



Marlow Foods Holdings Limited
Annual report and accounts
for the year ended 31 December 2006

Registered Number 4562599

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Marlow Foods Holdings Limited
Annual report and accounts
for the year ended 31 December 2006
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Marlow Foods Holdings Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal activities

The principal trading activity of the group is the manufacture, distribution and sale of Quorn branded products. The group sells Mycoscent branded products and also sells Bird's chilled products on behalf of Premier Ambient Products (UK) Limited. From August 2006 the group also took on the responsibility for the sale of Cauldron branded products.

The group is involved in the marketing and distribution of products in the UK, Continental Europe and the United States of America. These activities will continue in the foreseeable future. Quorn and the Quorn logo and Mycoscent are registered trade marks of Marlow Foods Limited.

Business review

The business continued trading in the UK and Continental European territories through Marlow Foods Limited and in the US through Quorn Foods Inc. Overall sales increased by 20% and gross profit by 6%.

The profit on ordinary activities after taxation was £8,220,000 (2005 £6,096,000).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Premier Foods 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 44 to 45 of the Premier Foods group's annual report which does not form part of this report.

Research and development

The group conducts research and development into new products for sale under its brand names. The directors regard the investment in research and development as integral to the continuing success of the business and providing our customers and consumers with innovative products. All costs are taken to the profit and loss account in the year incurred.

Proposed dividend

The directors do not recommend the payment of a dividend (2005 £nil).

Future outlook

The business has a policy of investing for the future and is well placed to continue to expand its operations, whilst the markets it operates in continue to grow.

Payment of suppliers

Although it is not group policy formally to comply with the Confederation of British Industry's code of practice on the prompt payment of suppliers, it is group policy to agree appropriate payment terms with all suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment and, subject to their compliance, abide by the terms of payment.

Marlow Foods Holdings Limited

Directors and their interests

The directors who held office during the year are given below

S T Bolton

R E Howell (resigned 29 March 2007)

P Thomas

At the year end Mr P Thomas was also a director of Premier Foods plc. His interests in, and options over, the share capital of group companies are disclosed in the financial statement of that company.

The interests of the directors, who were directors at the year end, in group companies are shown below

Premier Foods plc Options over ordinary shares of £0.01

	1 January 2006	Options granted during the year	Adjustment for Rights Issue ⁽²⁾	31 December 2006	Exercise price per share	Exercise period
S T Bolton	144,186 ⁽¹⁾	-	38,544	182,730	169.65p	23 July 2007 – 22 July 2014

(1) Options granted under the Premier Foods plc Executive Share Option Scheme. The exercise of these options is conditional upon the satisfaction of performance conditions based on total shareholder return and earnings per share of Premier Foods plc, as set out in the annual report of Premier Foods plc.

(2) Adjustments to options taking into account the rights issue of 14 August 2006. The exercise price is also adjusted.

Long-Term Incentive plan

The following table shows the other directors' interests in the number of shares awarded under the long-term incentive plan. These figures represent the maximum potential award.

	Award Date	Awards held 1 January 2006	Awards during the year	Adjustment for Rights Issue	Awards held 31 December 2006	End of period when qualifying conditions must be met
S T Bolton	26 May 2005	30,743	-	8,218	38,961	26 May 2008
	13 April 2006	-	33,608	8,984	42,592	13 April 2009
R E Howell	13 April 2006	-	14,689	3,926	18,615	13 April 2009

The vesting of these awards is subject to the fulfilment of performance conditions based on total shareholder return and earnings per share of Premier Foods plc, as set out in the annual report of Premier Foods plc.

The price at which the ordinary shares under the plan may be acquired upon the exercise of an option shall be £0.01 in aggregate and the exercise period for these is from 2008 to 2016.

The market price of ordinary shares of Premier Foods plc on the 2005 award date was 302.5p and on the 2006 award date was 289.75p.

Marlow Foods Holdings Limited

Employees

Employment of people with disabilities

It is group policy that people with disabilities should have the same consideration as others with respect to recruitment, retention and personal development. Depending on their skills and abilities, they enjoy the same career prospects as other employees and the same scope for realising potential. The group also takes all reasonable steps to ensure that its working environments can accommodate special needs.

Employee involvement

The group maintains an open management style and involves its employees, both in daily decisions which affect them and longer term matters, through regular Employee Forum meetings held at its sites which also allow consultation and a two way exchange. Appropriate Trade Union recognition also applies.

It is fully committed to keeping all its employees informed on a regular basis about the business and its overall performance principally through a monthly process.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

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.

Auditors and disclosure of information to auditors

Each director, as at the date of this report has confirmed that in so far as they are aware there is no relevant audit information (this is information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all 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.

Auditors

A written elective resolution of the company has been passed exempting the company from the obligation to appoint auditors annually in accordance with the terms of Section 386(1) of the Companies Act 1985 (as amended).

By order of the Board

Christie Hines

C Hines
Secretary

4 May 2007

Marlow Foods Holdings Limited

Independent auditors' report to the members of Marlow Foods Holdings Limited

We have audited the consolidated financial statements of Marlow Foods Holdings Limited for the year ended 31 December 2006 which comprise the group profit and loss account, the note of group historical cost profits and losses, the statement of group total recognised gains and losses, the reconciliation of movements in group shareholders' funds, the group and company balance sheets, the accounting policies 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 Annual Report and 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 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 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.

Marlow Foods Holdings 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 group's and parent company's affairs as at 31 December 2006 and of the group's 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

17 May 2007

Marlow Foods Holdings Limited

Group profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	1	101,070	84,237
Cost of sales before exceptional item		(57,535)	(46,668)
Exceptional item	2	(3,552)	-
Cost of sales		(61,087)	(46,668)
Gross profit		39,983	37,569
Distribution costs		(3,913)	(3,413)
Administrative expenses before exceptional items		(23,039)	(18,683)
Exceptional item	2	-	(3,761)
Administrative expenses		(23,039)	(22,444)
Profit on ordinary activities before interest and taxation		13,031	11,712
Interest receivable and similar income		454	332
Interest payable and similar charges	6	(1,905)	(2,884)
Profit on ordinary activities before taxation	3	11,580	9,160
Tax on profit on ordinary activities	7	(3,360)	(3,064)
Profit for the financial year	16	8,220	6,096

All the activities of the group arose from continuing operations

Note of group historical cost profits and losses for the year ended 31 December 2006

	2006 £'000	2005 £'000
Reported profit on ordinary activities before taxation	11,580	9,160
Differences between historical cost and actual depreciation charge for the year	2	-
Historical cost profit on ordinary activities before taxation	11,582	9,160
Historical cost profit for the year	8,222	6,096

Marlow Foods Holdings Limited

Statement of Group total recognised gains and losses

	2006	2005
For the year ended 31 December	£'000	£'000
Retained profit for the financial year	8,220	6,096
Unrealised surplus on revaluation of land	2,728	-
Exchange differences on translation of subsidiary undertakings	(37)	(8)
Total recognised gains and losses for the financial year	10,911	6,088

Reconciliation of movements in Group shareholders' funds

	2006	2005
For the year ended 31 December	£'000	£'000
Retained profit for the financial year	8,220	6,096
Unrealised surplus on revaluation of land	2,728	-
Exchange differences on translation of subsidiary undertakings	(37)	(8)
Net addition to equity shareholders' funds	10,911	6,088
Net proceeds from issue of ordinary share capital	-	8,000
Opening equity shareholders' funds	17,896	3,808
Closing equity shareholders' funds	28,807	17,896

Marlow Foods Holdings Limited

Group balance sheet as at 31 December 2006

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
Fixed assets					
Tangible assets	8	48,222		37,702	
Goodwill	9	5,804		6,229	
			54,026		43,931
Current assets					
Stocks	11	14,647		9,099	
Debtors	12	16,612		13,620	
Bank and cash		10,927		2,608	
			42,186		25,327
Creditors amounts falling due within one year	13		(61,435)		(44,819)
Net current liabilities			(19,249)		(19,492)
Total assets less current liabilities			34,777		24,439
Provisions for liabilities and charges	14		(5,970)		(6,543)
Net assets			28,807		17,896
Capital and reserves					
Called up equity share capital	15		1,001		1,001
Share premium account	16		7,999		7,999
Revaluation reserve	16		2,726		-
Profit and loss account	16		17,081		8,896
Total equity shareholders' funds			28,807		17,896

Marlow Foods Holdings Limited

Company balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Investment	10	5,659	5,659
Current assets			
Debtors	12	38,897	29,779
		38,897	29,779
Creditors: amounts falling due within one year	13	(40,717)	(31,476)
Net current liabilities		(1,820)	(1,697)
Net assets		3,839	3,962
Capital and reserves			
Called up equity share capital	15	1,001	1,001
Share premium account	16	7,999	7,999
Profit and loss account	16	(5,161)	(5,038)
Total equity shareholders' funds		3,839	3,962

The financial statements on pages 6 to 20 were approved by the board of directors on 4 May 2007 and were signed on its behalf by



S T Bolton
Director

Marlow Foods Holdings Limited

Accounting policies

These financial statements are prepared under the historical cost convention. The accounting policies set out below are in accordance with applicable accounting standards.

Basis of consolidation

The group accounts comprise a consolidation of the accounts of Marlow Foods Holdings Limited and its subsidiary undertakings.

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to the 31 December 2006. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

As permitted by Section 230(3) of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss for the year was £123,000 (2005 £2,963,000).

Under Financial Reporting Standard No 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that its cash flows are included within the consolidated financial statements of its ultimate parent undertaking.

In the company's financial statements, investments in subsidiary undertakings are stated at cost.

Tangible fixed assets

Tangible fixed assets are included in the balance sheet at cost or valuation. All fixed assets are reviewed for impairment when there are indications that carrying value may not be fully recoverable. Subsequent expenditure is added to the carrying value of the asset when it is probable that incremental future economic benefits will transfer to the Group. All other subsequent expenditure is expensed in the period it is incurred.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	40 years
Leasehold land and buildings	-	Life of lease
Plant and machinery	-	3 to 21 years

No depreciation is provided on freehold land.

Goodwill

Goodwill represents the excess of the fair value of the consideration of acquisitions of subsidiary undertakings or businesses over the fair value of the identifiable net assets acquired.

For acquisitions goodwill is capitalised as an intangible asset and amortised through the profit and loss account on a straight line basis over its estimated economic life up to a maximum of 20 years.

Marlow Foods Holdings Limited

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rate of exchange during the period. Gains and losses arising on translation are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Pension costs and post-retirement benefits

The group operates a stakeholder pension scheme through Friends Provident, life assurance cover is also provided. Company contributions of £1,068,000 (2005 £1,162,000) to the fund have been charged to the profit and loss account as incurred.

Research and development expenditure

Expenditure on research and development of £1,095,000 (2005 £1,201,000) is written off to the profit and loss account in the period in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

Deferred tax is recognised in respect of 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, or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that they are considered more likely than not to be recoverable in the future. Deferred tax is provided on an undiscounted basis.

Turnover

In November 2003 The Accounting Standards Board issued an amendment to Financial Reporting Standard 5 'Reporting the substance of transactions' in the form of Application Note G – Revenue Recognition. The Group's accounting policy for turnover is in accordance with the Application Note. Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year, net of trade discounts, promotional activities and rebates.

Marlow Foods Holdings Limited

Notes to the financial statements for the year ended 31 December 2006

1 Analysis of turnover

	2006	2005
	£'000	£'000
Sales by destination		
Europe	96,870	80,901
United States of America	4,200	3,336
	101,070	84,237

In the opinion of the directors of the company, further segmental disclosures required would be seriously prejudicial to the interests of the company, and consequentially such information has not been disclosed

2 Exceptional items

The following items, exceptional by virtue of size, were recorded in the profit and loss account as follows

	2006	2005
	£'000	£'000
Cost of sales	(3,552)	-
Administrative expenses	-	(3,761)
	(3,552)	(3,761)

Cost of sales

A full review of fixed assets was undertaken by Bidwells on behalf of Premier Foods plc, resulting in impairments being posted to exceptional expense of £3,552,000. This relates to buildings and plant and machinery. Land and buildings were revalued upwards during the same exercise by £2,728,000.

Administrative expenses

As a result of the company's acquisition by the Premier Foods Group on 6 June 2005, the company repaid its existing loan notes earlier than originally planned. The remaining balance of the unamortised debt issuance costs of £3,761,000 which had been capitalised and offset against the carrying value of the loan notes was written off against profits.

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3 Profit on ordinary activities before taxation

	2006	2005
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Auditors' remuneration		
Audit	42	38
Depreciation of owned tangible fixed assets	3,760	4,024
Amortisation of goodwill	425	283
Research and development expenditure	1,095	1,201
(Gain)/Loss on sale of tangible fixed assets	(18)	27

4 Remuneration of directors

Included within staff costs (note 5) are the following amounts in respect of directors' emoluments

	2006	2005
	£'000	£'000
Aggregate emoluments	108	371
Company contributions to pension schemes	20	42
	128	413

Retirement benefits are accruing to one director under a money purchase pension scheme

The aggregate compensation paid to past directors for loss of office in the year was £207,795 (2005 £nil)

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	2006	2005
	Number	Number
Administration	72	72
Sales and marketing	24	24
Production	252	220
Research and technical	47	40
	395	356

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5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows

	2006 £'000	2005 £'000
Wages and salaries	10,280	9,937
Social security costs	1,056	1,046
Other pension costs	1,068	1,162
	12,404	12,145

6 Interest payable and similar charges

	2006 £'000	2005 £'000
Bank interest	11	919
Loan note interest	-	883
Interest on loans from parent undertaking	1,894	1,082
	1,905	2,884

7 Tax on profits on ordinary activities

(a) Analysis of the tax charge for the year:

	2006 £'000	2005 £'000
Current tax		
UK corporation tax for the year	3,896	3,422
Adjustment in respect of prior years	(36)	(3)
Overseas taxation	73	-
	3,933	3,419
Deferred taxation (see note 14)		
Origination and reversal of timing differences	(547)	(416)
Adjustment in respect of previous years	(26)	61
Tax charge on profit on ordinary activities	3,360	3,064

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7 Tax on profits on ordinary activities (continued)

(b) Factors affecting the tax charge for the current year:

The current tax charge for the current year is different than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	11,580	9,160
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2005 30%)	3,474	2,748
Effects of		
Expenses and consolidation adjustments not deductible for tax purposes	(45)	292
Capital allowances for period less than depreciation	622	492
Other timing differences	19	17
Utilisation of overseas trading losses and tax rate differences on overseas results	(101)	(127)
Adjustment in respect of prior years	(36)	(3)
Total current tax charge	3,933	3,419

(c) Factors that may affect future tax charges.

There are no factors that are expected to significantly affect the taxation charge in future years

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8 Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and machinery £'000	Assets in course of construction £'000	Total £'000
Cost				
At 1 January 2006	11,571	87,359	144	99,074
Revaluation	2,728	-	-	2,728
Additions	-	61	15,153	15,214
Disposals	-	(270)	-	(270)
Transfers	2,047	3,175	(5,222)	-
At 31 December 2006	16,346	90,325	10,075	116,746
Depreciation				
At 1 January 2006	3,248	58,124	-	61,372
Impairment	1,469	2,083	-	3,552
Charge for year	278	3,482	-	3,760
On disposals	-	(160)	-	(160)
At 31 December 2006	4,995	63,529	-	68,524
Net book value				
At 31 December 2006	11,351	26,796	10,075	48,222
At 31 December 2005	8,323	29,235	144	37,702

The gross book value of freehold land and buildings includes £4,201,000 (2005 £953,000) of land not being depreciated

If the revalued assets were restated on the historical cost basis, the amounts would be

Group – Land and Buildings	2006 £'000	2005 £'000
At cost	13,618	-
Aggregated depreciation	4,993	-
Net book value based on historic cost	8,625	-

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9 Goodwill

Cost	£'000
At 1 January 2006	6,229
Amortisation charge for year	(425)
Net book amount 31 December 2006	5,804

10 Fixed asset investment

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 January and 31 December 2006	5,659

The subsidiaries, all of which are included within the consolidation and are wholly owned, are as follows

Subsidiary undertaking	Country of registration or incorporation	Principal activity	Class/percentage of shares held
Marlow Foods Limited	England	Manufacture of Quorn products	Ordinary 100%
Held by subsidiary undertakings			
Quorn Foods Inc	United States	Distributor of Quorn products	Ordinary 100%

In the opinion of the directors the investments in the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet

11 Stocks

	Group	
	2006	2005
	£'000	£'000
Raw materials and consumables	3,604	2,779
Work in progress (including intermediate product)	5,151	2,677
Finished goods and goods for resale	5,892	3,643
	14,647	9,099

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12 Debtors

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Trade debtors	14,721	12,396	-	-
Amounts due from group undertakings	8	-	38,897	29,779
Other debtors	1,147	892	-	-
Prepayments and accrued income	736	332	-	-
	16,612	13,620	38,897	29,779

13 Creditors: amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Trade creditors	3,692	4,691	-	-
Amounts owed to group undertakings	44,512	31,476	40,567	31,476
Corporation tax	3,132	2,165	150	-
Taxation and social security	536	379	-	-
Other creditors	689	33	-	-
Accruals and deferred income	8,874	6,075	-	-
	61,435	44,819	40,717	31,476

14 Provisions for liabilities and charges

Group	Deferred taxation
	£'000
At 1 January 2006	6,543
Utilised in the year (Note 7)	(573)
At 31 December 2006	5,970

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15 Called up share capital

	2006 £'000	2005 £'000
Authorised:		
2,000,000 (2005 2,000,000) ordinary shares of £1 each	2,000	2,000
Allotted and fully paid		
1,000,800 (2005 1,000,800) ordinary shares of £1 each	1,001	1,001

16 Reserves

Group	Share premium £'000	Revaluation reserves £'000	Profit and loss account £'000
At 1 January 2006	7,999	-	8,896
Retained profit for the financial year	-	-	8,220
Surplus on revaluation of land	-	2,728	-
Foreign currency translation differences	-	-	(37)
Transfer from revaluation reserve	-	(2)	2
At 31 December 2006	7,999	2,726	17,081

Company	Share premium £'000	Profit and loss account £'000
At 1 January 2006	7,999	(5,038)
Loss for the year	-	(123)
At 31 December 2006	7,999	(5,161)

17 Commitments

Contracted capital commitments at the end of the financial period, for which no provision has been made, were £1,067,000 (2005 £35,000) and capital commitments not contracted were £ 71,000 (2005 £1,255,000)

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18 Related party disclosures

Transactions with other companies within the Marlow Foods Holdings Limited group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 'Related Party Disclosures'

19 Post balance sheet event

On 1 February 2007, the entire issued share capital of Cauldron Foods Limited was acquired by Marlow Foods Holdings Limited from its parent, Premier Financing Limited. The consideration was the issue of 100 ordinary shares. On the same day, Marlow Foods Holdings Limited sold these shares to Marlow Foods Limited, with the consideration being the issue of 100 ordinary shares to Marlow Foods Holdings Limited.

20 Ultimate parent undertaking

The immediate parent undertaking is Premier Financing Limited, which is incorporated and registered in England and Wales.

The ultimate parent undertaking and controlling party is Premier Foods plc, a company incorporated in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from

Premier Foods plc
Premier House
Centrium Business Park
Griffiths Way
St Albans
Hertfordshire AL1 2RE