

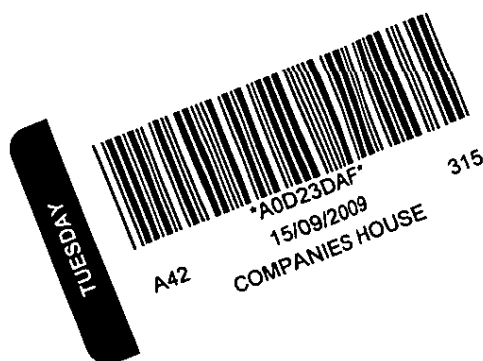
Company registered no: 5957937

United Biscuits Bondco Limited

Report and Financial Statements

For the 53 Weeks Ended

3 January 2009



United Biscuits Bondco Limited

Directors' Report

The directors present their report and the financial statements for the 53 weeks ended 3 January 2009.

Directors

The directors who served during the period were:

Name	Date of appointment	Date of Resignation
Jeffrey Peter van der Eems	25 January 2007	
Susan Furst	25 January 2007	

Principal activity, review of the business and future developments

The Company was incorporated on 5 October 2006.

The principal activity of the Company is to act as an investment holding Company for the United Biscuits Topco Limited Group.

Full details of the performance of the United Biscuits Topco Limited 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.

Loss and appropriations

The loss 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.

Directors

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

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

1 April 2009

Registered Office:

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

Statement of directors' responsibilities

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 Company and of the 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 Auditor's Report to the Members of United Biscuits Bondco Limited

We have audited the Company's financial statements for the year ended 3 January 2009, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. 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 financial statements in accordance with applicable United Kingdom law and 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).

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 Bondco Limited

Independent Auditor's Report to the Members of United Biscuits Bondco 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 3 January 2009 and of the Company's loss 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

1 April 2009

United Biscuits Bondco Limited

Profit and Loss Account

For the 53 weeks ended 3 January 2009 and 54 weeks ended 29 December 2007

	Notes	2008 £m	2007 £m
Interest expense	3	(16.1)	(14.6)
Loss on ordinary activities before taxation	4	(16.1)	(14.6)
Tax on loss on ordinary activities	5	-	-
Loss after tax for the period		<u>(16.1)</u>	<u>(14.6)</u>

All amounts relate to continuing activities.

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

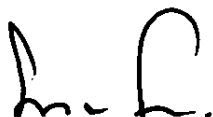
United Biscuits Bondco Limited
Notes to the financial statements

Balance Sheet

As at 3 January 2009 and 29 December 2007

	Notes	2008 £m	2007 £m
Fixed assets			
Investments in subsidiary	6	331.8	174.5
Creditors: amounts falling due after more than one year			
Loan	7	(360.7)	(187.3)
Net Liabilities		<u>(28.9)</u>	<u>(12.8)</u>
Capital and Reserves			
Called up share capital	8	-	-
Share premium	9	1.8	1.8
Profit and loss account	9	(30.7)	(14.6)
Total shareholders' funds		<u>(28.9)</u>	<u>(12.8)</u>

Approved by the Board and signed on its behalf on 1 April 2009.



Susan Furst - Director

1 Accounting Policies

Basis of preparation

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 consolidated financial statements, under S228 of the Companies Act 1985, as its parent Company United Biscuits Topco Limited, has produced consolidated financial statements as at 3 January 2009. The financial statements herein are solely for United Biscuits Bondco Limited.

Going Concern

The company is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due.

The parent company has agreed to provide sufficient funds to the company for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Investments

Fixed asset investments 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.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

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.

United Biscuits Bondco Limited
Notes to the financial statements

1 Accounting Policies (continued)

Cash flow statement

The company has not produced a cash flow statement as the parent company, United Biscuits Topco Limited has prepared a consolidated cash flow statement at 3 January 2009.

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 Interest

	2008 £m	2007 £m
Interest expense		
Amount payable on 8.1% notes due 2036 and 2038 (see note 7)	<u>16.1</u>	<u>14.6</u>

4 Loss on ordinary activities before taxation

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

5 Tax on loss on ordinary activities

	2008 £m	2007 £m
Deferred tax:		
Origination of timing differences – prior year	-	4.4
Origination of timing differences – current year	-	-
Deferred interest relief	-	(4.4)
UK corporation tax credit	<u>-</u>	<u>-</u>

The current tax credit on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 28% (2007 – 30%). The differences are reconciled below:

	2008 £ '000	2007 £ '000
Tax credit at UK statutory rate of tax at 28%	4.5	4.4
Losses on which no tax credit provided	(4.5)	-
Origination of timing differences	-	(4.4)
	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	<u>(16.1)</u>	<u>(14.6)</u>

United Biscuits Bondco Limited
Notes to the financial statements

6 Investment in subsidiary

	2008 £m	2007 £m
Investment at cost	<u>331.8</u>	<u>174.5</u>

The investment is in respect of a 100% owned subsidiary, United Biscuits VLNco Limited, which is a finance company incorporated in England and Wales.

United Biscuits VLNco Limited issued 10 shares to United Biscuits Bondco Limited during the period as consideration for cancelling all of notes held by Bondco together with accrued interest. Refer note 7 for details.

7 Creditors: amounts falling due after more than one year

8.1% Loan Notes due 2036 and 2038

	2008 £m	2007 £m
Loan	(359.2)	(186.7)
Accrued Interest	(1.5)	(0.6)
Total	<u>(360.7)</u>	<u>(187.3)</u>

An amount of £130.0 million of PIK notes were issued by United Biscuits VLNco Limited ("VLNco"), to the former owners of United Biscuits (Equity) Limited. Cinven and MidOcean Partners ("the Vendors") held notes to the value of £70.0 million and £60.0 million respectively. The notes accrued interest of 10% per annum and were due for repayment on 15 December 2017. At the time of issue, the Vendors entered into a Put and Call deed. This gave United Biscuits Luxco S.C.A. ("Parent") the right to call all of the outstanding notes, together with interest accrued thereon, on 15 December 2008. The Parent exercised this right through its subsidiary United Biscuits Bondco Limited ("Bondco") and, on 15 December 2008, Bondco purchased the notes, together with accrued interest thereon, from the Vendors. The purchase of the notes was financed by a loan from Parent amounting to £157.3 million, representing the full value of notes on 15 December 2008. Immediately following the purchase, VLNco issued shares to Bondco in consideration for cancelling all of the notes held by Bondco together with accrued interest.

The loan from United Biscuits Luxco S.C.A. is represented by £330.1 million 8.1% Notes due 2036 and 2038. The Notes are quoted on the Channel Islands Stock Exchange. Interest accrues on the Notes at the rate of 8.1% per annum compounded annually in arrears on 15 December each year, which commenced on 15 December 2007.

United Biscuits Bondco Limited
Notes to the financial statements

8 Share capital

	Number of Shares	Ordinary Shares¹ £
Authorised		
At 3 January 2009 and 29 December 2007	<u>100</u>	<u>100</u>
Issued, called up and fully paid		
At 3 January 2009 and 29 December 2007	<u>20</u>	<u>20</u>

1 represents authorised and allotted, called up and fully paid ordinary shares of £1 each.

	Number of Shares	£m
On 5 October 2006, 2 ordinary shares with aggregate nominal value of £2 were allotted	2	-
On 15 December 2006, 8 ordinary shares with aggregate nominal value of £8 were issued for £1.7m	<u>8</u>	<u>1.7</u>
	10	1.7
On 20 June 2007, 10 ordinary shares with aggregate nominal value of £10 were issued total consideration of £0.1m	10	0.1
At 3 January 2009 and 29 December 2007	<u>20</u>	<u>1.8</u>

9 Reconciliation of shareholder's funds and movements on reserves

	Share Capital £m	Share Premium £m	Profit & Loss Account £m	Total £m
Balance at 5 October 2006	-	-	-	-
Shares issued on 15 December 2006	-	1.7	-	1.7
Shares issued on 20 June 2007	-	0.1	-	0.1
Loss for the period	-	-	(14.6)	(14.6)
Balance at 29 December 2007	<u>-</u>	<u>1.8</u>	<u>(14.6)</u>	<u>(12.8)</u>
Balance at 30 December 2007	-	1.8	(14.6)	(12.8)
Loss for the period	-	-	(16.1)	(16.1)
Balance at 3 January 2009	<u>-</u>	<u>1.8</u>	<u>(30.7)</u>	<u>(28.9)</u>

10 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.

11 Ultimate parent company

The Company's ultimate U.K. parent undertaking as at 3 January 2009 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.