

**Donald Russell Holdings Limited
(formerly De Facto 1934 Limited)**

Report and Financial Statements

Period Ended

31 December 2012

Company Number 07880721



Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Report and financial statements for the period ended 31 December 2012

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Directors

G M W Vestey
H Baumann
C G Copland

Secretary and registered office

N Thornton, 29 Ullswater Crescent, Coulsdon, Surrey, CR5 2HR

Company number

07880721

Bankers

Barclays Bank plc

Solicitors

Travers Smith, 10 Snow Hill, London, EC1A 2AL
Lovells, Atlantic House, Holborn Viaduct, London, EC1A 2FG

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Report of the directors for the period ended 31 December 2012

The directors present their report together with the audited financial statements for the period from incorporation, 14 December 2011 to 31 December 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the period

The directors do not recommend the payment of a dividend

Principal activities

Donald Russell Holdings Limited is the intermediate parent company of a company which is engaged in the mail order/online meat business

Review of business

Result for 2012

The operating loss of £583,000 relates to the interest payable on preference shares and loan notes

During the year, the company purchased 100% of the share capital of Donald Russell Ltd for £16,750,000. To facilitate the transaction £14,100,000 new preference shares with a coupon of 4% were issued to Vestey Holdings Limited and £1,650,000 of loan notes with an interest rate of 4% were issued to the minority shareholders.

The company's investment has performed well and therefore no provision for impairment on the investment value in Donald Russell Limited was considered necessary during the year.

The key strategic objectives in 2013 of the company's direct investment will be one of organic growth through a growth of new customers in the year as well as a high rate of retained customers.

Key performance indicators

The company uses a range of financial performance measures to monitor the management of the business effectively, the most significant of these are the key performance indicators (KPI).

The company's principal KPI is the comparison between the carrying value of its investment against the position and performance of this investment.

At 31 December 2012, the company's investment had a carrying value of £16,750,000. This compared to its investments total net assets of £4,682,000, the difference being the goodwill attributed to the business, and recoverable through future performance.

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Report of the directors for the period ended 31 December 2012 (Continued)

Principal risks and uncertainties

As an intermediate parent company, the principal risk that the company faces is that the carrying value of its investments in subsidiaries is not fully recoverable

Management regularly monitor the carrying value of the company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators for potential impairments

Directors

The directors of the company during the year were

G M W Vestey (appointed 27 January 2012)

H Baumann (appointed 31 January 2012)

C G Copland (appointed 27 January 2012)

Travers Smith Limited (appointed 14 December 2011 and resigned 27 January 2012)

Travers Smith Secretaries Limited (appointed 14 December 2011 and resigned 27 January 2012)

R Bracken (appointed 14 December 2011 and resigned 27 January 2012)

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 elected to prepare 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 year.

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

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

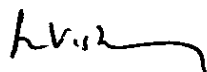
Report of the directors for the period ended 31 December 2012 (*Continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



G M W Vestey

Director

12 April 2013

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Independent auditor's report

TO THE MEMBERS OF DONALD RUSSELL HOLDINGS LIMITED

We have audited the financial statements of Donald Russell Holdings Limited for the period ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 loss for the period then ended,
- 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 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.

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Independent auditor's report (*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 explanation we require for our audit



Scott McNaughton, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

12 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Profit and loss account for the period ended 31 December 2012

	Note	Period ended 31 December 2012 £'000
Interest payable and similar charges	3	(583)
Loss on ordinary activities before taxation		(583)
Taxation on loss on ordinary activities	4	-
Loss for the financial period	12,13	(583)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

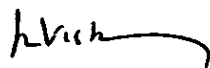
The notes on pages 9 to 13 form part of these financial statements

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Balance sheet at 31 December 2012

<i>Company number 07880721</i>	<i>Note</i>	2012 £'000	2012 £'000
Fixed assets			
Investments	5		16,750
Creditors: amounts falling due within one year	8	(658)	
Net current assets			(658)
Creditors, amounts falling due after more than one year	9		(15,675)
Total assets less current liabilities			417
Capital and reserves			
Called up share capital	10		100
Share premium account	11		900
Profit and loss account	12		(583)
Shareholders' funds	13		417

The financial statements were approved by the Board of Directors and authorised for issue on 12 April 2013



G M W Vestey

Director

The notes on pages 9 to 13 form part of these financial statements

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Cash flow statement for the period ended 31 December 2012

	Note	Period ended 31 December 2012 £'000
Net cash outflow from operating activities		-
<i>Acquisition and disposals</i>		
Purchase of subsidiary undertaking		(15,100)
Net Cash outflow before management of liquid resources and financing		(15,100)
<i>Financing</i>		
Issue of share capital		1,000
Issue of preference shares		14,100
Total Financing		15,100
Increase in net cash in the period	15	-

The notes on pages 9 to 13 form part of these financial statements

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Notes forming part of the financial statements for the period ended 31 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. They have all been applied consistently throughout the period. The following principal accounting policies have been applied.

Consolidated financial statements

The financial statements contain information about Donald Russell Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt from preparing consolidated financial statements for its group under FRS 2, as the company's ultimate parent, Western United Investment Company Limited, is incorporated in Great Britain and prepares group financial statements.

Financial liability and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Valuation of investments

Investments held as fixed assets are stated in the financial statements at the lower of cost and recoverable amount. Any resulting impairment loss is taken to the profit and loss account.

Taxation

The charge for taxation is based on the results 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 taxation is provided for in full on all timing differences that have not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that they are regarded as recoverable. Deferred tax balances are not discounted. Any deferred taxation liabilities and benefits are calculated under the liability method.

Going concern

The company is dependent on continuing finance being made available by its parent undertaking to enable it to meet its liabilities as they fall due. The parent undertaking has agreed to provide sufficient funds to the company for these purposes. The directors believe it appropriate to prepare the financial statements on the going concern basis.

2 Operating loss

Audit fees were borne by Vestey Holdings Limited, the parent company of Donald Russell Holdings Limited. No director received any remuneration for services to the company in the current financial period. The company had no employees or employment expenses during the current period.

3 Interest payable and similar charges

	Period ended 31 December 2012 £'000
Preference share interest	517
Loan note interest	66
	583

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Notes forming part of the financial statements
for the period ended 31 December 2012 (*Continued*)

4 Taxation on loss on ordinary activities

Period ended
31 December
2012
£'000

a) UK corporation tax

Current tax on loss for the period

-

Total current tax

-

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below

Period ended
31 December
2012
£'000

b) Loss on ordinary activities before tax

(583)

Loss on ordinary activities at the standard rate of
corporation tax in the UK of 24.5%

(143)

Effect of

Expenses not deducted for tax purposes

127

Group relief surrendered for nil payment

16

Current tax credit for the period

-

5 Investments

Shares in
Group
undertakings
£'000

Cost

At 1 January 2012

-

Additions

16,750

At 31 December 2012

16,750

Net Book Value

At 31 December 2012

16,750

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Notes forming part of the financial statements
for the period ended 31 December 2012 (Continued)

6 Acquisitions

During the year, the company purchased 100% of the share capital of Donald Russell Ltd for £16,750,000. To facilitate the transaction £14,100,000 new preference shares with a coupon of 4% were issued to Vestey Holdings Limited and £1,650,000 of loan notes with an interest rate of 4% were issued to the minority shareholders.

7 Additional information on subsidiary undertaking

Principal direct subsidiary	Country of incorporation	Class of shares	Percentage of holding
Donald Russell Limited	Great Britain	Ordinary	100

8 Creditors amounts falling due within one year

	2012 £'000
Amounts due to group undertakings	517
Other creditors	141
	658

9 Creditors amounts falling due after more than one year

	2012 £'000
Amounts due to group undertakings	14,100
Loan notes	1,575
	15,675
The repayment terms of debt falling due after more than one year are as follows	
More than five years	15,675

On 31 January 2012 the company issued £14,100,000 of new preference shares with a coupon of 4% to its parent company Vestey Holdings Limited. The preference shares have no date for redemption.

On 31 January 2012 the company issued £1,650,000 of Loan notes with an interest rate of 4%. The loan notes are redeemable in 2022. £75,000 of the loan notes were repaid before the end of the year.

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Notes forming part of the financial statements
for the period ended 31 December 2012 (*Continued*)

10 Share capital

	2012 £'000
<i>Authorised, allotted, called up and fully paid</i>	
84,000 A ordinary shares of £1 each	84
16,000 B ordinary shares of £1 each	16
14,100,000 4% preference shares of £1 each*	14,100

* In accordance with FRS 25, the 14,100,000 4% preference shares of £1 each are presented as a liability in the company balance sheet

All of the above shares were allotted during the period

11 Share Premium

	2012 £'000
<i>Authorised, allotted, called up and fully paid</i>	
84,000 A ordinary shares of £1 each	756
16,000 B ordinary shares of £1 each	144

12 Reserves

	Profit and loss account £'000
At 14 December 2011	-
Loss for the period	(583)
At 31 December 2012	(583)

13 Reconciliation of movements in shareholders' deficit

	Period ended 31 December 2012 £'000
Loss for the period	(583)
Issue of ordinary shares	1,000
Closing shareholders' deficit	417

Donald Russell Holdings Limited (formerly De Facto 1934 Limited)

Notes forming part of the financial statements for the period ended 31 December 2012 (Continued)

14 Ultimate parent undertaking

The immediate parent company is Vestey Holdings Limited

The ultimate parent company is Western United Investment Company Limited Both companies are incorporated in Great Britain

The smallest group of companies for which group financial statements are prepared and of which the company is a member is Vestey Holdings Limited The largest group of companies for which group financial statements are prepared and of which the company is a member is Western United Investment Company Limited

The financial statements of Western United Investment Company Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The ultimate control of Western United Investment Company Limited rests with The Lord Vestey, Mr G M W Vestey and Mr R J H Vestey who, between them, have control of all the issued voting shares of the Company

15 Analysis of changes in net funds

	At 14 December 2011 £'000	Cash flow £'000	At 31 December 2012 £'000
Cash at bank and in hand	-	-	-

16 Related parties

The company has taken advantage of the exemption which is conferred by Financial Reporting Standard No 8, Related Party Disclosures, that allows it not to disclose transactions with other group undertakings that are 100% owned by the company

Hansjoerg Baumann, a director of the company, acquired 10% of the ordinary share capital of the company for £100,000 on 31 January 2012 and continues to hold the shares at 31 December 2012

During the year the company issued 4% interest bearing unsecured loan notes to the following who were also shareholders of the company

- £1,575,000 loan notes issued to Hansjoerg Baumann, with £63,000 of accrued interest outstanding at the year-end, and
- £75,000 loan notes issued to Ian Morrison, with £2,750 of interest within the year, which was repaid prior to the year-end