

Company registered no. 5957937

United Biscuits Bondco Limited

Report and Financial Statements

For the 52 Weeks Ended

31 December 2011

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Directors' Report

The directors present their report and the financial statements for the 52 Weeks ended 31 December 2011

Directors

The directors who served during the period were

Name

Jeffrey van der Eems

Susan Furst

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

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 (2010 Nil)

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.

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

28 March 2012

Registered Office

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

Statement of directors' responsibilities

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 Bondco Limited

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

We have audited the financial statements of United Biscuits Bondco Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. 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 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 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 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 Bondco Limited

Independent Auditor's Report to the Members of United Biscuits Bondco 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

28 March 2012

United Biscuits Bondco Limited

Profit and Loss Account

For the 52 Weeks ended 31 December 2011

	Notes	2011 £m	2010 £m
Interest expense	3	(34 0)	(31 5)
Loss for the financial year before and after tax	4,5	<u>(34.0)</u>	<u>(31.5)</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 31 December 2011

	Notes	2011 £m	2010 £m
Fixed Assets			
Investment in subsidiary	6	331.8	331.8
Creditors amounts falling due within one year			
Amounts due to fellow Group company		(0.1)	(0.1)
Total assets less current liabilities		331.7	331.7
Creditors amounts falling due after more than one year			
Loan	7	(455.3)	(421.3)
Net Liabilities		(123.6)	(89.6)
Capital and Reserves			
Called up share capital	8	-	-
Share premium	9	1.8	1.8
Profit and loss account	9	(125.4)	(91.4)
Total shareholders' funds		(123.6)	(89.6)

Approved by the Board and signed on its behalf on 28 March 2012



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 UK accounting standards. The Company is exempt from producing consolidated 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 31 December 2011. These financial statements solely relate to 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 ultimate UK 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.

Interest expense

Interest expense is recognised as it accrues.

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.

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 31 December 2011.

United Biscuits Bondco Limited
Notes to the financial statements

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 Interest expense

	2011 £m	2010 £m
Interest expense		
Amount payable on 8.1% notes due 2036 and 2038 (see note 7)	34.0	31.5

4 Retained loss for the financial year

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

5 Tax on loss on ordinary activities

The current tax credit on the loss on ordinary activities for the year 2011 is lower than the average rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are reconciled below:

	2011 £m	2010 £m
Tax credit at UK statutory rate of 26.5%	(9.0)	(8.8)
Prior year adjustments	(9.9)	-
Losses on which no tax credit provided	18.9	8.8
Total tax credit	-	-
Loss on ordinary activities before taxation	(34.0)	(31.5)

United Biscuits Bondco Limited
Notes to the financial statements

6 Investment in subsidiary

	2011 £m	2010 £m
Investment at cost	331.8	331.8

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

7 Creditors: amounts falling due after more than one year

8.1% Loan Notes due 2036 and 2038		
	2011 £m	2010 £m
Loan	453.7	419.7
Accrued Interest	1.6	1.6
Total	455.3	421.3

The loan from United Biscuits Luxco S C A is represented by £389.8 million 8.1% Notes due 2036 and 2038 (2010 - £350.1 million). On 15 December 2011, £39.7 million (2010 £20 million) 8.1% Notes were issued to United Biscuits Luxco S C A in settlement of £39.8 million interest accrued in previous accounting periods. 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.

8 Share capital

	Number	Ordinary Shares ⁽¹⁾ £
Authorised		
At 31 December 2011 and 1 January 2011	100	100
Issued, called up and fully paid		
At 31 December 2011 and 1 January 2011	20	20

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

United Biscuits Bondco Limited
Notes to the financial statements

9 Reconciliation of shareholder's funds and movements on reserves

	Share Capital £m	Share Premium £m	Profit & Loss Account £m	Total £m
Balance at 2 January 2010	-	1.8	(59.9)	(58.1)
Loss for the period	-	-	(31.5)	(31.5)
Balance at 1 January 2011	-	1.8	(91.4)	(89.6)
Balance at 2 January 2011	-	1.8	(91.4)	(89.6)
Loss for the period	-	-	(34.0)	(34.0)
Balance at 31 December 2011	-	1.8	(125.4)	(123.6)

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

11 Ultimate parent company

The Company's ultimate UK parent undertaking as at 31 December 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.