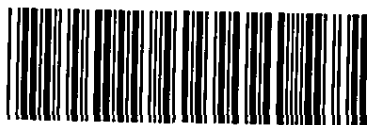


Glanbia Nutritionals (UK) Limited

**Amended Directors' Report and Financial Statements
Year Ended 1 January 2011**

Registered Number: 2828321

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DIRECTORS AND OTHER INFORMATION

Board of Directors as at 19 December 2011

K A Burn
N O'Dwyer

Secretary and Registered Office

N O'Dwyer
One Victoria Square
Birmingham
B1 1BD

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Ballycar House
Newtown
Waterford
Ireland

Solicitors

Pinsent Masons
3 Colmore Circus
Birmingham
B4 6BH

DIRECTORS' REPORT - continued

The directors present herewith the financial statements of the company for the year ended 1 January 2011, referred to as 2010 in these financial statements, with the comparative figures covering the year ended 2 January 2010

Principal activities

The company is principally engaged in the research, development and production of food products

Review of business and future developments

On 4 January 2010 the company sold all its intangible property rights for cash consideration of £6,153,000 to ON Optimum Nutrition Limited, a fellow group company in Ireland. Also on that date, the company entered into contract services arrangements with the purchaser whereby the company agreed to provide research & development, manufacturing and sales & distribution services to the purchaser. The Board believes that the new business model should provide a more profitable future for the company.

Both the level of business and the year end financial position were satisfactory and the directors expect that the current level of business will be sustained for the foreseeable future. The company continues to develop new products with a view to increasing turnover.

Results

The profit for the year and appropriation thereof are set out in the profit and loss account on page 7.

Dividends

The directors recommend that no dividend be paid for the year ended 1 January 2011 (2009 Nil).

Directors

The names of the persons who were directors at any time during the year ended 1 January 2011 are set out below. Unless indicated otherwise they served as directors for the entire year.

S Mullin	(Resigned 12 February 2010)
P R Sheath	(Resigned 12 February 2010)
K A Burn	
N O'Dwyer	
N Smith	(Appointed 11 May 2010, Resigned 22 October 2010)

Directors' interests

No director had an interest in the share capital of the company during the year.

In accordance with the Companies (Disclosures of Directors Interests) (Exceptions) Regulations 1985, as the company is a wholly owned subsidiary of Glanbia plc, a body incorporated outside Great Britain, no directors' interests in that company are required to be disclosed.

DIRECTORS' REPORT - continued**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing 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,
- 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, 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 are prepared in accordance with applicable accounting standards and comply with the Companies Act, 2006. The books of account are kept at Unit 3, Romaldkirk Road, Riverside Park, Middlesbrough, TS2 1XA. 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.

Auditors and disclosure of information to auditors

Each of the persons 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 audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order 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 of the shareholders has been passed to dispense with the appointment of auditors annually. PricewaterhouseCoopers, will therefore continue in office as auditors of the company

On behalf of the board



KEITH BURN

Date : 19 December 2011



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLANBIA NUTRITIONALS (UK) LIMITED

We have audited the revised financial statements of Glanbia Nutritionals (UK) Limited on pages 7 to 15 for the year ended 1 January 2011, 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 Practices)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the company's 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). These 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 in respect of revised financial statements under The Companies (Revision of Defective Accounts and Reports) Regulations 2008

In our opinion the revised financial statements

- have been properly prepared in accordance with the Companies Act 2006,
- give a true and fair view, seen as at 7 September 2011 of the state of the company's affairs as at 1 January 2011 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

In our opinion the original annual accounts did not fail to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in note 19 to these revised financial statements.



Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the revised financial statements

Matters on which we are required to report by exception

We have nothing to report of the following matters where the Companies Act 2006 requires us to report to you in, 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 explanation we require for audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors Report

A handwritten signature in black ink, appearing to read 'Siobhan Collier'.

Siobhan Collier

Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Waterford

Date: 19 December 2011

PROFIT AND LOSS ACCOUNT
Year ended 1 January 2011

	Notes	2010 £	2009 £
Continuing operations			
Turnover		40,062,362	14,260,368
Cost of sales		(34,047,761)	(9,304,331)
Operating Profit	2	6,014,601	4,956,037
Administrative expenses	3	(4,590,664)	(3,525,770)
Exceptional Items	4	6,119,286	-
Profit before taxation		7,543,223	1,430,267
Taxation on profit	5	(31,158)	(110,383)
Profit for the year		7,512,065	1,319,884

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the profit before taxation and the profit retained for the year above, and their historical cost equivalents

On behalf of the board

Keith Burn

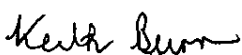
KEITH BURN

Date : 19 December 2011

BALANCE SHEET
1 January 2011

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	6	53,343	47,627
Tangible assets	7	3,825,069	2,229,220
		<u>3,878,412</u>	<u>2,276,847</u>
Current assets			
Stocks	8	5,612,233	2,324,192
Debtors	9	7,217,415	3,165,455
		<u>12,829,648</u>	<u>5,489,647</u>
Creditors			
Amounts falling due within one year	10	(4,407,719)	(2,970,217)
		<u>8,421,929</u>	<u>2,519,430</u>
Net current assets			
		12,300,341	4,796,277
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	11	(1,085,391)	(1,085,391)
		<u>11,214,950</u>	<u>3,710,886</u>
Provisions for liabilities and charges			
Deferred taxation	12	(100,219)	(79,591)
Government grants	13	(132,219)	(160,848)
		<u>10,982,512</u>	<u>3,470,447</u>
Capital and reserves			
Called-up share capital	15	16,000	16,000
Profit and loss account	16	10,966,512	3,454,447
Shareholders' funds		<u>10,982,512</u>	<u>3,470,447</u>

On behalf of the board


KEITH BURN

Date: 19 December 2011

NOTES TO THE FINANCIAL STATEMENTS - continued**1 Accounting policies****Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act, 2006 and applicable accounting standards. The currency used in these financial statements is the British pound (£).

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Taxation

Corporation tax is provided on taxable profits at current rates, having regard to the availability of capital allowances and group relief.

The Finance Act (No 2) 2010 was substantively enacted on 20 July 2010 and includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. The deferred tax liability at 01 January 2011 has been re-measured accordingly.

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. These changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The Budget also included measures to reduce the rate of writing-down allowances on the main pool of plant and machinery expenditure to 18% and on the special rate pool to 8%, both with effect from 1 April 2012.

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 has reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014.

As at the balance sheet date these further proposed changes to rates and capital allowances had not been substantively enacted and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

Deferred taxation

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax is not provided on the revaluation of assets, such as property, unless a binding sales agreement exists at the balance sheet date.

Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. No depreciation is provided on freehold land. The charge for depreciation is calculated to write down cost or valuation of tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives, which are as follows -

Buildings	25 years
Plant and machinery	5 - 10 years
Software	10 years

NOTES TO THE FINANCIAL STATEMENTS - continued**Stocks**

Raw materials are valued at the lower of cost or net realisable value. The cost is based on a weighted average amount and net realisable value is the current selling price.

Finished goods are valued at the lower of cost or net realisable value. The cost is based on a weighted average amount plus attributable overheads based on normal level of activity. The net realisable value is the current selling price.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Revenue grants

Grants in respect of revenue expenditure are credited to the profit and loss account when they are receivable.

Deferred government grants

Government grants in respect of capital expenditure are deferred and credited to the profit and loss account in line with the depreciation of the assets to which they relate.

Intangible assets

Costs incurred on development projects were recognised as intangible assets when it was probable that the project would be a success, considering its commercial and technological feasibility, and costs could be measured reliably. Development costs were amortised over their estimated useful lives. Software costs were stated at cost less accumulated depreciation. The charge for depreciation was calculated to write down cost to its estimated residual value by equal annual instalments over its expected usual life of 10 years.

2 Operating profit	2010	2009
	£	£
Operating profit is stated after charging/(crediting) -		
Amortisation of government grants re fixed assets	(35,529)	(10,154)
Depreciation/Amortisation	260,863	183,166
Auditors' fees	8,300	6,100
Directors' remuneration	160,328	236,417
Net (gain)/loss on foreign currency translation	(232,487)	22,391

NOTES TO THE FINANCIAL STATEMENTS - continued**3 Employee information**

(a) The average number of persons employed by the company during the year was -

	2010 Number of employees	2009 Number of employees
Production	36	26
Administration	26	25
	<u>62</u>	<u>51</u>

(b) The company's employment costs for all employees, including executive directors, comprise -

	2010 £	2009 £
Wages and salaries	1,864,733	1,393,635
Social security costs	172,341	118,992
Pension costs	25,620	21,382
	<u>2,062,694</u>	<u>1,534,009</u>

4 Exceptional Items

	2010 £	2009 £
Profit on Sale of Intellectual Property	<u>6,119,286</u>	<u>-</u>

On 4 January 2010 the company sold all its intangible property rights for cash consideration of £6,153,000 to ON Optimum Nutrition Limited, a fellow group company in Ireland

5 Tax on profit on ordinary activities

	2010 £	2009 £
Corporation tax on profit for the year	29,995	94,465
Adjustments in respect of prior years	(19,465)	-
Current tax charge for the year	<u>10,530</u>	<u>94,465</u>
Deferred tax charge for the year	20,628	15,918
Taxation charge on profit	<u>31,158</u>	<u>110,383</u>

NOTES TO THE FINANCIAL STATEMENTS - continued**5 Tax on profit on ordinary activities - continued**

The current tax credit for the year is lower than the current charge that would result from applying the standard rate of UK corporation tax to profit. The differences are explained below -

	2010 £	2009 £
Profit before taxation	7,543,223	1,430,267
Profit before tax multiplied by standard rate in the UK of 28% (2009 28%)	2,112,102	400,475
Effects of		
Income not subject to tax	(1,433,537)	-
Expenses not deductible for tax purposes and other adjustments	14,149	1,961
Accelerated capital allowances and other timing differences	(96,906)	(23,056)
Transfer price adjustments	7,159	(12,324)
Group relief claimed	(572,972)	(272,591)
Prior year adjustment	(19,465)	-
Current tax charge for the year	<u>10,530</u>	<u>94,465</u>

6 Intangible Assets

On 4 January 2010 the company sold all its intangible property rights for cash consideration of £6,153,000 to ON Optimum Nutrition Limited, a fellow group company in Ireland

	2010 £	2009 £
Cost		
Balance at beginning of year	78,354	78,354
Additions	55,120	-
Disposals	(59,000)	-
Balance at end of year	<u>74,474</u>	<u>78,354</u>
Amortisation		
Balance at beginning of year	30,727	20,338
Disposals	(25,286)	-
Charge for year	15,690	10,389
Balance at end of year	<u>21,131</u>	<u>30,727</u>
Net book amount	<u>53,343</u>	<u>47,627</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Tangible fixed assets	Land and buildings £	Plant & equipment £	Total £
Cost			
At 3 January 2010	1,291,860	1,690,212	2,982,072
Additions	-	1,841,022	1,841,022
At 1 January 2011	<u>1,291,860</u>	<u>3,531,234</u>	<u>4,823,094</u>
Depreciation			
At 3 January 2010	167,415	585,437	752,852
Charge for the year	43,031	202,142	245,173
At 1 January 2011	<u>210,446</u>	<u>787,579</u>	<u>998,025</u>
Net book value			
At 1 January 2011	<u>1,081,414</u>	<u>2,743,655</u>	<u>3,825,069</u>
At 3 January 2010	<u>1,124,445</u>	<u>1,104,775</u>	<u>2,229,220</u>
8 Stocks		2010 £	2009 £
Raw materials		5,550,177	1,922,947
Work in progress		62,056	133,500
Finished goods and goods for resale		-	267,745
		<u>5,612,233</u>	<u>2,324,192</u>
9 Debtors		2010 £	2009 £
Trade debtors		2,377,112	1,882,848
Amounts owed from other group companies		4,492,578	1,142,623
VAT recoverable		88,160	122,195
Other debtors		259,565	17,789
		<u>7,217,415</u>	<u>3,165,455</u>
10 Creditors: amounts falling due within one year		2010 £	2009 £
Trade creditors		2,456,790	1,476,803
Amounts due to other group companies		450,200	454,647
Other taxation and social security		67,688	51,416
Corporation tax		105,677	49,101
Other creditors		1,327,364	938,250
		<u>4,407,719</u>	<u>2,970,217</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Creditors amounts falling due after more than one year	2010	2009
	£	£

Amounts due to other group companies	<u>1,085,391</u>	<u>1,085,391</u>
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12 Deferred taxation	2010	2009
	£	£

The movement in the deferred taxation provision during the year was -

At 2 January 2010	79,591	63,673
Profit and loss account charge	20,628	15,918
At 1 January 2011	<u>100,219</u>	<u>79,591</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of -

	2010	2009
	£	£
Accelerated capital allowance	101,865	81,300
Short term timing difference	(1,646)	(1,709)
	<u>100,219</u>	<u>79,591</u>

13 Government grants	2010	2009
	£	£

Received and receivable

At 2 January 2010	202,260	162,260
Received during the year	6,900	40,000
At 1 January 2011	<u>209,160</u>	<u>202,260</u>

Amortisation

At 2 January 2010	41,412	31,258
Charged to profit and loss account	35,529	10,154
At 1 January 2011	<u>76,941</u>	<u>41,412</u>

Net balance at year end	<u>132,219</u>	<u>160,848</u>
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14 Contingencies and capital commitments

During the period 30 June 2005 to 1 January 2011 the company received both revenue and capital grants totalling £209,160. If certain conditions under which these grants were paid were to change, the grants may become repayable.

Capital commitments	2010	2009
	£	£

Committed but not contracted for	<u>-</u>	<u>1,240,000</u>
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NOTES TO THE FINANCIAL STATEMENTS - continued

15 Share capital	2010	2009
	£	£
Authorised share capital		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
16,000 Ordinary shares of £1 each	16,000	16,000
16 Profit and loss account	2010	2009
	£	£
Balance brought forward	3,454,447	2,134,563
Profit for the year	7,512,065	1,319,884
Balance carried forward	10,966,512	3,454,447

17 Related party transactions

The company has taken advantage of the exemption in FRS8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

18 Holding Company

The company is a wholly owned subsidiary of Glanbia plc, a company incorporated in Ireland, and its financial statements are incorporated in the consolidated financial statements prepared by that company. As a result the company has availed of the exemption under FRS1 "Cash Flow Statements" not to prepare a cash flow statement. The ultimate UK parent company is Glanbia (UK) Limited a company registered in England. Glanbia plc, a subsidiary of Glanbia Co-operative Society Limited, prepares consolidated accounts for the smallest group of undertakings which includes Glanbia Nutritionals (UK) Limited. Glanbia plc is registered in Ireland, and a copy of its accounts can be obtained from Glanbia House, Kilkenny, Ireland. The consolidated financial statements of Glanbia plc are filed in the Companies Registration Office, O'Brien Road, Carlow each year. The financial statements of the company are also incorporated in the consolidated financial statements of its ultimate parent, Glanbia Co-operative Society Limited, a society registered in Ireland.

19 Approval of financial statements

The directors note that these financial statements replace the financial statements approved on 7 September 2011, and have been amended to correct an immaterial misstatement of intangible assets of £12,003, profit on disposal of intangible assets of £13,913 and amortisation charge of £1,910. These financial statements have been prepared as at the date of the original annual accounts and not as at the date of revision and accordingly do not deal with events between those dates. These financial statements are now the statutory accounts of the company for the year ended 1 January 2011.