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General Mills Holding (UK) Limited

Directors' report and financial statements

Registered number 4111739

30 April 2007

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DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 April 2007

Business Review

The Company acts as a UK holding Company for the UK trading affiliates of its ultimate parent General Mills, Inc

There have not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

During the year, the Company recorded a profit of £55,000 for the year (2006 profit £1,121,000)

As a holding company, the Company monitors the performance of its operating subsidiaries against their objectives.

The Directors have elected for the first time not to prepare the Company's financial statements on a consolidated basis with that of its subsidiaries. This election is in accordance with s228A of the Companies Act 1985 as amended.

Dividends

The directors have not recommended the payment of a dividend in respect of the year ended 30 April 2007 (2006 - £nil)

Directors

The directors who served during the year were as follows

E Harper Jr
R J Gardner
J G Moseley
C J Harper

None of the directors had any beneficial or non-beneficial interest in the share capital of the Company or had a material interest during the period in any significant contract with the Company.

E Harper Jr is also a director of General Mills International Businesses, Inc a fellow group Company of General Mills, Inc and his interests are disclosed in their accounts.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to

make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board

A handwritten signature in black ink, appearing to read 'R Gardner', with a stylized flourish at the end.

R Gardner
Director

100 New Bridge Street
London
EC4V 6JA

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of General Mills Holding (UK) Limited

We have audited the financial statements of General Mills Holding (UK) Limited for the year ended 30 April 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Directors' Report 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 Directors' Report 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 group's and 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.

Independent auditors' report to the members of General Mills Holding (UK) Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 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 Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

Date 12 February 2008

Profit and loss account*for the year ended 30 April 2007*

	<i>Note</i>	2007 £000	2006 £000
Turnover		-	-
Operating costs	2	<u>(1)</u>	<u>(1)</u>
Operating (loss)	2	(1)	(1)
Writedown of investment in subsidiaries	3	-	(39,040)
Dividends received	4	2,791	42,040
Net Interest receivable	5	56	9
Net Interest payable	6	<u>(2,791)</u>	<u>(3,218)</u>
Profit/ (Loss) on ordinary activities before taxation		55	(210)
Tax on profit on ordinary activities	7	<u>-</u>	<u>1,331</u>
Profit for the financial year	13	<u>55</u>	<u>1,121</u>

The results all relate to continuing operations

Statement of total recognised gains and losses*for the year ended 30 April 2007*

	2007 £'000	2006 £'000
Profit for the financial year	<u>55</u>	<u>1,121</u>

Balance Sheet*at 30 April 2007*

	<i>Note</i>	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Investments	8		54,425		54,425
Current assets					
Debtors	9	1,387		1,332	
		<u>1,387</u>		<u>1,332</u>	
Creditors: amounts falling due within one year	10	<u>(1,396)</u>		<u>(1,396)</u>	
Net current liabilities			(9)		(64)
Total assets less current liabilities			<u>54,416</u>		<u>54,361</u>
Creditors: amounts falling due over one year	11		<u>(45,498)</u>		<u>(45,498)</u>
Net assets			<u>8,918</u>		<u>8,863</u>
Shareholders' funds					
Called up share capital	12		10,291		10,291
Share premium account	13		7,507		7,507
Profit and loss account	13		(8,880)		(8,935)
Shareholders funds			<u>8,918</u>		<u>8,863</u>

These financial statements were approved by the board of directors on 12 February 2008 and were signed on its behalf by



R Gardner
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements except as noted below

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rule

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of General Mills, Inc the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of General Mills, Inc within which this Company is included, can be obtained from the address given in note 13

The company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking and not about its group

(b) Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

(c) Investments

Investments are held at cost less any provision for impairments

Notes (continued)**2 Operating costs**

	2007	2006
	£000	£000
Other external charges	(1)	(1)

3 Group Restructuring

During the year ended 30 April 2006, there was a UK group restructuring resulting in the company writing down its investment in General Mills Berwick Limited by an amount of £39,039,567

4 Dividends received

The company received dividends of £2,791,000 (2006 £42,039,567) from one of it's subsidiaries – General Mills Berwick Limited

5 Interest receivable

	2007	2006
	£'000	£'000
Interest receivable on loans to group undertakings	<u>56</u>	<u>2</u>

6 Interest payable

	2007	2006
	£'000	£'000
Interest payable on loans from group undertakings	<u>2,791</u>	<u>3,218</u>

Notes (continued)**7 Taxation**

	2007	2006
	£'000	£'000
Current tax		
UK corporation tax at 30% (2006 30%)	-	-
Compensatory payment for group relief	=	<u>1,331</u>

8 Fixed asset investments

	Shares in group undertakings
	£'000
Company	
<i>Cost</i>	
At beginning and end of year	<u>54,425</u>

At the beginning and end of the year the Company owned the entire share capital of General Mills Berwick Limited and General Mills UK Ltd, trading companies incorporated in the UK, and the entire share capital of General Mills Pension Trustee Limited, a non trading Company incorporated in the UK

Notes (continued)**9 Debtors**

	2007	2006
	£000	£000
Amounts owed by group undertakings	1,387	1,332

Debtors balance relate to interest bearing cash deposits owed by group undertakings

10 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Amounts owed to group undertakings	1,396	1,396

11 Creditors: amounts falling due after more than one year

	2007	2006
	£'000	£'000
Amounts owed to group undertakings	45,498	45,498

Of the above amount £nil falls due after 5 years

Notes (continued)

12 Called up Share Capital

	<u>Authorised</u>			
	<u>2007</u>		<u>2006</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
Ordinary shares of £1 each	40,000,000	40,000,000	40,000,000	40,000,000

	<u>Allotted called up and fully paid</u>			
	<u>2007</u>		<u>2006</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
Ordinary shares of £1 each	10,291,000	10,291,000	10,291,000	10,291,000

13 Reconciliation of movement in shareholders funds

2007	Share Capital	Share premium account	Profit and loss account	Total
	£000	£000	£000	£000
At beginning of year	10,291	7,507	(8,935)	8,863
Profit/ (loss) for the year	-	-	55	55
At end of year	10,291	7,507	(8,880)	8,918
2006	Share Capital	Share premium account	Profit and loss account	Total
	£000	£000	£000	£000
At beginning of year	10,291	7,507	(10,056)	7,742
Profit for the year	-	-	1,121	1,121
At end of year	10,291	7,507	(8,935)	8,863

Notes (continued)**14 Ultimate parent Company and parent undertaking of larger group of which the Company is a member**

General Mills Holding (UK) Limited is part of the world-wide group of companies whose ultimate parent Company is General Mills, Inc , incorporated in the USA The consolidated financial statements of General Mills, Inc for the year ended 28 May 2007 are available to the public and may be obtained from its registered office at Number One General Mills Boulevard, Minneapolis, MN55440, USA