

Hillsdown International Limited

Annual report and financial statements

For the year ended 31 December 2010

Registered Number 1943509

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Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

Registered number. 1943509

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Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

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Report of directors for the year ended 31 December 2010

The directors present their annual report together with the audited financial statements for Hillsdown International Limited, registered number 1943509, for the year ended 31 December 2010

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

As a result of an internal reorganisation, undertaken by the Premier Foods plc Group (the 'Group'), on 1 January 2010, the Company declared an interim dividend of £300,000,000 payable to the Company's parent, Premier Financing Limited.

Subsequent events

There were no subsequent events.

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 £31,000 (2009: £752,000 profit) for the year. The retained profit has been transferred to reserves.

As at 31 December 2010 the Company had net assets of £164,241,000 (2009: £464,267,000).

Interim dividend paid in the year was £300,000,000 (2009: £nil). The directors propose a final dividend for the year of £nil (2009: £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 in the Group's 2010 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 2010 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 2010 annual report and accounts.

Directors

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

P Leach

A Peeler

G Tyley (resigned 22 September 2010)

S Wise

Hillsdown International Limited

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Report of the directors for the year ended 31 December 2010 (continued)

Charitable and political donations

During the year the Company made £nil charitable donations (2009 £nil) and political donations of £nil (2009 £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 2010 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,
- 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.

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 the 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.

Hillsdown International Limited

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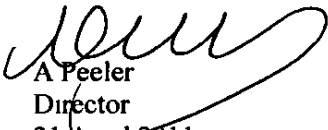
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Report of the directors for the year ended 31 December 2010 (*continued*)

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


A Peeler
Director
21 April 2011

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

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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 2010 which comprise the Profit and Loss Account, Reconciliation of Shareholders Funds, 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 page 2 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.

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 2010 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 Report of the Directors 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 2010

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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



Ranjan Sriskandan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 April 2011

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

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Profit and loss account for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Rental income		62	106
Other operating (expense)/income		(93)	492
Operating (loss)/profit	2	(31)	598
Exceptional income	3	-	154
(Loss)/profit on ordinary activities before taxation		(31)	752
Tax on (loss)/profit on ordinary activities	7	5	1
(Loss)/profit on ordinary activities after taxation		(26)	753

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 a historical cost basis

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

Hillsdown International Limited**Annual report and financial statements for the year ended 31 December 2010****Reconciliation of shareholders' funds for the year ended 31 December 2010**

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
(Loss)/profit for the year	(26)	753
Dividend distribution	(300,000)	-
Net (decrease)/increase in shareholders' funds	(300,026)	753
Opening shareholders' funds	464,267	463,514
Closing shareholders' funds	164,241	464,267

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

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

Registered number 1943509

Balance sheet as at 31 December 2010

	Note	31 December 2010 £'000	31 December 2009 £'000
Fixed assets			
Investments	8	1,569	1,569
Current assets			
Debtors amounts falling due within one year	9	522,004	522,877
Creditors amounts falling due within one year	10	(59,332)	(60,179)
Net current assets		462,672	462,698
Total assets less current liabilities		464,241	464,267
Creditors amounts falling due after more than one year	11	(300,000)	-
Net assets		164,241	464,267
Capital and reserves			
Called up share capital	12	150,000	150,000
Profit and loss reserve	13	14,241	314,267
Total shareholders' funds		164,241	464,267

The financial statements were approved by the Board on 21 April 2011, and were signed on its behalf by



A Peeler
Director

21 April 2011

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

Hillsdown International Limited

Annual report and financial statements for the year ended 31 December 2010

Registered number 1943509

Notes to the financial statements for the year ended 31 December 2010

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

Annual report and financial statements for the year ended 31 December 2010

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Notes to the financial statements for the year ended 31 December 2010 (continued)**1. Principal accounting policies (continued)***Dividends*

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

2. Operating (loss)/profit

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

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Liability extinguished on dissolution of subsidiaries	-	(603)
Operating lease rental payments - land and buildings	91	95

3. Exceptional income

In the previous 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 years ended 31 December 2010 and 31 December 2009

5. Employee costs and employee numbers

There were no employees of the Company during the year (2009 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

Hillsdown International Limited

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Notes to the financial statements for the year ended 31 December 2010 (continued)**7. Tax on (loss)/profit on ordinary activities**

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
UK corporation tax on result for the year at 28% (2009 28%)		
- Current year	(9)	(1)
- Prior year	4	-
Tax credit on (loss)/profit on ordinary activities	<u>(5)</u>	<u>(1)</u>

The tax for the year varies from the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
(Loss)/profit on ordinary activities before tax	<u>(31)</u>	<u>752</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	(9)	211
Intra group balance written off not liable to taxation	-	(169)
Gain on disposal of property not taxable	-	(43)
Prior year tax adjustment	4	-
Total current tax credit	<u>(5)</u>	<u>(1)</u>

The Company did not recognise a deferred tax asset in respect of capital losses of £137.8m (2009 £137.8m) as it is not certain when these will be utilised

8. Fixed asset investments

	31 December 2010 £'000	31 December 2009 £'000
Subsidiary undertaking	<u>1,569</u>	<u>1,569</u>

In 2009 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

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Notes to the financial statements for the year ended 31 December 2010 (continued)**8. Fixed asset investments (continued)**

As the carrying value of the Company's investment in these subsidiary undertakings was nil, no profit nor loss was recognised in the Profit and Loss Account in the previous year as a result of the dissolution of the investment

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 20

9. Debtors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Debtors: amounts falling due within one year		
Amounts owed by group undertakings	521,975	522,853
Other debtors	5	5
Corporation tax receivable	24	19
	<u>522,004</u>	<u>522,877</u>

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

10. Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Amounts owed to group undertakings	<u>59,332</u>	<u>60,179</u>

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

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

	31 December 2010 £'000	31 December 2009 £'000
Amounts owed to group undertakings	<u>300,000</u>	<u>-</u>

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

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Notes to the financial statements for the year ended 31 December 2010 (continued)**12. Share Capital**

	Authorised		Allotted, called up and fully paid	
	Number	£'000	Number	£'000
Ordinary shares of £1 each				
At 31 December 2009	<u>150,000,000</u>	<u>150,000</u>	<u>150,000,000</u>	<u>150,000</u>
At 31 December 2010	<u>150,000,000</u>	<u>150,000</u>	<u>150,000,000</u>	<u>150,000</u>

13. Share capital, share premium and reserves

	Share capital	Profit and loss reserve	Total
	£'000	£'000	£'000
At 31 December 2009	150,000	314,267	464,267
Loss for the year	-	(26)	(26)
Dividend distribution	-	(300,000)	(300,000)
At 31 December 2010	<u>150,000</u>	<u>14,241</u>	<u>164,241</u>

14. Operating lease commitments

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

	31 December 2010 £'000	31 December 2009 £'000
Lease expiring After five years	<u>91</u>	<u>91</u>

15. 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

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

17. 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. These companies are both registered in England and Wales.

Hillsdown International Limited

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Notes to the financial statements for the year ended 31 December 2010 (continued)**17. Ultimate parent company (continued)**

Premier Foods plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2010. The consolidated financial statements of Premier Foods plc can be obtained from the Company Secretary at Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire, AL1 2RE.

18. 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.

19. 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 headroom 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.

20. 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.

21. Subsequent events

There were no subsequent events.