

# **Lentorn Holdings Limited**

Directors' report and financial statements

Registered number 01466247

For the year ended 31 March 2008

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

### Principal activities

The company acts as an intermediate holding company.

The principal activity of the group is the manufacture of speciality cheese and cheese related gifts.

### Business review

The Company did not trade during the year.

The Directors do not recommend the payment of a dividend.

Subsequent to the year end Norseland Limited acquired the entire share capital of Ilchester Holdings Limited. Norseland Limited (formerly known as TINE UK Limited) is a wholly owned UK subsidiary of TINE BA (Norway's largest producer, distributor and exporter of dairy products owned by a co-operative of some 16,300 farmers). See note 8.

### Directors and directors' interests

The directors who held office during the year were as follows:

M Glynn  
N Wilson

The Company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### Political and charitable contributions

The Company made no political or charitable contributions during the year.

### Disclosure of information to auditors

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/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to ensure that the Company's auditors are aware of that information.


### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board



N Wilson  
Director

3 NOVEMBER 2008

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

### **Independent auditors' report to the members of Lentorn Holdings Limited**

We have audited the financial statements of Lentorn Holdings Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 judgments 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.

# **Independent auditors' report to the members of Lentorn Holdings Limited**

*(continued)*

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the year 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.

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*3 November* 2008

**Balance sheet**  
*at 31 March 2008*

	<i>Note</i>	<b>2008</b>	<b>2007</b>
		£	£
<b>Fixed assets</b>			
Investments	3	525,000	525,000
<b>Current assets</b>			
Debtors	4	<u>1,704,055</u>	<u>1,704,055</u>
		1,704,055	1,704,055
Creditors: amounts falling due within one year	5	<u>(20,419)</u>	<u>(20,419)</u>
<b>Net current assets</b>		<u>1,683,636</u>	<u>1,683,636</u>
<b>Net assets</b>		<u>2,208,636</u>	<u>2,208,636</u>
<b>Capital and reserves</b>			
Called up share capital	6	2,110,000	2,110,000
Share premium account	7	42,500	42,500
Profit and loss account	7	<u>56,136</u>	<u>56,136</u>
<b>Equity shareholders' funds</b>		<u>2,208,636</u>	<u>2,208,636</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the board of directors on  
and were signed on its behalf by:

3 NOVEMBER 2008

  
N Wilson  
Director

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 March 2008*

	2008 £	2007 £
Loss for the financial period	-	-
Opening shareholders' funds	<u>2,208,636</u>	<u>2,208,636</u>
Closing shareholders' funds	<u>2,208,636</u>	<u>2,208,636</u>



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

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 company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 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 the company is a wholly owned subsidiary of Ilchester Holdings Limited, 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. The consolidated financial statements of Ilchester Holdings Limited, within which this company is included, can be obtained at Somerton Road, Ilchester, Somerset, BA22 8JL.

#### ***Profit and loss account***

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss and had no recognised gains or losses.

#### ***Taxation***

The charge for taxation is based on the profit 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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## 2 Notes to the profit and loss account

	2008 £	2007 £
Auditor remuneration		
Audit of these financial statements	1,500	-
Other services relating to taxation	647	-
	<u>2,147</u>	<u>-</u>

Audit fees have historically been allocated to group companies. During 2007 the directors agreed for the full audit fee to be borne by Ilchester Cheese Company Limited, a subsidiary undertaking.

## Notes (continued)

## 3 Fixed asset investments

	Shares in group undertakings £
<i>Cost and valuation</i>	
At the beginning & end of year	<u>525,000</u>

The company's principal subsidiary undertakings at the period end are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Direct/ indirect	Class and percentage of shares held in Company
Ilchester Cheese Company Limited	England and Wales	Manufacture of cheese products	Direct	Ordinary 100%
Chedington Farms Limited	England and Wales	Dormant company	Indirect	Ordinary 100%

## 4 Debtors

	2008 £	2007 £
Amounts due from group undertakings	1,704,050	1,704,050
Other debtors	5	5
	<u>1,704,055</u>	<u>1,704,055</u>

## Notes (continued)

### 5 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts due to group undertakings	20,057	20,057
Corporation tax	<u>362</u>	<u>362</u>
	<u>20,419</u>	<u>20,419</u>

### 6 Called up share capital

	2008 £	2007 £
<i>Authorised:</i>		
Equity: 3,000,000 ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>
<i>Allotted, called up and fully paid:</i>		
Equity: 2,110,000 ordinary shares of £1 each	<u>2,110,000</u>	<u>2,110,000</u>

### 7 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning of year	42,500	56,136
Retained result for the year	<u>-</u>	<u>-</u>
At end of year	<u>42,500</u>	<u>56,136</u>

### 8 Post Balance Sheet Events

On 3 November 2008 Norseland Limited acquired the entire share capital of Ilchester Holdings Limited. Norseland Limited (formerly known as TINE UK Limited) is a wholly owned UK subsidiary of TINE BA (Norway's largest producer, distributor and exporter of dairy products owned by a co-operative of some 16,300 farmers).

TINE BA is the sales and marketing organisation for Norway's dairy cooperative and is responsible for product development, quality assurance, production and distribution planning, marketing and the export of TINE products. The TINE Group processes and sells milk and dairy products (including Jarlsberg cheese), as well as other food. Norseland Limited is the distributor of the TINE Group's products into the UK retail and foodservice markets and had a turnover of

some £8.0 million in 2007. In addition to the UK, TINE BA has subsidiaries in Sweden, Denmark and the USA and a consolidated turnover of some £1.4 billion in 2007. This acquisition forms part of TINE's strategy to develop in selected international markets selling high quality speciality cheeses.

As part of the purchase transaction the entire senior debt and working capital facilities (provided by Lloyds TSB) and the subordinated loan notes were repaid. Immediately following the acquisition the Ilchester Group will be funded directly by TINE BA. However it is the on-going intention of TINE to fund the Ilchester Group with an appropriate level of debt and equity - which will necessarily result in an overall de-gearing of the Ilchester Group's Balance Sheet.

#### **9 Related party disclosures**

As the company is a wholly owned subsidiary of Ilchester Holdings Limited, 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. The consolidated financial statements of Ilchester Holdings Limited, within which this company is included, can be obtained at Somerton Road, Ilchester, Somerset, BA22 8JL.

#### **10 Parent Company and ultimate controlling party**

The group which includes Lentorn Holdings Limited is headed by Ilchester Holdings Limited. 80% of the ordinary share capital of Ilchester Holdings Limited is held by Inflexion Fund 2 Limited Partnership. These are collective investment schemes managed by Inflexion Managers Limited, a subsidiary of Inflexion Private Equity Partners LLP.