

Strathaird Salmon Limited

Directors' report and financial statements
for the year ended
31 December 2010
Registered number SC112895



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Directors and advisers

Directors

C P Britton
S P Leadbeater

Company secretary

Wilkin Chapman Company Secretarial Services Ltd

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

Bankers

Royal Bank of Scotland plc
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

Registered office

Watermill Road
Fraserburgh
Aberdeenshire
AB43 9HA

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010.

Principal activities

The Company has not traded during the year.

Key performance indicators

The Company has been dormant since July 2009; therefore performance analysis is no longer relevant.

Principal risks and uncertainties

There are no principal risks and uncertainties currently facing the Company.

Future Developments

The Company is expected to remain dormant and will be liquidated in due course.

Dividends

The directors do not recommend the payment of a dividend (2009: £nil).

Directors

The directors who served throughout the year and up to the date of signing the financial statements were as follows:

C P Britton
S P Leadbeater

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

Directors' report (continued)

for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



DANIEL WILLIAM BANTON

FOR & ON BEHALF OF:

Wilkin Chapman Company Secretarial Services Ltd
Company Secretary

Date: 15 / 9 / 11

Independent auditors' report to the members of Strathaird Salmon Limited

We have audited the financial statements of Strathaird Salmon Limited for the year ended 31 December 2010 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 Directors' Responsibilities Statement set out on page 3, 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 31 December 2010;
- 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 Companies Act 2006

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

Independent auditors' report to the members of Strathaird Salmon 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 and not made; or
- we have not received all the information and explanations we require for our audit.



Michael Thornton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull

27 September 2011

Profit and loss account
for the year ended 31 December 2010

		Year ended 31 December 2010 £000	15 months ended 31 December 2009 £000
	<i>Note</i>		
Turnover	2	-	26,520
Cost of sales		-	(22,286)
		<hr/>	<hr/>
Gross profit		-	4,234
Distribution costs		-	(655)
Administrative expenses		-	(1,191)
Other operating income		-	49
		<hr/>	<hr/>
Operating result/profit	3	-	2,437
Interest payable and similar charges	5	-	(752)
Reorganisation costs	6	-	(3,063)
Loss on disposal of assets	8	-	(3,656)
		<hr/>	<hr/>
Result/(loss) on ordinary activities before taxation		-	(5,034)
Tax on result/(loss) on ordinary activities	7	-	(307)
		<hr/>	<hr/>
Result/(loss) for the financial year		-	(5,341)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to discontinued operations.

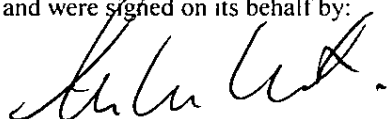
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

There is no material difference between the result on ordinary activities before taxation and the result for the financial year started above and their historical cost equivalents.

Balance sheet
as at 31 December 2010

		31 December 2010 £000	31 December 2009 £000
	<i>Note</i>		
Fixed Assets			
Investment	8	-	-
Current assets			
Debtors (including £1,150,000 (2009 : £1,150,000) due after more than one year)	9	11,579	12,384
Cash at bank and in hand		191	188
		<hr/> 11,770	<hr/> 12,572
Creditors: amounts falling due within one year	10	(6,882)	(4,115)
Net current assets		<hr/> 4,888	<hr/> 8,457
Total assets less current liabilities		4,888	8,457
Creditors: amounts falling due after more than one year	11	-	(3,358)
		<hr/> 4,888	<hr/> 5,099
Provision for liabilities and charges	12	(635)	(846)
Net assets		<hr/> 4,253	<hr/> 4,253
Capital and reserves			
Called up share capital	13	3,422	3,422
Profit and loss account	14	831	831
Total shareholders' funds	14	<hr/> 4,253	<hr/> 4,253

These financial statements on pages 7 to 14 were approved by the board of directors on 23 September 2011 and were signed on its behalf by:



S P Leadbeater
Director

Notes to the financial statements for the year ended 31 December 2010

I Accounting policies

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

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Under FRS 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by Lion/Gem Lux 1 S.A. the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Lion/Gem Luxembourg 3 S.a.r.l., within which this Company is included, are publicly available.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised 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.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Turnover

There is no turnover for the year ended 31 December 2010. Turnover for 2009 represents the invoiced amount from the provision of goods and services which fall within the companies ordinary activities, stated net of value added tax. The turnover and pre tax profit are attributable to the processing and sale of salmon products.

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
United Kingdom	-	25,682
Rest of Europe	-	838
	<hr/>	<hr/>
	-	26,520
	<hr/>	<hr/>

3 Operating result/profit

Operating result/profit is stated after charging/(crediting):

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
Auditors' remuneration		
– audit of these financial statements	3	15
Depreciation		
– owned assets	-	435
Operating lease rentals	-	138
Grant release	-	(32)
	<hr/>	<hr/>

The 2010 audit fees are borne by another Findus Group company

Operating lease rental forms part of the onerous lease provision.

4 Staff numbers and costs

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
Wages and salaries	-	4,825
Social security costs	-	415
Other pension costs	-	27
	<hr/>	<hr/>
	-	5,267
	<hr/>	<hr/>

Notes to the financial statements for the year ended 31 December 2010 (continued)

4 Staff numbers and costs (continued)

The monthly average number of employees during the period was as follows:

	12 months ended 31 December 2010 Number	15 months ended 31 December 2009 Number
Wages and salaries	-	230
Social security costs	-	10
	<hr/>	<hr/>
	-	240
	<hr/>	<hr/>

Directors remuneration

The directors received no remuneration in respect of their services to the Company (2009: £nil). Directors emoluments are borne by another group company.

5 Interest payable and similar charges

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
Inter-company interest	-	752
	<hr/>	<hr/>

The intra-group financing of the Company is provided from external loans to the Findus Group, and the interest payable on the group loans represents the Company's share of interest due on these external loans.

6 Reorganisation costs

The following costs/(credits) were associated with the closure of the plant:

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
Severance costs	-	1,079
Closure costs	-	2,084
Government grants released	-	(100)
	<hr/>	<hr/>
	-	3,063
	<hr/>	<hr/>

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Taxation

(a) Tax on result/(loss) on ordinary activities

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
<i>Current tax:</i>		
UK Corporation Tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences relating to current year	-	(307)
Origination and reversal of timing differences relating to prior periods	-	614
Tax on result/(loss) on ordinary activities	-	307

(b) Factors affecting current tax charge

The factors affecting the tax charge are reconciled below:

	12 months ended 31 December 2010 £000	15 months ended 31 December 2009 £000
Result/(loss) on ordinary activities before tax	-	(5,034)
Result/(loss) on ordinary activities multiplied by the standard rate of taxation of 28% (2009: 28%)	-	(1,410)
<i>Effects of:</i>		
Short term timing differences	-	(69)
Depreciation in excess of capital allowances	-	1,174
Tax allowance on industrial buildings	-	(20)
Losses not recognised for deferred tax purposes	-	325
Total current tax (note 7a)	-	-

8 Investments

The company owns 100% of the issued share capital of The Spey Valley Smokehouse Limited, a dormant company incorporated in the United Kingdom. This investment was fully impaired as at 31 December 2009 and 31 December 2010. On 28 March 2011 this investment was sold to Young's Seafood Limited, a fellow subsidiary within the Findus Group.

	£
Net book value at 31 December 2009	91
Provision for impairment	(91)
Net book value at 31 December 2010	-

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Debtors

	2010 £000	2009 £000
Amounts due by parent undertaking	-	9,904
Amounts due from group undertakings	11,579	2,480
	<u>11,579</u>	<u>12,384</u>

Amounts due from group undertakings are interest free, unsecured and include £1,150,000 (2009: £1,150,000) due after more than one year. The balance of £10,429,000 (2009: £10,429,000) is repayable on demand.

10 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	-	2
Amounts due to group undertakings	4,396	1,204
Corporation tax	2,481	2,481
Accruals and sundry creditors	5	428
	<u>6,882</u>	<u>4,115</u>

Amounts due to group undertakings are interest free unsecured and repayable on demand.

11 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Amounts due to group undertakings	-	3,358

Amounts due to group undertakings are unsecured. The intra-group financing of the Company is provided from external loans to the Findus Group.

12 Provision for liabilities and charges

	2010 £000	2009 £000
At 31 December 2009	846	-
Created during the period	-	846
Utilised during the year	(211)	-
At 31 December 2010	<u>635</u>	<u>846</u>

The property provision created during 2009 recognises the estimated future costs associated with three onerous lease contracts following the cessation of trade in July 2009. The provision includes estimates for rent, rates, utilities and security costs.

Notes to the financial statements for the year ended 31 December 2010 (continued)

13 Called up share capital

	2010 £000	2009 £000
<i>Allotted and fully paid</i>		
Ordinary shares of £1 each	3,422	3,422

14 Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2010 & 31 December 2009	3,422	831	4,253

15 Pension scheme

The cost of retirement benefits for the company was £Nil (2009: £27,000). The unpaid contributions outstanding at year end amounted to £nil (2009: £nil).

16 Contingent liabilities

The Company is a participant in group financing arrangements under which all surplus cash balances are held as collateral for bank facilities advanced to group companies. In addition, the group has issued a debenture to the bank to support these group facilities. At 31 December 2010 the total facilities amounted to £804m (2009: £809m), of which £751m (2009: £756m) was utilised, including the utilisation of £7m due to guarantees and letters of credit issued from a revolving credit facility of £60m.

17 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Strathaird Limited, a company registered in Scotland. The Company is ultimately controlled by funds advised by Lion Capital LLC. The ultimate controlling party is Lion Capital (Guernsey) II Limited.

The results of the Company are consolidated in the group financial statements prepared by Lion/Gem Luxembourg 3 S.a.r.l. that are available to the public via the Findus Group website, www.findusgroup.com. The company's results are not consolidated in the results of any other group.