

Formwood Group (UK) Limited
(Registered Number 2046126)

Directors' Report and Accounts

For the year ended 31 December 2004



Formwood Group (UK) Ltd

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Directors' report

The directors present their report and financial statements of the company for the year ended 31 December 2004.

Business review

The company has not traded during the year and will not do so for the foreseeable future.

The results for the year are set out in the profit and loss account on page 3.

Directors and their interests

The directors who held office during the period are listed below:

Name

P A Leach
G P Tyley

No directors received emoluments in respect of their services to the company during the year ended 31 December 2004.

No directors held interests in shares, share options or debentures of Formwood Group (UK) Limited or any other company in the Premier Foods plc group during the year ended 31 December 2004, except as disclosed below.

During the year Paul Leach and Gwynfor Tyley cancelled their share options in Premier Foods (Holdings) Limited, a parent undertaking, for cash. On cancellation, Paul Leach received £146,616 and Gwynfor Tyley received £68,421.

Name of Director	Options at 31 December 2003	Options cash cancelled during year	Options waived in the year	Options at 31 December 2004	Exercise price
Paul Leach	75,000	75,000	-	-	£1.46
Gwynfor Tyley	35,000	35,000	-	-	£1.46

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Directors' report continued

During the year, Paul Leach had the following interests in share options of Premier Foods plc, the ultimate parent undertaking, under the Premier Foods plc Executive Share Option Scheme as follows:

Name of Director	Options at 31 December 2003	Options granted during the year	Options at 31 December 2004	Exercise price	Exercise period commencing	Exercise period ending
Paul Leach	-	50,000	50,000	£2.15	2005	2014

The exercise of these share options is conditional on the satisfaction of performance conditions based on total shareholder return and earnings per share of Premier Foods plc.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

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.

Auditors

For the year ended 31st December 2004 the company was entitled to exemption under Section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

By Order of the Board



G P Tyley
Director

30 September 2005

Formwood Group (UK) Limited

Profit and Loss Account for the Year Ended 31 December 2004

	Note	2004 £	2003 £
Administrative expenses		-	7,000
Operating profit		-	7,000
Net Interest payable and similar charges	3	-	(1,451)
Profit on ordinary activities before taxation	2	-	5,549
Tax charge on profit on ordinary activities	4	-	-
Profit for the financial year		-	5,549
Retained losses brought forward		(5,132,038)	(5,137,587)
Retained losses carried forward	7	(5,132,038)	(5,132,038)

The results relate entirely to discontinued operations.

There were no recognised gains and losses other than those passing through the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

The notes on pages 5 to 7 form part of these financial statements.

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Balance sheet as at 31 December 2004

	Note	2004 £	2003 £
Creditors: amounts falling due within one year	5	<u>(1,432,038)</u>	<u>(1,432,038)</u>
Net liabilities		<u>(1,432,038)</u>	<u>(1,432,038)</u>
Capital and reserves			
Called up share capital	6	3,700,000	3,700,000
Profit and loss account	7	<u>(5,132,038)</u>	<u>(5,132,038)</u>
Total shareholders' funds	8	<u>(1,432,038)</u>	<u>(1,432,038)</u>

For the year ended 31st December 2004 the company was entitled to exemption under Section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements on pages 3 to 7 were approved by the Board of Directors on 30 September 2005 and were signed on its behalf by:



G P Tyley
Director

The notes on pages 5 to 7 form an integral part of these financial statements.

Formwood Group (UK) Limited

Notes to the Financial Statements for the year ended 31 December 2004

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and on a going concern basis in accordance with the Companies Act 1985 and applicable accounting standards.

The company is dependant on continuing finance being made available by an intermediate parent undertaking to enable it to continue operating and meet its liabilities as they fall due. The intermediate parent undertaking has agreed to provide sufficient funds to the company for these purposes. The directors consider it is appropriate to prepare the financial statements on a going concern basis.

The company is exempt under Section 229 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is included in the consolidated financial statements of Premier Foods plc, copies of which are available at Premier Foods plc's registered office, which is at Premier House, Centrium, Griffiths Way, St. Albans, Hertfordshire AL1 2RE.

The principal accounting policies of the company are set out below.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at the balance sheet date. These translation differences are dealt with in the profit and loss account.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision required for impairment in their value. An impairment loss is recognised, in the profit and loss account, to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from operating the assets.

Taxation

The charge for taxation is based on the profit/(loss) for the year and takes into account deferred taxation. Financial Reporting Standard 19 "Deferred tax" ("FRS 19") requires full provision to be made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their inclusion in tax computations to the extent that the tax liability or an asset is expected to be payable or recoverable in the foreseeable future.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Premier Foods plc and is included in the consolidated financial statements of that group, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" ("FRS 8") from disclosing related party transactions with entities that are part of the Premier Foods plc group or investees of the Premier Foods plc group.

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Notes to the Financial Statements for the year ended 31 December 2004

2 Profit on ordinary activities before taxation

The company did not have any employees during the year. No directors received emoluments in respect of their services to the company.

3 Net interest payable and similar charges

	2004 £	2003 £
Bank interest payable	-	(1,451)
	<u>-</u>	<u>(1,451)</u>

4 Tax on profit on ordinary activities

No tax charge arises for the years ended 31 December 2003 and 2004 taxable losses will be surrendered by fellow group undertakings for no consideration.

5 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	1,432,038	1,432,038
	<u>1,432,038</u>	<u>1,432,038</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

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Notes to the Financial Statements for the year ended 31 December 2004

6 Called up share capital

	2004 £	2003 £
Authorised		
Ordinary shares of £1 each	20,000,000	20,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	3,700,000	3,700,000

7 Reserves

	Profit and loss reserve £
At 1 January 2004	(5,132,038)
Retained profit for the year	-
At 31 December 2004	(5,132,038)

8 Reconciliation of movements in shareholders' deficit

	2004 £	2003 £
Profit/(loss) for the financial year	-	5,549
Opening shareholders' deficit	(1,432,038)	(1,437,587)
Closing shareholders' deficit	(1,432,038)	(1,432,038)

9 Parent undertakings

The immediate parent undertaking is Hillsdown International Limited, a company incorporated and registered in England and Wales.

At 31 December 2004, the ultimate parent undertaking and controlling party is Premier Foods plc, a company incorporated in Great Britain and registered in England and Wales.

Copies of the consolidated financial statements of Premier Foods plc are available at the company's registered office, which is Premier House, Centrium, Griffiths Way, St. Albans, Hertfordshire AL1 2RE.