

Hillsdown International Limited

Annual report and financial statements

For the year ended 31 December 2012

Registered Number 1943509

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Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2012

Registered number 1943509

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Hillsdown International Limited

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Report of directors for the year ended 31 December 2012

The directors present their annual report together with the audited financial statements for Hillsdown International Limited (the 'Company'), registered number 1943509, for the year ended 31 December 2012

Principal activities and business review

The principal activity of the Company throughout the year continued to be that of an investment holding company in the food industry. The directors are satisfied with the results and do not envisage any changes to the conduct of the business over the next twelve months.

Results and dividends

The profit and loss account is set out on page 6 and shows the results for the year. The results for the Company show a pre-tax loss of £5,000 (2011 £8,000 loss) for the year. The retained loss has been transferred to reserves.

Interim dividend paid in the year was £nil (2011 £nil). The directors propose a final dividend for the year of £nil (2011 £nil).

As at 31 December 2012 the Company had net assets of £164,231,000 (2011 £164,235,000).

In March 2012 the Premier Foods Group agreed revised financing arrangements with its banking syndicate, swap counterparties and pension funds.

Subsequent events

There were no subsequent events.

Principal risk and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Premier Group and are not managed separately. Accordingly, the principal risks and uncertainties of Premier Foods plc, which includes those of the Company, are discussed in the Group's 2012 annual report and accounts which does not form part of this report. The financial risk management objectives, policies and exposures are disclosed in the Group's 2012 annual report and accounts.

Directors

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

Jim Hepburn

Antony Smith (resigned 20 April 2012)

Mark Hughes

Andrew McDonald

Mark Moran

Emmett McEvoy (appointed 20 April 2012)

Hillsdown International Limited

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Report of the directors for the year ended 31 December 2012 (continued)

Charitable and political donations

During the year the Company made charitable donations £nil (2011 £nil) and political donations of £nil (2011 £nil)

Directors and Officers' liability insurance

This insurance covers the directors and officers against the costs of defending themselves in civil proceedings taken against them in their capacity as a director or officer of the Company and in respect of damages resulting from the unsuccessful defence of any proceedings

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 Hillsdown International Limited. The development, performance and position of Premier Foods plc is discussed in the Group's 2012 annual report which does not form part of this report.

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

Hillsdown International Limited

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Report of the directors for the year ended 31 December 2012 (continued)

Statement of disclosure of information to auditors

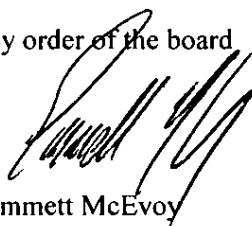
Each person who is a director at the date of approval confirms that

- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) the directors have taken all the steps that they ought to have taken as a director 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 423 of the Companies Act 2006, 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



Emmett McEvoy
30 April 2013

Hillsdown International Limited

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Independent auditors' report to the members of Hillsdown International Limited

We have audited the financial statements of Hillsdown International Limited for the year ended 31 December 2012 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 Statement of Directors' Responsibilities set out on pages 2 to 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 year 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.

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2012

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Independent auditors' report to the members of Hillsdown International 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 are not made or
- we have not received all the information and explanations we require for our audit



Pauline Campbell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 April 2013

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2012

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Profit and loss account for the year ended 31 December 2012

	Note	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Rental income		91	91
Other operating expense		(96)	(99)
Operating loss	3	(5)	(8)
Loss on ordinary activities before taxation		(5)	(8)
Tax on loss on ordinary activities	6	1	2
Loss on ordinary activities after taxation		(4)	(6)

All amounts relate to continuing activities

There are no recognised gains or losses in either year other than the loss on ordinary activities after taxation and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the results as disclosed in the Profit and Loss Account and the results on a historical cost basis

The notes on pages 8 to 13 form an integral part of these financial statements

Hillsdown International Limited

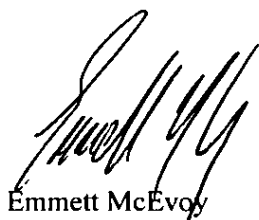
Annual report and financial statements for the year ended 31 December 2012

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Balance sheet as at 31 December 2012

	Note	31 December 2012 £'000	31 December 2011 £'000
Fixed assets			
Investments	7	1,569	1,569
Current assets/(liabilities)			
Debtors amounts falling due within one year	8	521,996	522,004
Creditors amounts falling due within one year	9	(59,334)	(59,338)
Net current assets		462,662	462,666
Total assets less current liabilities		464,231	464,235
Creditors amounts falling due after more than one year	10	(300,000)	(300,000)
Net assets		164,231	164,235
Capital and reserves			
Called up share capital	11	150,000	150,000
Profit and loss reserve	12	14,231	14,235
Total shareholders' funds		164,231	164,235

The financial statements were approved by the Board on 30 April 2013, and were signed on its behalf by



Emmett McEvoy
30 April 2013

The notes on pages 8 to 13 form an integral part of these financial statements

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2012

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Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention in line with the accounting policies set out below and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006

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 appropriate

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

Rental income

Rental income is recognised on a straight line basis over the lease term

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

Operating lease agreements

Rentals applicable to operating leases are charged to the Profit and Loss Account on a straight line basis over the life of the lease

Taxation

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

Deferred tax 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

Hillsdown International Limited

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Notes to the financial statements for the year ended 31 December 2012 (continued)**2. Cash flow statement and related party disclosures**

The Company is a wholly-owned subsidiary of Premier Foods plc and is included in the consolidated financial statements of Premier Foods plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Premier Foods plc group or investees of the Premier Foods plc group.

3. Operating loss

Operating loss is stated after crediting/(charging)

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Operating lease rental income	91	91
- land and buildings	(91)	(91)
Rental expense	<u>(91)</u>	<u>(91)</u>

4. Auditors remuneration

The audit fee has been borne by a fellow group undertaking in both years ended 31 December 2012 and 31 December 2011.

5. Directors and employees

No emoluments were paid to any of the directors during the year (2011: £nil). No director had a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

There were no employees of the Company during the year (2011: nil).

6. Tax on loss on ordinary activities

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
UK corporation tax on result for the year at 24.5% (2011: 26.5%)	(1)	(2)
- Current year	<u>(1)</u>	<u>(2)</u>
Tax credit on loss on ordinary activities	<u>(1)</u>	<u>(2)</u>

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Notes to the financial statements for the year ended 31 December 2012 (continued)

The tax for the year varies from the standard rate of corporation tax in the UK 24.5% (2011 26.5%) The differences are explained below

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Loss on ordinary activities before tax	<u>(5)</u>	<u>(8)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	<u>(1)</u>	<u>(2)</u>
Total current tax credit	<u>(1)</u>	<u>(2)</u>

The Company did not recognise a deferred tax asset in respect of capital losses of £102m (2011 £137.8m) as it is not certain when these will be utilised

7. Fixed asset investments

	31 December 2012 £'000	31 December 2011 £'000
Subsidiary undertaking	<u>1,569</u>	<u>1,569</u>

The Company owns the entire issued ordinary share capital of a number of inactive unlisted companies registered in England and Wales. None of these subsidiary undertakings principally affects the results and assets of the Company and they all have the same year end as Hillsdown International Limited

Subsidiary undertakings are disclosed within note 18

8. Debtors: amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Debtors: amounts falling due within one year		
Amounts owed by group undertakings	521,962	521,968
Other debtors	9	10
Corporation tax receivable	25	26
	<u>521,996</u>	<u>522,004</u>

The amounts falling due within one year owed by group undertakings are interest free, unsecured and repayable on demand

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Notes to the financial statements for the year ended 31 December 2012 (continued)**9. Creditors: amounts falling due within one year**

	31 December 2012 £'000	31 December 2011 £'000
Amounts owed by group undertakings	(59,329)	(59,333)
Accruals and deferred income	(5)	(5)
	<u>(59,334)</u>	<u>(59,338)</u>

The amounts falling due within one year owed to group undertakings are interest free, unsecured and repayable on demand

10. Creditors: amounts falling due after more than one year

	31 December 2012 £'000	31 December 2011 £'000
Amounts owed to group undertakings	<u>(300,000)</u>	<u>(300,000)</u>

The amounts falling due after more than one year owed to group undertakings are interest free and unsecured

11. Share Capital

	Allotted, called up and fully paid Number	£'000
Ordinary shares of £1 each		
At 31 December 2011 & 31 December 2012	<u>150,000,000</u>	<u>150,000</u>

12. Reserves

	Profit and loss reserve £'000
At 31 December 2011	14,235
Loss for the year	(4)
At 31 December 2012	<u>14,231</u>

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Notes to the financial statements for the year ended 31 December 2012 (continued)**13. Reconciliation of shareholders' funds for the year ended 31 December 2012**

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Loss for the year	(4)	(6)
Net decrease in shareholders' funds	(4)	(6)
Opening shareholders' funds	164,235	164,241
Closing shareholders' funds	164,231	164,235

14. Operating lease commitments

Annual commitments under non-cancellable operating leases in respect of land and buildings

	31 December 2012 £'000	31 December 2011 £'000
Lease expiring Two to five years	91	91

15. Group financial statements

The company is a wholly-owned subsidiary of Premier Financing Limited and is included in the consolidated financial statements of Premier Foods plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

16. Ultimate parent company

The immediate parent undertaking is Premier Financing Limited

The ultimate parent undertaking and controlling party is Premier Foods plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Premier Foods plc consolidated financial statements can be obtained from the Company Secretary at Premier Foods plc, Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire, AL1 2RE.

17. Guarantees

On 16 March 2007, the Premier Group entered into a £2.1bn term and revolving credit facility. In March 2012, the Premier Group announced revised financing arrangements including proposed changes to provide greater covenant and liquidity headroom and to extend the maturity of the facility to June 2016. This facility is guaranteed by the principal entities of the Group including Hillsdown International Limited.

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Notes to the financial statements for the year ended 31 December 2012 (continued)

18. List of subsidiary undertakings

The following represent the principal subsidiary undertakings of Hillsdown International Limited at the year end. With the exception of Winsford Bacon Company Limited, all shares in subsidiary undertakings are directly owned 100% by Hillsdown International Limited.

Name	Country of incorporation	Holding	Class of share
BCL Old Co Limited	England & Wales	100%	Ordinary
C & TH (Calne) Limited	England & Wales	100%	Ordinary
F M C Limited	England & Wales	100%	Ordinary
F M C (Meat) Limited	England & Wales	100%	Ordinary
Formwood Group (UK) Limited	England & Wales	100%	Ordinary
H (Barnstaple) Limited	England & Wales	100%	Ordinary
Hillsdown Holdings Pension Trustees Limited	England & Wales	100%	Ordinary
J B Eastwood Limited	England & Wales	100%	Ordinary
North Devon Pension Scheme Trustees Limited	England & Wales	100%	Ordinary
Premier Foods Pension Scheme Trustees Limited	England & Wales	100%	Ordinary
Premier Foods Business Services Limited	England & Wales	100%	Ordinary
Rugby Securities Limited	England & Wales	100%	Ordinary
Vic Hallam Holdings Limited	England & Wales	100%	Ordinary
Winsford Bacon Company Limited	England & Wales	100%	Ordinary

All subsidiary undertakings have the same balance sheet date as Hillsdown International Limited. The companies listed above are those that principally affect the results and assets of the Company.

19. Subsequent events

There were no subsequent events.