86,360)	-
EUR forward exchange contracts	(2,014,417)	-
GBP forward exchange contracts	(451,258)	-
SEK forward exchange contracts	(117,910)	-
Total derivative financial liabilities	(2,669,945)	-

8 Related parties

Management

All significant management decision making authority is vested solely with individuals who were also Directors of the Company. Therefore key management was deemed to be only the Directors of the Company for the year. Their remuneration has been paid by another member of the Group.

All other Directors of the Company held equity interests in BEIG LP Incorporated (the "Partnership") (see note 9) during the year and at 31 December 2012, either directly or through a trust structure.

Transactions

The Company has entered into various transactions with Iglo Foods Group Limited (IFGL), the immediate parent company.

Amounts receivable	IFGL €
As at 31 December 2011	2
Net recharges during the year	1,755
As at 31 December 2012	1,757

Notes (continued)

8 Related parties (continued)

Transactions (continued)

The Company has entered into various derivative contracts with fellow subsidiaries within the Group, and are disclosed below

	Derivative financial assets €	Derivative financial liabilities €	Total €
Group financial assets/(liabilities) as at 31 December 2011	-	-	-
Unrealised gain/(expense) on forward contracts	2,436,348	(291,374)	(2,144,974)
Group financial assets/(liabilities) as at 31 December 2012	<u>2,436,348</u>	<u>(291,374)</u>	<u>(2,144,974)</u>
Third party financial assets/(liabilities) as at 31 December 2012	233,597	(2,378,571)	(2,144,974)
Total per Statement of Financial Position	<u>2,669,945</u>	<u>(2,669,945)</u>	<u>-</u>

9 Ultimate parent company

The ultimate controlling party is BEIG LP Incorporated, a partnership registered in Guernsey. The parent undertaking of the largest and smallest group, which includes the Company and for which consolidated financial statements are prepared, is Iglo Foods Holdings Limited, a company incorporated in Great Britain. The immediate Parent Company is Iglo Foods Group Limited. The consolidated financial statements of Iglo Foods Holdings Limited can be obtained from the registered offices of this Company.

10 Going concern

These financial statements have been prepared on a going concern basis.

The Directors have assessed the ability of the Company to continue as a going concern. Based on the review of Iglo Food Holdings Limited group of companies ('Group') business plan, the Directors have assessed that the Group was capable of passing its major loan covenant tests based on cash-flow, interest cover, debt cover and capital expenditure. This assumption was stress tested by performing a sensitivity analysis over the base assumptions.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.