

Company registered no 5957575

United Biscuits Holdco 2 Limited

Report and Financial Statements

For the 52 Weeks Ended

1 January 2011

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Directors' Report

The directors present their report and the financial statements for the 52 Weeks ended 1 January 2011

Directors

The directors who served during the period were

Name

Jeffrey van der Eems

Susan Furst

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

Principal activity, review of the business and future developments

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 Loss for the period is shown in the profit and loss account on page 7 The directors do not recommend the payment of a dividend for the period [2009 Nil]

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.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the board,



Susan Furst – Director

27 April 2011

Registered Office

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

United Biscuits Holdco 2 Limited
Notes to the financial statements

Statement of directors' responsibilities in respect of the financial statements

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 elected to prepare 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 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 judgments 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.

United Biscuits Holdco 2 Limited
Notes to the financial statements

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

We have audited the financial statements of United Biscuits Holdco 2 Limited for the year ended 1 January 2011, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 15. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state 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 auditor

As explained more fully in the Directors' Responsibilities Statement on page 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 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 (APB's) Ethical Standards for Auditors.

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 1 January 2011 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

United Biscuits Holdco 2 Limited
Notes to the financial statements

Independent Auditor's Report to the Members of United Biscuits Holdco 2 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

Ernst & Young LLP

Andrew Walton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

27 April 2011

United Biscuits Holdco 2 Limited
Notes to the financial statements

Profit and Loss Account

For the 52 Weeks ended 1 January 2011

| | Notes | 2010 £m | 2009 £m |
|--|--------------|--------------------|--------------------|
| Foreign exchange loss | | (5.2) | (12.9) |
| Loss on ordinary activities before interest | 3 | (5.2) | (12.9) |
| Net interest expense | 4 | (0.7) | (0.6) |
| Investment income | 5 | - | 19.0 |
| (Loss)/profit for the financial year before and after tax | 6 | (5.9) | 5.5 |

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 1 January 2011

| | Notes | 2010 £m | 2009 £m |
|---|-------|------------------|------------------|
| Fixed Assets | | | |
| Investments in subsidiaries | 7 | 59.0 | 59.0 |
| Current Assets | | | |
| Debtors – amounts falling due after one year | 8 | 1,179.9 | 1,126.4 |
| Debtors – amounts falling due within one year | 9 | 41.4 | 33.8 |
| Net Current Assets | | 1,221.3 | 1,160.2 |
| Total assets less current liabilities | | 1,280.3 | 1,219.2 |
| Creditors – amounts falling due after one year | 10 | (1,237.0) | (1,170.0) |
| Net assets | | 43.3 | 49.2 |
| Capital and Reserves | | | |
| Share Capital | 11 | - | - |
| Profit and loss account | 12 | 43.3 | 49.2 |
| Total shareholder's funds | | 43.3 | 49.2 |

Approved by the Board and signed on its behalf on 27 April 2011



Susan Furst – Director

United Biscuits Holdco 2 Limited

Notes to the financial statements

1 Accounting Policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable UK accounting standards. The financial statements for the prior period include reclassifications that are made to conform to current period presentation of net current asset/liabilities. The Company is exempt from producing group financial statements, under s400 of the Companies Act 2006, as its ultimate UK parent undertaking, United Biscuits Topco Limited, has produced group financial statements as at 1 January 2011. These financial statements solely relate to United Biscuits Holdco 2 Limited.

Interest expense

Interest expense is recognised as it accrues.

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

Current taxation for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Interest income

Interest income is recognised as it accrues.

Investment income

Investment income represents dividends from subsidiaries declared during the year.

United Biscuits Holdco 2 Limited
Notes to the financial statements

1 Accounting Policies (continued)

Cash flow statement

The Company has not produced a cash flow statement as its ultimate UK parent undertaking, United Biscuits Topco Limited, has prepared a consolidated cash flow statement as at 1 January 2011

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 received no remuneration in respect of qualifying services to the subsidiary company.

The Company, as an investment holding Company, has no employees.

3 (Loss)/profit on ordinary activities before interest

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

4 Net interest expense

| | 2010 £m | 2009 £m |
|--|--------------------------|--------------------------|
| Interest expense | | |
| Interest due to parent company | (72.1) | (76.5) |
| Interest income | | |
| Interest due from subsidiary companies | 71.4 | 75.9 |
| Net interest expense | <u>(0.7)</u> | <u>(0.6)</u> |

5 Investment income

| | 2010 £m | 2009 £m |
|-----------------|--------------------------|--------------------------|
| Dividend income | <u>-</u> | <u>19.0</u> |

United Biscuits Holdco 2 Limited
Notes to the financial statements

6 Tax on profit on ordinary activities

The tax charge on the profit on ordinary activities for the year is lower than the standard rate of corporate tax in the UK of 28% (2009 – 28%) The differences are reconciled below

| | 2010 £m | 2009 £m |
|--|------------|------------|
| Tax charge at UK statutory rate of 28% (2009 – 28%) | (1.7) | 1 5 |
| Transfer pricing adjustment | 1.0 | 0 3 |
| Permanent differences | - | (5 3) |
| Tax losses utilised for no charge | 0.7 | 3 5 |
| Total tax charge | - | - |
| (Loss) / profit on ordinary activities before taxation | (5 9) | 5 5 |

7 Investments in subsidiaries

| | 2010 £m | 2009 £m |
|--------------------------------------|------------|------------|
| At 1 January 2011 and 2 January 2010 | 59.0 | 59 0 |

The investment represents 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 | Investment company |
| United Biscuits Dutchco BV | Netherlands | Investment company |

8 Debtors : amounts falling due after one year

| | 2010 £m | 2009 £m |
|---|------------|------------|
| Amounts due from fellow Group companies | 1,179.9 | 1,126 4 |

United Biscuits Holdco 2 Limited
Notes to the financial statements

9 Debtors : amounts falling due within one year

| | 2010 | 2009 |
|---|-------------|-------------|
| | £m | £m |
| Amounts due from fellow Group companies | <u>41.4</u> | <u>33.8</u> |

10 Creditors : amounts falling due after one year

| | 2010 | 2009 |
|---------------------------------------|----------------|----------------|
| | £m | £m |
| Amounts due to fellow Group companies | <u>1,237.0</u> | <u>1,170.0</u> |

11 Share capital

| | Number | Ordinary Shares ⁽¹⁾ |
|---|------------|--------------------------------|
| Authorised | | |
| At 1 January 2011 and 2 January 2010 | <u>100</u> | <u>100</u> |
| Issued, called up and fully paid | | |
| At 1 January 2011 and 2 January 2010 | <u>2</u> | <u>2</u> |

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

United Biscuits Holdco 2 Limited
Notes to the financial statements

12 Reconciliation of shareholder's funds and movements on reserves

| | Share Capital | Profit and Loss Account | Total |
|---------------------------|------------------|-------------------------------|-------|
| | £m | £m | £m |
| Balance at 4 January 2009 | - | 43.7 | 43.7 |
| Profit for the year | - | 5.5 | 5.5 |
| Balance at 2 January 2010 | - | 49.2 | 49.2 |
| Balance at 2 January 2010 | - | 49.2 | 49.2 |
| Loss for the year | - | (5.9) | (5.9) |
| Balance at 1 January 2011 | - | 43.3 | 43.3 |

13 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 1 January 2011 was £1,328.3m.

14 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. All entities party to the transactions are wholly owned by United Biscuits Topco Ltd.

15 Ultimate parent company

The Company's ultimate U.K. parent undertaking as at 1 January 2011 is United Biscuits Topco Limited, which has included the Company in its consolidated financial statements, copies of which may be obtained from its registered address:

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

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