

Company registered no 5957575

United Biscuits Holdco 2 Limited (formerly Precis (2644) Limited)

Report and Financial Statements

For the period 5 October 2006 to 29 December 2007

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United Biscuits Holdco 2 Limited

Directors' Report

The directors present their report and the financial statements for the period 5 October 2006 to 29 December 2007 ("2007")

Directors

The directors who served during the period were

Name	Date of appointment	Date of Resignation
Benjamin Solomon Jacobs ¹	15 November 2006	25 January 2007
Bertrand Marc Andre Meunier ²	6 November 2006	25 January 2007
David Scott Blitzter ¹	17 October 2006	25 January 2007
Frederic Stevenin ²	17 October 2006	25 January 2007
Hamish Robert Muir MacKenzie ²	24 October 2006	25 January 2007
Jeffrey Peter van der Eems	25 January 2007	
Lionel Yves Assant ¹	6 November 2006	25 January 2007
Oscar Alexandra Hattink ¹	17 October 2006	15 November 2006
Peregrine Secretarial Services Ltd	5 October 2006	17 October 2006
Susan Furst	25 January 2007	

¹ Blackstone appointed

² PAI appointed

During the period the Company maintained liability insurance for its directors and officers

Principal activity, review of the business and future developments

The Company was incorporated on 5 October 2006. On 17 November 2006 the Company's name was changed from Precis (2644) Limited to United Biscuits Holdco 2 Limited ("Holdco 2")

The principal activity of the Company is to act as an investment holding company for the United Biscuits Group ("Group"). Full details of the performance of the United Biscuits Group are set out in the report and financial statements of United Biscuits Topco Limited, copies of which may be obtained from its registered address: Hayes Park, Hayes End Road, Middlesex, Hayes, UB4 8EE

Principal risks and uncertainties

Full details of the principal risks and uncertainties are set out in the report and financial statements of United Biscuits Topco Limited

Financial risk management objectives

Full details of the financial risk management objectives are set out in the report and financial statements of United Biscuits Topco Limited

Key Performance Indicators

Refer to United Biscuits Topco Limited for the Key Performance Indicators for the Group

Results and dividends

The profit for the period is shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend for the period.

United Biscuits Holdco 2 Limited

Directors' Report (continued)

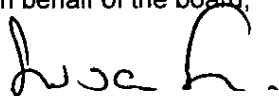
Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board,



Susan Furst (Director)

and May 2008

Registered Office

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

Statement of directors' responsibilities in respect of the financial statements

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 (United Kingdom 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 group and the Company and of the profit or loss of the Company 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 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.

Independent Auditors' Report to the Members of United Biscuits Holdco 2 Limited

We have audited the Company's financial statements for the period 5 October 2006 to 29 December 2007, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 auditors' 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' responsibility for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) is 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).

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 judgements 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.

United Biscuits Holdco 2 Limited

Independent Auditors' Report to the Members of United Biscuits Holdco 2 Limited (continued)

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 Company's affairs as at 29 December 2007 and of the Company's profit for the period 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



Ernst & Young LLP
Registered Auditor
London

2 May 2008

United Biscuits Holdco 2 Limited

Profit and Loss Account

For the period 5 October 2006 to 29 December 2007

	Notes	2007 £m
Foreign exchange gain		10.5
Profit on ordinary activities before interest and taxation	3	10.5
Net interest expense	4	(2.5)
Profit on ordinary activities before taxation		8.0
Tax on profit on ordinary activities	5	(2.4)
Profit after taxation for the period		5.6

All amounts relate to continuing activities

There were no recognised gains or losses other than those disclosed above

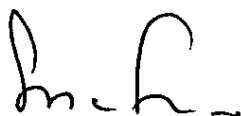
United Biscuits Holdco 2 Limited
Notes to the financial statements

Balance Sheet

As at 29 December 2007

	Notes	2007 £m
Fixed assets		
Investments in subsidiaries	6	59 0
Non current assets		
Amounts due from subsidiary undertakings	7	978 0
Creditors: amounts falling due within one year		
Amounts due to parent and subsidiary companies		(33 9)
Creditors: amounts falling due after more than one year		
Amounts due to parent company		(997 5)
Net assets		<u>5.6</u>
Capital and Reserves		
Share capital	8	-
Profit and loss account	9	5 6
Total shareholder's funds		<u>5.6</u>

Approved by the Board and signed on its behalf on *2nd* May 2008



Susan Furst (Director)

United Biscuits Holdco 2 Limited

Notes to the financial statements

1 Accounting Policies

Basis of accounting

United Biscuits Holdco 2 Limited (the "Company") was incorporated in England and Wales on 5 October 2006 as a private company under the name Precis (2644) Limited

The company was formed, together with a number of other entities, by Blackstone LLP and PAI Management in connection with the acquisition (the "Acquisition") of United Biscuits (Equity) Limited and its subsidiary companies (the "Predecessor")

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The Company is exempt from producing group financial statements, under S228 of the Companies Act 1985, as its parent company United Biscuits Topco Limited, has produced consolidated financial statements as at 29 December 2007. The financial statements herein are solely for United Biscuits Holdco 2 Limited.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

Investments

Investments in subsidiaries are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made, where on the basis of all available evidence at the balance sheet date, it is more likely than not the taxable gain will be rolled into the replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Interest Income

Interest income is recognised as interest accrues.

1 Accounting Policies (continued)

Cash flow statement

The company has not produced a cash flow statement as its parent company, United Biscuits Topco Limited, has prepared a consolidated cash flow statement for the period 5 October 2006 to 29 December 2007

2 Directors and employees

The remuneration of JP van der Eems and S Furst was paid by United Biscuits (UK) Limited by whom they are employed. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the Company and their services as directors of other companies in the United Biscuits Topco Limited Group.

The Company has no employees.

3 Profit on ordinary activities before taxation

The auditor's remuneration is borne by United Biscuits (UK) Limited.

4 Interest

	2007 £m
Interest expense	
Interest due to parent company	(100.4)
Interest income	
Interest due from subsidiary undertaking	97.9
Net interest expense	(2.5)

United Biscuits Holdco 2 Limited
Notes to the financial statements

5 Tax on profit on ordinary activities

	2007 £m
UK Corporation tax charge at 30%	2.4
Profit on ordinary activities before taxation	8.0

6 Investments in subsidiaries

	2007 £m
Investments at cost	59.0

The investment is 100% ownership in respect of the following subsidiary undertakings

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Principal activity</i>
United Biscuits Bidco Limited	England and Wales	Finance company
United Biscuits Dutchco BV	Netherlands	Investment company

7 Amounts due from subsidiary undertakings

	2007 £m
Total amount due from subsidiary undertakings (1)	978.0

- (1) The amount due from fellow subsidiaries includes an amount of £948.4m receivable after more than one year

United Biscuits Holdco 2 Limited
Notes to the financial statements

8 Share capital

	Number	Ordinary Shares
Authorised		
At 5 October 2006 and 29 December 2007	<u>100</u>	<u>100</u>
Issued, called up and fully paid		
At 5 October 2006	-	-
Issued	2	2
At 29 December 2007	<u>2</u>	<u>2</u>

¹ Represents authorised, issued, called up and fully paid Ordinary Shares of £1 each

9 Reconciliation of shareholder's funds and movements on reserves

	Share Capital	Profit & Loss account	Total
	£'000	£'000	£'000
Balance at 5 October 2006	-	-	-
Profit for the year	-	5.6	5.6
Balance at 29 December 2007	<u>-</u>	<u>5.6</u>	<u>5.6</u>

10 Inter-group cross-guarantee

The Company, together with other subsidiary undertakings in the United Biscuits Topco Limited group, has cross-guaranteed the Group's Senior and Second Lien facility and Mezzanine facility. The amount outstanding under the facility as at 29 December 2007 was £1,315.2m.

11 Related party transactions

The Company has taken advantage of the exemptions set out in Financial Reporting Standard 8, "Related Party Transactions" not to disclose transactions with entities that are part of United Biscuits Topco Limited group, on the grounds that consolidated financial statements are publicly available.

12 Ultimate parent company

The Company's ultimate U K parent undertaking as at 29 December 2007 is United Biscuits Topco Limited, which has included the Company in its consolidated financial statements

The Company's ultimate parent undertaking is United Biscuits Luxco S C A, which is incorporated in Luxembourg