

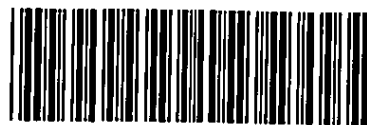
London Superstores Limited

Annual report and financial statements

For the year ended 31 December 2008

Registered Number: 1358349

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LONDON SUPERSTORES LIMITED

Annual report and financial statements for the year ended 31 December 2008

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LONDON SUPERSTORES LIMITED

Report of the directors for year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Principal activities, trading review and future developments

The principal activity of the Company throughout the year continued to be the holding of investments in overseas companies engaged in the manufacture and sale of foodstuffs. The Company did not trade during the year except for the release of a prior year corporation tax balance.

The directors consider the results for the year to be acceptable and do not envisage any major change in the conduct of the business over the next twelve months.

In the prior period, the balance sheet date was changed to 31 December to align it with the Company's new ultimate parent following the acquisition of RHM plc by Premier Foods plc. As a result, the comparatives represent a 9.5 month period to 31 December 2007.

Post balance sheet events

The Group received firm offers for its speciality bakery businesses, Martine Spécialités S.A.S., Le Pain Croustillant and Sofrapain S.A.S. Subsequent to year end the Group completed the employee consultation process required under French labour law and binding offer agreements were signed in relation to the disposal of the three businesses.

The sales of Le Pain Croustillant and Martine Spécialités S.A.S. completed on 2 March 2009 and the sale of Sofrapain S.A.S. is expected to complete in May 2009.

Results and dividends

The profit and loss account is set out on page 6 and shows the results for the year.

There were no interim dividends paid during the year (2007: £nil). The directors do not propose a final dividend for the year (2007: £nil).

As at 31 December 2008, the Company had net assets of £813,754,387 (2007: £813,754,284).

Contractual relationships

Details of contractual arrangements that are considered essential to the business of the Premier Foods Group (the 'Group') are discussed in the Group's 2008 annual report and accounts.

Directors

The directors who served the Company during the year are:

P Thomas

A Panter (resigned 2 April 2008)

A Peeler (appointed 2 April 2008)

P Leach (appointed 2 March 2009)

S Wise (appointed 2 March 2009)

LONDON SUPERSTORES LIMITED

Report of the directors for the year ended 31 December 2008

Charitable and political donations

During the year the Company made no charitable or political donations (2007: £nil).

Creditor payment policy

The Company's policy is to determine terms and conditions of payment with suppliers when negotiating each transaction, to ensure that suppliers are made aware of the terms and how disputes are to be settled, and to abide by the terms of payment. The number of creditor days at 31 December 2008 was nil (2007: nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Premier Foods plc, which includes those of the Company are discussed on Pages 16 to 19 of the Group's 2008 annual report and accounts which does not form part of this report. The financial risk management objectives, policies and exposures are disclosed in note 22 of the Group's 2008 annual report and accounts.

Key performance indicators

The directors of Premier Foods plc manage the Group's operations on a divisional 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 business of London Superstores Limited. The development, performance and position of Premier Foods plc is discussed in the Group's 2008 annual report which does not form part of this report.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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). 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; and
- 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.

LONDON SUPERSTORES LIMITED

Report of the directors for the year ended 31 December 2008

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 comply with the Companies Act 1985. 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.

Each person who is a director at the date of approval confirms that:

- a) so far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- b) the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statutory dispensation

The Company has in force, under Section 379A of the Companies Act 1985, an election dispensing with the laying of accounts and reports before the Company in General Meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually.

By order of the board


A. Peeler
Director
29 April 2009

LONDON SUPERSTORES LIMITED

Independent auditors' report to the members of London Superstores Limited

We have audited the financial statements of London Superstores Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Reconciliation of Movements in Shareholders' Funds, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 Report of the Directors 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 Report of the Directors 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.

LONDON SUPERSTORES LIMITED

Independent auditors' report to the members of London Superstores Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit 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 Report of the Directors is consistent with the financial statements.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29 April 2009

LONDON SUPERSTORES LIMITED

Profit and loss account for the year ended 31 December 2008

	Note	Year ended 31 December 2008 £'s	Period ended 31 December 2007 £'s
Operating profit	2	-	-
Interest on third party income		-	344
Profit on ordinary activities before taxation		-	344
Taxation credit/(charge) on profit on ordinary activities	4	103	(103)
Profit on ordinary activities after taxation		103	241
Retained profit for the period		103	241
Reserves brought forward		86,811,565	86,811,324
Reserves carried forward		86,811,668	86,811,565

All amounts relate to continuing activities.

There are no recognised gains or losses in either period, other than the profit on ordinary activities after taxation.

There is no material difference between the results as disclosed in the profit and loss account and the results on an historical cost basis.

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

LONDON SUPERSTORES LIMITED

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

	Year ended 31 December 2008 £'s	Period ended 31 December 2007 £'s
Profit for the period	103	241
Opening shareholders' funds	813,754,284	813,754,043
Closing shareholders' funds	813,754,387	813,754,284


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

LONDON SUPERSTORES LIMITED

Balance sheet at 31 December 2008

	Note	31 December 2008 £'s	31 December 2007 £'s
Fixed assets			
Investments	5	729,007,043	729,007,043
Current assets			
Debtors: amounts falling due within one year	6	343	343
Debtors: amounts falling due after one year	6	117,754,759	117,754,759
		<u>117,755,102</u>	<u>117,755,102</u>
Creditors: amounts falling due within one year	7	<u>(7,756)</u>	<u>(7,859)</u>
Net current assets		117,747,346	117,747,243
Total assets less current liabilities		<u>846,754,389</u>	<u>846,754,286</u>
Creditors: amounts falling due after one year	8	<u>(33,000,002)</u>	<u>(33,000,002)</u>
Net assets		<u>813,754,387</u>	<u>813,754,284</u>
Capital and reserves			
Called up share capital	9	72,794	72,794
Share premium account	10	726,869,925	726,869,925
Profit and loss account		86,811,668	86,811,565
Shareholders' funds - Equity		<u>813,754,387</u>	<u>813,754,284</u>

The financial statements were approved by the Board on 29 April 2009, and were signed on its behalf by


A. Peeler
Director

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

LONDON SUPERSTORES LIMITED

Notes to the financial statements for the year ended 31 December 2008

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention, the accounting policies set out below, and are prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985. In accordance with FRS 18 'Accounting Policies', the Company performs an annual review of accounting policies to ensure that those used by the Company continue to be those that are most appropriate.

The directors consider that the accounting policies set out below are the most appropriate and have been consistently applied.

Accounting period

In the prior period, the balance sheet date was changed to 31 December to align it with the Company's new ultimate parent following the acquisition of RHM plc by Premier Foods plc. As a result, the comparatives represent a 9.5 month year to 31 December 2007.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision required for impairment in their value. An impairment loss is recognised, in the profit and loss account, to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from operating the assets.

Dividends

Dividends declared after the balance sheet date are not recognised as a liability and are a non-adjusting post balance sheet event.

Taxation

The charge or credit for taxation is based on the profit or loss for the period and takes into account deferred taxation.

Deferred taxation is provided on 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. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Deferred tax is measured at the rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the timing difference can be utilised. Their carrying value is reviewed at each balance sheet date on the same basis.

LONDON SUPERSTORES LIMITED

Notes to the financial statements for the year ended 31 December 2008

2. Operating profit

The audit fee has been borne by a fellow group undertaking in both periods.

3. Directors and employees

There were no employees of the Company during either period.

No charge for emoluments is included in these financial statements as no part of the remuneration paid to the directors by other Group Companies was directly attributable to the services of the directors to London Superstores Limited.

No director has a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

4. Taxation on profit on ordinary activities

	Year ended 31 December 2008 £'s	Period ended 31 December 2007 £'s
UK corporation tax charge on profit for the period at 28.5% (2007: 30%)	-	103
Prior period adjustment	(103)	-
Total tax (credit)/charge on profit on ordinary activities	(103)	103

The prior period adjustment relates to the release of a prior year creditor in respect of group relief that was surrendered for nil consideration.

The tax for the year varies from the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	Year ended 31 December 2008 £'s	Year ended 31 December 2007 £'s
Profit on ordinary activities before tax	-	344
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	-	103
Prior period adjustment	(103)	-
Total (credit)/charge on current tax	(103)	103

5. Fixed asset investments

	Subsidiary undertakings £'s
At 31 December 2008 and 31 December 2007	<u>729,007,043</u>

Details of subsidiary undertakings have been disclosed in note 17.

LONDON SUPERSTORES LIMITED

Notes to the financial statements for the year ended 31 December 2008

6. Debtors

	31 December 2008 £'s	31 December 2007 £'s
Debtors: amounts falling due within one year		
Interest receivable	<u>343</u>	<u>343</u>
Debtors: amounts falling due after more than one year		
Amounts due from group undertakings	<u>117,754,759</u>	<u>117,754,759</u>

Amounts due by group undertakings are unsecured and interest free.

7. Creditors: amounts falling due within one year

	31 December 2008 £'s	31 December 2007 £'s
Corporation tax	-	(103)
Accruals and deferred income	<u>(7,756)</u>	<u>(7,756)</u>
	<u>(7,756)</u>	<u>(7,859)</u>

8. Creditors: amounts falling due after one year

	31 December 2008 £'s	31 December 2007 £'s
Amounts due to group undertakings	<u>(33,000,002)</u>	<u>(33,000,002)</u>

Amounts due to group undertakings are unsecured and interest free.

9. Share capital

	Authorised		Allotted, called up and fully paid	
	Number	£'s	Number	£'s
Ordinary shares of £1 each (2007: £1)				
At 31 December 2008 and 31 December 2007	<u>100,100</u>	<u>100,100</u>	<u>72,794</u>	<u>72,794</u>

LONDON SUPERSTORES LIMITED

Notes to the financial statements for the year ended 31 December 2008

10. Share premium account

£'s

At 31 December 2008 and 31 December 2007

726,869,925

11. Related parties

In accordance with FRS 8, 'Related Party Disclosures', the Company is exempt from disclosing transactions with entities that are part of a group, or investees of the Group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

12. Group financial statements

The Company is exempt from the obligation to prepare and deliver group financial statements as it is itself a wholly owned subsidiary of a larger group drawing up consolidated financial statement, as detailed in note 13. As a consequence, these financial statements present information about the Company as an individual undertaking and not about its Group.

13. Ultimate parent company

Premier Foods Group Limited (formerly RHM Group Limited) is the Company's parent undertaking at the year end. Following the acquisition of RHM plc on 16 March 2007, the Company's ultimate parent changed to Premier Foods plc, a company incorporated in England and Wales.

Premier Foods plc produces group financial statements, copies may be obtained from The Company Secretary, Premier Foods plc, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE.

14. Cash flow statement

The Company has used the exemption under FRS 1, 'Cash Flow Statements' (revised 1996), not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

15. Subsequent events

The Premier Group received firm offers for its speciality bakery businesses, Martine Spécialités S.A.S., Le Pain Croustillant and Sofrapain S.A.S. Subsequent to year end the Premier Group completed the employee consultation process required under French labour law and binding offer agreements were signed in relation to the disposal of the three businesses.

The sales of Le Pain Croustillant and Martine Spécialités S.A.S. completed on 2 March 2009 and the sale of Sofrapain S.A.S. is expected to complete in May 2009.

LONDON SUPERSTORES LIMITED

Notes to the financial statements for the year ended 31 December 2008

16. Guarantees

On 16 March 2007, the Premier Foods Group entered into a £2.1bn term and revolving credit facility. The facility was amended on 29 February 2008 to provide greater covenant headroom for the remainder of its financing year. On 5 March 2009, the Group announced revised financing arrangements including proposed changes to provide greater covenant and liquidity and to extend the maturity of the facility to December 2013. This facility is guaranteed by the principal operating entities of the Group including London Superstores Limited.

17. List of subsidiary undertakings

With the exception of RHM Foodbrands+ Limited and RHM Food Solutions Limited, which are owned 100% by London Superstores Limited, all shares in subsidiary undertakings are held indirectly by London Superstores Limited.

Name of company	Country of registration	Holding	Class of share
Trading companies			
Granary South Pacific (PTY) Limited	Australia	100%	Ordinary
Kildorough Limited	Ireland	100%	Ordinary
Le Pain Croustillant Limited	England and Wales	100%	Ordinary
Martine Spécialités S.A.S.	France	100%	Ordinary
RHM Ireland Limited	Ireland	100%	Ordinary
Sofrapain S.A.S.	France	100%	Ordinary
Intermediate holding companies and other subsidiaries			
CF (IP) Limited	England and Wales	100%	Ordinary
MB (IP) Limited	England and Wales	100%	Ordinary
RHBB (IP) Limited	England and Wales	100%	Ordinary
RHM Finance Limited	Cayman Islands	100%	Ordinary
RHM Food Solutions Limited	England and Wales	100%	Ordinary
RHM Foodbrands+ Limited	England and Wales	100%	Ordinary
RHM Holdings Ireland Limited	Ireland	100%	Ordinary
RHM Overseas Limited	England and Wales	100%	Ordinary

All subsidiary undertakings have the same balance sheet date as London Superstores Limited. The companies listed above are those that principally affect the results and assets of the Company. The directors consider that to give full particulars of subsidiary undertakings would lead to a statement of excessive length. A full list of subsidiary undertakings is available from the Company Secretary.