

Hillsdown International Limited

Annual Report and Financial Statements

For the year ended 31 December 2009

Registered Number 1943509

FRIDAY



AENC3N3G

A19

03/09/2010

339

COMPANIES HOUSE

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2009

CONTENTS

	Page
Report of the directors	1-3
Independent auditors' report to the members of Hillsdown International Limited	4-5
Profit and loss account	6
Reconciliation of shareholders' funds	7
Balance sheet	8
Notes to the financial statements	9-14

Hillsdown International Limited

Report of directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for Hillsdown International Limited, registered number 1943509, for the year ended 31 December 2009

Principal activities, trading review and future developments

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 for the year and do not envisage any changes to the conduct of the business over the next twelve months.

Subsequent events

On 1 January 2010, the Company declared an interim dividend of £300m payable to the Company's parent, Premier Financing Limited.

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 profit of £752,000 (2008: £63,000 loss) for the year. The retained profit has been transferred to reserves.

As at 31 December 2009 the Company had net assets of £464,267,000 (2008: £463,514,000).

Interim dividend paid in the year was £nil (2008: £nil). The directors propose a final dividend for the year of £nil (2008: £nil).

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 on pages 38 to 41 of the Group's 2009 annual report and accounts, which does not form part of this report. The financial risk management objectives, policies and exposures are disclosed in note 23 of the Group's 2009 annual report and accounts.

Contractual relationships

Details of contractual arrangements that are considered essential to the business of the Premier Group are discussed in the Group's 2009 annual report and accounts.

Directors

The directors who served the Company during the year were

P Leach
A Peeler
G Tyley
S Wise (appointed 2 March 2009)

Hillsdown International Limited

Report of the directors for the year ended 31 December 2009 *(continued)*

Charitable and political donations

During the year the Company made £nil charitable donations (2008 £nil) and political donations of £nil (2008 £nil)

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 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 (UK 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 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, 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 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

Report of the directors for the year ended 31 December 2009 *(continued)*

Statement of Directors' responsibilities *(continued)*

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 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



S Wise
Director
29 April 2010

Hillsdown International Limited

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 2009 which comprise the Profit and Loss Account, Reconciliation of Shareholders' Funds, 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 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 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 our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

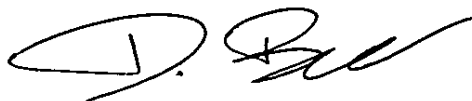
Hillsdown International Limited

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



David Beer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
29 April 2010

Hillsdown International Limited

Profit and loss account for the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Rental income		106	63
Other operating income/(expense)		492	(126)
Operating profit/(loss)	2	598	(63)
Exceptional income	3	154	-
Profit/(loss) on ordinary activities before taxation		752	(63)
Taxation on profit/loss on ordinary activities	7	1	18
Profit/(loss) on ordinary activities after taxation		753	(45)

All amounts relate to continuing activities

There are no recognised gains or losses in either year other than the profit 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 an historical cost basis

The notes on pages 9 to 14 form an integral part of these financial statements

Hillsdown International Limited

Reconciliation of shareholders' funds for the year ended 31 December 2009

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Reconciliation of shareholders' funds		
Profit/(loss) for the year	753	(45)
Net increase/(decrease) in shareholders' funds	753	(45)
Opening shareholders' funds	463,514	463,559
Closing shareholders' funds	464,267	463,514

The notes on pages 9 to 14 form an integral part of these financial statements

Hillsdown International Limited**Balance sheet as at 31 December 2009**

	Note	31 December 2009 £'000	31 December 2008 £'000
Fixed assets			
Investments	8	1,569	1,569
Current assets			
Debtors amounts falling due within one year	9	522,877	521,911
Current liabilities			
Creditors amounts falling due within one year	10	(60,179)	(59,966)
Net current assets		462,698	461,945
Net assets		<u>464,267</u>	<u>463,514</u>
Capital and reserves			
Called up share capital	11	150,000	150,000
Profit and loss reserves	12	314,267	313,514
Total shareholders' funds		<u>464,267</u>	<u>463,514</u>

The financial statements were approved by the Board on 29 April 2010, and were signed on its behalf by



S Wise
Director
29 April 2010

The notes on pages 9 to 14 form an integral part of these financial statements

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 are prepared 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 most appropriate.

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

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.

Foreign currencies

Transactions in foreign currency are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are taken to the Profit and Loss Account.

Exceptional items

Exceptional items are those that need to be disclosed by virtue of their size or incidence. Each of these items relate to events or circumstances that are non-recurring in nature. Such items are included within operating profit unless they represent profits or losses on the sale or termination of an operation, costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the Company's business, or profits or losses on the disposal of fixed assets.

Hillsdown International Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1. Principal accounting policies (continued)

Dividend income

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

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Liability extinguished on dissolution of subsidiaries	(603)	-
Operating lease rental payments - land and buildings	95	95

3. Exceptional income

During the year, the Company completed the sale of a parcel of vacant land for net proceeds of £154,000

4. Auditors remuneration

The audit fee has been borne by a fellow group undertaking in both year ended 31 December 2009 and 31 December 2008

5. Employee costs and employee numbers

There were no employees of the Company during the year (2008 nil)

6. Director's remuneration

All directors were paid by other group undertakings for their services as a whole and no specific allocation of their remuneration has been made in respect of this Company

The Company has taken advantage of the exemption available under the Companies Act 2006 not to disclose separately emoluments of the highest paid director on the basis that the aggregate directors' emoluments did not exceed £200,000

Pensions

Retirement benefits are accruing to all directors under a defined benefit scheme operated by another group undertaking

Hillsdown International Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7. Taxation on profit on ordinary activities

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
UK corporation tax on result for the year at 28% (2008 28.5%)	(1)	(18)
Tax charge/(credit) on profit on ordinary activities	(1)	(18)

The tax for the year varies from the standard rate of corporation tax in the UK 28% (2008 28.5%) The differences are explained below

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Profit/(loss) on ordinary activities before tax	752	(63)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	211	(18)
Intra group balance written off not liable to taxation	(169)	-
Gain on disposal of property not taxable	(43)	-
Total current tax charge/(credit)	(1)	(18)

8. Fixed asset investments

	31 December 2009 £'000	31 December 2008 £'000
Subsidiary undertaking	1,569	1,569

During the year the following subsidiary undertakings were dissolved

- Associated Poultry Limited, 14 July 2009
- Buxted FQP Old Co Limited, 14 July 2009
- JJPP Oldco Limited, 28 July 2009

A profit of £603,105 was recognised in the profit and loss account as a result of the dissolution

The Company owns the entire issued ordinary share capital of a number of inactive unlisted companies registered on 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

Hillsdown International Limited**Notes to the financial statements for the year ended 31 December 2009 (continued)****9. Debtors: amounts falling due within one year**

	31 December 2009 £'000	31 December 2008 £'000
Debtors: amounts falling due within one year		
Amounts owing by group undertakings	522,853	521,888
Other debtors	5	5
Corporation tax receivable	19	18
	<u>522,877</u>	<u>521,911</u>

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

10. Creditors: amounts falling due within one year

	31 December 2009 £'000	31 December 2008 £'000
Amounts owing to group undertakings	60,179	59,950
Other creditors	-	16
Total creditors: amounts falling due within one year	<u>60,179</u>	<u>59,966</u>

The amounts owing to group undertakings are repayable on demand, are unsecured and interest free

11. Share Capital

	Authorised		Allotted, called up and fully paid	
	Number	£'000	Number	£'000
Ordinary shares of £1 each				
At 31 December 2008	<u>150,000,000</u>	<u>150,000</u>	<u>150,000,000</u>	<u>150,000</u>
At 31 December 2009	<u>150,000,000</u>	<u>150,000</u>	<u>150,000,000</u>	<u>150,000</u>

12. Share capital, share premium and reserves

	Share capital £'000	Profit & Loss Reserve £'000	Total £'000
At 31 December 2008	150,000	313,514	463,514
Profit for the year	-	753	753
At 31 December 2009	<u>150,000</u>	<u>314,267</u>	<u>464,267</u>

Hillsdown International Limited

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

13. Operating lease commitments

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

	31 December 2009 £'000	31 December 2008 £'000
Lease expiring		
After five years	<u>91</u>	<u>91</u>

14. 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

15. 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 statements, as detailed in note 16. As a consequence, these financial statements present information about the Company as an individual undertaking and not about its Group.

16. Ultimate parent company

Premier Financing Limited is the Company's parent undertaking at the year end and Premier Foods plc is the Company's ultimate parent company.

Copies of the consolidated financial statements of Premier Foods plc are available from The Company Secretary, Premier Foods plc, Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire AL1 2RE.

17. 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 a wholly owned subsidiary consolidated in the financial statements of its ultimate parent company.

18. Guarantees

On 16 March 2007, the Premier 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 Premier Group announced revised financing arrangements including 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 entities of the Group including Hillsdown International Limited.

Hillsdown International Limited

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

19. 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
Pyke Holdings Limited	England & Wales	100%	Ordinary
Rugby Securities Limited	England & Wales	100%	Ordinary
Vic Halam 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.

20. Subsequent events

On 1 January 2010, the Company declared an interim dividend of £300m payable to the Company's parent, Premier Financing Limited.