

**RHM Overseas Limited**

Report and Financial Statements

30 April 2005

Registered Number: 745504



# **RHM OVERSEAS LIMITED**

## **Annual report and financial statements for the fifty two weeks ended 30 April 2005**

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### **CONTENTS**

	<b>Page</b>
Report of the directors	1
Independent auditors' report to the members of RHM Overseas Limited	3
Profit and loss account	4
Reconciliation of movements in shareholders' funds	5
Balance sheet	6
Notes to the financial statements	7

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## **RHM OVERSEAS LIMITED**

### **Report of the directors for the fifty two weeks ended 30 April 2005**

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The directors present their report together with the audited financial statements for the fifty two weeks ended 30 April 2005.

#### **Principal activities, trading review and future developments**

The principal activity of the company throughout the year continued to be the holding of investments in overseas companies engaged in the manufacture and sale of foodstuffs.

The directors consider the results for the year to be acceptable and do not envisage any major change in the conduct of the business over the next twelve months.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the results for the year.

No interim dividend was paid in the year (2004: nil). The directors do not propose a final dividend for the year (2004: £nil).

#### **Subsequent events**

On 1 July 2005 the ultimate parent company, RHM Group One Limited, re-registered as a public limited company and changed its name to RHM plc.

On 22 July 2005 RHM plc's shares were admitted to the Official List of the UKLA and to trading on the London Stock Exchange.

As part of this process, RHM Group Holding Ltd (a 100% subsidiary of RHM plc) arranged a £900m facility of which £750m is term debt and £150m is a revolving credit facility. The term debt was used to prepay the existing secured debt of RHM Food Solutions Ltd and RHM Foodbrands+ Ltd and all charges over the assets of RHM Food Solutions Ltd and RHM Foodbrands+ Ltd and their subsidiaries were released. The RHM Group Holding Ltd facility is unsecured and guaranteed by the principal operating entities of the group including RHM Overseas Ltd.

#### **Directors**

The directors who served the company during the period and their interests in the £0.01 ordinary shares of RHM Group One Limited, are:

	<b>30 April 2005*</b>	<b>1 May 2004**</b>
N Hotchin (resigned 30 June 2004)	-	-
M J Schurch (resigned 30 June 2004)	51,648	51,648
J M R Clarke (appointed 30 June 2004)	15,000	15,000
J M Summerlin (appointed 30 June 2004)	15,000	-
N Crossley (appointed 5 August 2004)	20,000	-
A J Allner (appointed 19 August 2004, resigned 13 July 2005)	100,000	-
T J P Murphy (appointed 13 July 2005)	-	-

\* or date of resignation, if earlier

\*\* or date of appointment, if later

On 30 June 2005 each RHM Group One Ltd ordinary shares of £0.01 was subdivided into 10 ordinary shares of £0.001 each.

## **RHM OVERSEAS LIMITED**

### **Report of the directors for the fifty two weeks ended 30 April 2005 (*continued*)**

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#### **Directors (*continued*)**

No director has any material interest in any contract or arrangement subsisting during the year with the company.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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.

In preparing those financial statements, the directors are required to select suitable accounting policies, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, and ensure that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which 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.

#### **Statutory dispensation**

The company has in force, under Section 379A of the Companies Act 1985, an election dispensing with the laying of accounts and reports before the company in General Meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually.

By order of the board

  
S N Wilbraham

**Company Secretary**

21 February 2006

## **RHM OVERSEAS LIMITED**

### **Independent auditors' report to the members of RHM Overseas Limited**

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We have audited the financial statements which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and related notes which have been prepared under the historical cost convention, and the accounting policies set out in the statement of accounting policies.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

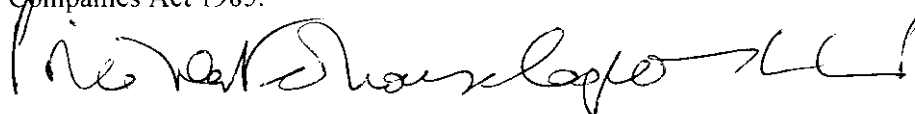
#### *Basis of audit opinion*

We conducted our audit in accordance with Auditing Standards 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.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
London

21 February 2006

**RHM OVERSEAS LIMITED****Profit and loss account for the fifty two weeks ended 30 April 2005**

	<b>Note</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Administrative expenses		281	(94)
Operating exceptional item		94,000	-
Other operating expense		(154)	-
<b>Operating profit/(loss)</b>	<b>2</b>	<b>94,127</b>	<b>(94)</b>
Income from shares in group undertakings		3,458	-
<b>Profit/(loss) on ordinary activities before interest</b>		<b>97,585</b>	<b>(94)</b>
Loss on disposal of subsidiary undertakings		-	(282)
Interest receivable		483	299
Interest payable and similar charges	<b>4</b>	<b>(4,540)</b>	<b>(6,006)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>93,528</b>	<b>(6,083)</b>
Taxation on profit/(loss) on ordinary activities	<b>5</b>	<b>1,004</b>	<b>1,931</b>
<b>Retained profit/(loss) for the year</b>		<b>94,532</b>	<b>(4,152)</b>
(Deficit)/reserves brought forward		(3,697)	455
<b>Reserves/(deficit) carried forward</b>		<b>90,835</b>	<b>(3,697)</b>

All amounts relate to continuing activities.

There are no recognised gains or losses in either year, other than the profit or loss on ordinary activities after taxation.

There is no material difference between the results as disclosed in the profit and loss account and the results on an historical cost basis.

The notes on pages 7 to 12 form part of these financial statements.

**RHM OVERSEAS LIMITED****Reconciliation of movements in shareholders' funds for the fifty two weeks ended 30 April 2005**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) for the year	94,532	(4,152)
Opening shareholders' funds	101,556	105,708
<b>Closing shareholders' funds</b>	<b>196,088</b>	<b>101,556</b>

The notes on pages 7 to 12 form part of these financial statements.

# RHM OVERSEAS LIMITED

## Balance sheet at 30 April 2005

	Note	2005 £'000	2005 £'000	2004 £'000	2004 £'000
				restated	restated
<b>Fixed assets</b>					
Investments	6		21,636		21,636
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	6,151		3,331	
Debtors: amounts falling due after one year	7	232,695		160,543	
Cash		4,163		4,675	
		<u>243,009</u>		<u>168,549</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(4,397)</u>		<u>(16,189)</u>	
<b>Net current assets</b>			238,612		152,360
<b>Total assets less current liabilities</b>			<u>260,248</u>		<u>173,996</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(64,159)		(72,439)
<b>Net assets</b>			<u>196,089</u>		<u>101,556</u>
<b>Capital and reserves</b>					
Called up share capital	10		100,000		100,000
Share premium account	11		5,253		5,253
Profit and loss account			90,835		(3,697)
<b>Shareholders' funds - Equity</b>			<u>196,088</u>		<u>101,556</u>

The financial statements were approved by the Board on 21 February 2006, and were signed on its behalf by

J M R Clarke  
Director

N Crossley  
Director

The notes on pages 7 to 12 form part of these financial statements.

## **RHM OVERSEAS LIMITED**

### **Notes to the financial statements for the fifty two weeks ended 30 April 2005**

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#### **1. Principal accounting policies**

##### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and are prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985. The directors consider that the accounting policies set out below are the most appropriate and have been consistently applied.

In accordance with FRS 18 'Accounting Policies', the company performs an annual review of accounting policies to ensure that those used by the company continue to be those that are most appropriate. The review performed in the current year resulted in a change in the classification of one item within the financial statements. This change is summarised below:

- Credit balances within debtors have been reclassified to creditors where appropriate. The result has been to increase prepayments and accrued income and accruals and deferred income by £32,000.

##### *Accounting period*

The financial statements are for the fifty two weeks ended 30 April 2005. In 2004 the financial statements were for the fifty two weeks ended 1 May 2004.

##### *Investments*

Shares in subsidiaries are stated at cost less provisions for impairment.

##### *Taxation*

The tax charge or credit is based upon the result of the period and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes.

##### *Deferred taxation*

Provision is made for deferred taxation using the full provision approach and is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date subject to the following:

Deferred tax is not recognised on the revaluation of non-monetary assets such as property unless a binding sale agreement exists at the balance sheet date. Where rollover relief is available on an asset then deferred tax is in any case not recognised.

Deferred tax is not recognised on unremitted earnings of overseas subsidiaries, associates or joint ventures unless dividends have been accrued as receivable or there is a binding agreement to distribute past earnings at the balance sheet date.

# RHM OVERSEAS LIMITED

## Notes to the financial statements for the fifty two weeks ended 30 April 2005 (*continued*)

### 1. Principal accounting policies (*continued*)

#### *Deferred taxation*

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is deemed more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

In accordance with the requirements of the ultimate parent undertaking the company makes or receives payment in respect of group relief at 100% of the value of the relief given.

#### *Foreign currencies*

Transactions in foreign currency are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at composite rates where forward cover exists. Exchange differences are taken to the Profit and Loss Account.

### 2. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2005 £'000	2004 £'000
Net loss of foreign currency translation	154	372
Operating exceptional items:		
- Loan waiver from group undertaking	<u>(94,000)</u>	<u>-</u>

The audit fee has been borne by a fellow group undertaking in both years.

### 3. Directors and employees

No charge for emoluments is included in these accounts as no part of the remuneration paid to the directors by other group companies was directly attributable to the services of the directors to RHM Overseas Limited.

There were no employees of the company during either year.

No director has a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

### 4. Interest payable and similar charges

	2005 £'000	2004 £'000
Bank interest	466	2,241
Interest payable to group undertakings	3,284	3,765
Other	<u>790</u>	<u>-</u>
	<u>4,540</u>	<u>6,006</u>

# RHM OVERSEAS LIMITED

## Notes to the financial statements for the fifty two weeks ended 30 April 2005 (continued)

### 5. Taxation on profit/(loss) on ordinary activities

	2005 £'000	2004 £'000
UK corporation tax on profit/(loss) for the year at 30%	(1,179)	(1,740)
Adjustment in respect of prior periods	175	(191)
<b>Total current tax credit on ordinary activities</b>	<u>(1,004)</u>	<u>(1,931)</u>

The tax for the period varies from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £'000	2004 £'000
Profit/(loss) on ordinary activities before tax	<u>93,528</u>	<u>(6,083)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	28,058	(1,825)
Income/(expense) not taxable for corporation tax purposes	(28,200)	85
Non taxable dividends	(1,037)	-
Adjustments to tax in respect of prior periods	175	(191)
<b>Total current tax credit</b>	<u>(1,004)</u>	<u>(1,931)</u>

### 6. Fixed asset investments

£'000

As 30 April 2005 and 1 May 2004 21,636

Details of the subsidiary undertakings are disclosed in note 17.

### 7. Debtors

	2005 £'000	2004 £'000 As restated
<b>Debtors: amounts falling due within one year</b>		
Amounts owing by group undertakings	456	1,389
Corporation tax	5,695	1,842
Other debtors	-	100
	<u>6,151</u>	<u>3,331</u>
<b>Debtors: amounts falling due after more than one year</b>		
Amounts owing by group undertakings	<u>232,695</u>	<u>160,543</u>

**RHM OVERSEAS LIMITED****Notes to the financial statements for the fifty two weeks ended 30 April 2005 (continued)****8. Creditors: amounts falling due within one year**

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b> <b>As restated</b>
Amounts owing to group undertakings (see note 9)	763	15,911
Other creditors	37	6
Accruals and deferred income	3,597	273
	<u>4,397</u>	<u>16,189</u>

**9. Creditors: amounts falling due after more than one year**

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
Amounts owing to group undertakings	<u>64,159</u>	<u>72,439</u>

RHM Finance Limited made loans to fellow subsidiary companies of RHM Foodbrands + Limited in the original sum of £650m. RHM Overseas Limited, together with other fellow subsidiaries who borrowed funds, is jointly and severally liable to repay the total borrowings. The loans are guaranteed by other fellow subsidiary companies that did not borrow funds. The loans are charged on the assets and cash flows of the subsidiary companies of RHM Foodbrands + Limited. Refinancing changes made post 30 April 2005 have been disclosed within note 16.

The maturity of this debt is shown in the table below:

	<b>£'000</b>
Within 1 year	763
Between 1 and 2 years	632
Between 2 and 3 years	691
Between 3 and 4 years	755
Between 4 and 5 years	826
Amounts more than 5 years	18,971
	<u>22,638</u>

**10. Share capital**

	<b>Number</b>	<b>£'000</b>
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each		
At 30 April 2005 and 1 May 2004	<u>100,000,000</u>	<u>100,000</u>

**11. Share premium account**

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
At 30 April 2005 and 1 May 2004	<u>5,253</u>	<u>5,253</u>

## **RHM OVERSEAS LIMITED**

### **Notes to the financial statements for the fifty two weeks ended 30 April 2005 (continued)**

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#### **12. Related parties**

In accordance with FRS 8, 'Related Party Disclosures', the company is exempt from disclosing transactions with entities that are part of a group, or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

#### **13. Group accounts**

The company is exempt from the obligation to prepare and deliver group accounts as it is itself a wholly owned subsidiary of a larger group drawing up consolidated accounts, as detailed in note 14. As a consequence, these financial statements present information about the company as an individual undertaking and not about its group.

#### **14. Ultimate parent company**

RHM Foodbrands + Limited is the company's parent undertaking at the year end and RHM Group One Limited is the company's ultimate parent company. At the year end Doughty Hanson & Co has a controlling interest in RHM Group One Limited.

RHM Group One Limited produces group accounts; copies may be obtained from The Secretary, RHM Group One Limited, Chapel House, Liston Road, Marlow, Buckinghamshire, SL7 1TJ, United Kingdom.

#### **15. Cash flow statement**

The company has used the exemption under FRS 1, 'Cash Flow Statements' (revised 1996), not to prepare a cash flow statement as it is a wholly owned subsidiary consolidated in the financial statements of its ultimate parent company.

#### **16. Subsequent events**

On 1 July 2005 the ultimate parent company, RHM Group One Limited, re-registered as a public limited company and changed its name to RHM plc.

On 22 July 2005 RHM plc's shares were admitted to the Official List of the UKLA and to trading on the London Stock Exchange.

As part of this process, RHM Group Holding Ltd (a 100% subsidiary of RHM plc) arranged a £900m facility of which £750m is term debt and £150m is a revolving credit facility. The term debt was used to prepay the existing secured debt of RHM Food Solutions Ltd and RHM Foodbrands+ Ltd and all charges over the assets of RHM Food Solutions Ltd and RHM Foodbrands+ Ltd and their subsidiaries were released. The RHM Group Holding Ltd facility is unsecured and guaranteed by the principal operating entities of the group including RHM Overseas Ltd.

## RHM OVERSEAS LIMITED

Notes to the financial statements for the fifty two weeks ended 30 April 2005 (continued)

### 17. List of subsidiary undertakings

Name of company	Country of registration	Holding	Class of share
<b>Trading companies</b>			
Granary South Pacific (PTY) Ltd	Australia	100%	Ordinary
Kildorough Ltd	Ireland	100%	Ordinary
Martine Polska Z.o.o (a)	Poland	100%	Ordinary
Martine Specialites S.A.S	France	100%	Ordinary
RHM Ireland Ltd	Ireland	100%	Ordinary
Sofrapain S.A.S	France	100%	Ordinary
<b>Intermediate holding companies and other subsidiaries</b>			
RHM Holdings Ireland Ltd	Ireland	100%	Ordinary
<b>Non trading companies</b>			
Atora Merchandising (Ireland) Ltd	Ireland	100%	Ordinary
Bisto (Ireland) Ltd	Ireland	100%	Ordinary
Cerebos (Ireland) Ltd	Ireland	100%	Ordinary
Gateaux Ltd	Ireland	100%	Ordinary
J A Sharwood & Co., (Ireland) Ltd	Ireland	100%	Ordinary
Kevany Ltd	Ireland	100%	Ordinary
Paxo (Ireland) Ltd	Ireland	100%	Ordinary
Saxa (Ireland) Ltd	Ireland	100%	Ordinary

(a) Liquidated 31 August 2004

With the exception of Granary South Pacific (PTY) Ltd, Sofrapain S.A.S and RHM Holdings Ireland Ltd, which are all owned 100% by RHM Overseas Limited, all shares in subsidiary undertakings are held indirectly by RHM Overseas Limited.