

**Premier Financing Limited**

Annual report and financial statements

For the 52 weeks ended 30 March 2019

Registered Number: 3716362



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**Premier Financing Limited**

Annual report and financial statements for the 52 weeks ended 30 March 2019

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**Directors' report for the 52 weeks ended 30 March 2019**

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The directors present their annual report together with the audited financial statements for Premier Financing Limited (the "Company"), registered number 3716362, for the 52 weeks ended 30 March 2019.

**Principal activities**

The principal activity of the Company during the 52 weeks ended 30 March 2019 continued to be that of an investment holding company. The directors are satisfied with the results and do not envisage any change in the business over the next twelve months.

**Director's and Officers' liability insurance**

This insurance covers the directors and officers against the costs of defending themselves in civil proceedings taken against them in their capacity as a director or officer of the Company and in respect of damages resulting from the unsuccessful defence of any proceedings.

**Dividend**

The directors do not recommend the payment of a dividend (2017/18: £nil).

**Directors**

The directors who held office during the period were as follows:

Andrew McDonald (resigned: 23 May 2018)

Duncan Leggett

Kasey McPherson (appointed 23 May 2018, resigned 12 November 2018)

Simon Rose (appointed: 12 November 2018)

Simon Wilbraham

**Political and charitable donations**

During the period the Company made no political donations and no charitable donations (2017/18: £nil).

**Statement of directors' responsibilities in respect of the directors' report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 of 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 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;

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**Directors' report for the 52 weeks ended 30 March 2019**

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- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Statement of disclosure of information to auditors**


Each person who is a director at the date of approval confirms that:

- a) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

  
Duncan Leggett  
Director

24 July 2019

Premier House  
Centrium Business Park  
Griffiths Way  
St Albans  
Hertfordshire  
AL1 2RE

## **Independent auditor's report to the members of Premier Financing Limited**

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### **Opinion**

We have audited the financial statements of Premier Financing Limited ("the company") for the 52 weeks ended 30 March 2019 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2019 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of receivables, investments, deferred tax assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

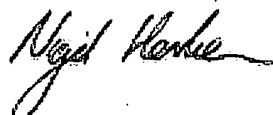
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Independent auditor's report to the members of Premier Financing Limited (continued)**

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**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Nigel Harker (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

24 July 2019

**Premier Financing Limited**

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**Statement of profit and loss and other comprehensive income for the 52 weeks ended 30 March 2019**

	Note	52 weeks ended 30 March 2019	52 weeks ended 31 March 2018
		£m	£m
Finance income	4	27.8	27.9
<b>Profit before tax</b>		<b>27.8</b>	<b>27.9</b>
Tax credit	5	0.5	-
<b>Profit after tax and total comprehensive income</b>		<b>28.3</b>	<b>27.9</b>

There is no material difference between the results as disclosed in the statement of profit and loss and other comprehensive income and the results on a historical cost basis.

The notes on pages 9 to 14 form an integral part of these financial statements.



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**Balance sheet as at 30 March 2019**

	Note	As at 30 March 2019 £m	As at 31 March 2018 £m
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Investments	6	255.6	255.6
Trade and other receivables	7	652.7	624.9
Deferred tax assets	5	0.5	-
		<u>908.8</u>	<u>880.5</u>
<b>Current assets</b>			
Trade and other receivables	7	778.1	778.1
<b>Total assets</b>		<u>1,686.9</u>	<u>1,658.6</u>
<b>LIABILITIES:</b>			
<b>Current liabilities</b>			
Trade and other payables	8	(530.8)	(530.8)
<b>Net current assets</b>		<u>247.3</u>	<u>247.3</u>
<b>Total liabilities</b>		<u>(530.8)</u>	<u>(530.8)</u>
<b>Net assets</b>		<u>1,156.1</u>	<u>1,127.8</u>
<b>EQUITY:</b>			
<b>Capital and reserves</b>			
Share capital	9	83.6	83.6
Share premium		469.5	469.5
Profit and loss reserve		333.3	305.0
Other reserves	10	269.7	269.7
<b>Total equity</b>		<u>1,156.1</u>	<u>1,127.8</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements were approved by the Board on <sup>24</sup> July 2019, and were signed on its behalf by:



Duncan Leggett  
Director

24 July 2019

**Premier Financing Limited**

Annual report and financial statements for the 52 weeks ended 30 March 2019

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**Statement of changes in equity for the 52 weeks ended 30 March 2019**

	Share capital	Share premium	Profit and loss reserves	Other reserves	Total equity
	£m	£m	£m	£m	£m
<b>At 2 April 2017</b>	<b>83.6</b>	<b>469.5</b>	<b>277.1</b>	<b>269.7</b>	<b>1,099.9</b>
Total comprehensive income for the 52 weeks	-	-	27.9	-	27.9
<b>At 31 March 2018</b>	<b>83.6</b>	<b>469.5</b>	<b>305.0</b>	<b>269.7</b>	<b>1,127.8</b>
<b>At 1 April 2018</b>	<b>83.6</b>	<b>469.5</b>	<b>305.0</b>	<b>269.7</b>	<b>1,127.8</b>
Total comprehensive income for the 52 weeks	-	-	28.3	-	28.3
<b>At 30 March 2019</b>	<b>83.6</b>	<b>469.5</b>	<b>333.3</b>	<b>269.7</b>	<b>1,156.1</b>

The notes on pages 9 to 14 form an integral part of these financial statements

**Premier Financing Limited**

Annual report and financial statements for the 52 weeks ended 30 March 2019

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**Notes to the financial statements for the 52 weeks ended 30 March 2019**

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**1. Principal accounting policies***Basis of accounting*

Premier Financing Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the companies Act 2006 from the requirement to produce group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Premier Foods plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Premier Foods plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from [www.premierfoods.co.uk](http://www.premierfoods.co.uk)

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative 52 week reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a going concern basis and under the historical cost convention and are prepared in accordance with the Companies Act 2006.

*Investments*

Investments are stated at cost less any provision required for impairment in their value. An impairment loss is recognised, in the statement of profit and loss and other comprehensive income, if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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**Notes to the financial statements for the 52 weeks ended 30 March 2019 (continued)**

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

*Taxation*

Taxation losses within the Group are surrendered for nil consideration from 3 April 2016 to other members of the Group to off-set against taxable profits in the claimant company.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous period.

*Finance costs*

Finance costs are accounted for on an accruals basis in the statement of profit and loss and comprehensive income using the effective interest method.

*Financial guarantees*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

*Receivables*

Receivables comprise intercompany loans, a recoverability assessment of these balances has been performed and no impairment is needed.

**2. Auditor's remuneration**

The audit fee has been borne by a fellow Group undertaking for the 52 weeks ended 30 March 2019 and 31 March 2018.

**3. Directors and employees**

None of the directors received any remuneration for their qualifying services to the Company (2017/18: nil). The directors' services were incidental to their service to the Group as a whole and no allocation has been made to the Company.

There were no employees of the Company during the period (2017/18: nil).

**4. Finance income**

	<b>52 weeks ended 30 March 2019</b>	<b>52 weeks ended 31 March 2018</b>
	<b>£m</b>	<b>£m</b>
Interest receivable from Group undertakings	<u>27.8</u>	<u>27.9</u>

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**Notes to the financial statements for the 52 weeks ended 30 March 2019 (continued)****5. Taxation****Current tax**

	<b>52 weeks ended 30 March 2019</b>	<b>52 weeks ended 31 March 2018</b>
	<b>£m</b>	<b>£m</b>
UK corporation tax on profit for the period at 19.0% (2017/18: 19.0%)	-	-
<b>Total current tax charge on profit</b>	-	-
Deferred tax – current period	(0.9)	-
Deferred tax – adjustment in respect of prior period	1.4	-
<b>Taxation</b>	<b>0.5</b>	<b>-</b>

The tax assessed for the period is the less than (2017/18: less than) the standard rate of corporation tax in the UK of 19.0% (2017/18: 19.0%). The differences are explained below:

	<b>52 weeks ended 30 March 2019</b>	<b>52 weeks ended 31 March 2018</b>
	<b>£m</b>	<b>£m</b>
Profit before tax	27.8	27.9
Profit multiplied by the standard rate of corporation tax in the UK of 19.0% (2017/18: 19.0%)	(5.3)	(5.3)
Adjustment in respect of prior period	1.4	-
Group relief not paid for	4.4	5.3
<b>Total current tax credit</b>	<b>0.5</b>	<b>-</b>

With effect from 3 April 2016, the losses surrendered as Group Relief between UK members of the Group have been surrendered for no consideration.

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively.

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**Notes to the financial statements for the 52 weeks ended 30 March 2019 (continued)****5. Taxation (continued)****Deferred Tax**

	<b>52 weeks ended 30 March 2019</b>	<b>52 weeks ended 31 March 2018</b>
	<b>£m</b>	<b>£m</b>
Opening balance	-	-
Credit to the profit and loss account	0.5	-
	<u>0.5</u>	<u>-</u>

The deferred tax comprises:

	<b>52 weeks ended 30 March 2019</b>	<b>52 weeks ended 31 March 2018</b>
Losses	0.5	-
<b>Deferred tax asset</b>	<u>0.5</u>	<u>-</u>

**6. Investments**

	<b>Total £m</b>
<b>Net book value</b>	
At 30 March 2019 and 31 March 2018	<u>255.6</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Subsidiary undertakings are disclosed within note 14.

**7. Trade and other receivables**

	<b>30 March 2019 £m</b>	<b>31 March 2018 £m</b>
<b><i>Amounts due after more than one year</i></b>		
Amounts due from Group undertakings	<u>652.7</u>	<u>624.9</u>

Amounts due from Group undertakings attracted interest at LIBOR plus 375 basis points (2017/18: LIBOR plus 375 basis points). The amounts are unsecured and will not be called on for more than 12 months.

	<b>30 March 2019 £m</b>	<b>31 March 2018 £m</b>
<b><i>Amounts due less than one year</i></b>		
Amounts due from Group undertakings	<u>778.1</u>	<u>778.1</u>

Amounts due from Group undertakings are unsecured, interest free and are repayable on demand.

**Premier Financing Limited**

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**Notes to the financial statements for the 52 weeks ended 30 March 2019 (continued)****8. Trade and other payables**

	30 March 2019 £m	31 March 2018 £m
Amounts owed to Group undertakings	(530.8)	(530.8)
	<u>(530.8)</u>	<u>(530.8)</u>

The amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

**9. Share capital**

	Allotted, called up and fully paid	
	Number	£m
Ordinary shares of £1 each At 30 March 2019 and at 31 March 2018	<u>83,651,503</u>	<u>83.6</u>

**10. Other reserves**

	30 March 2019 £m	31 March 2018 £m
Other reserves	<u>269.7</u>	<u>269.7</u>

The balance within other reserves is the result of a capital contribution from Premier Foods (Holdings) Limited in 2004.

**11. Group financial statements**

The Company is a wholly-owned subsidiary of Premier Foods (Holdings) Limited (registered address: Premier House, Centrium Business Park, St Albans, Hertfordshire, AL1 2RE) and is included in the consolidated financial statements of Premier Foods plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

**12. Ultimate parent company**

The immediate parent undertaking is Premier Foods (Holdings) Limited.

The ultimate parent undertaking and controlling party is Premier Foods plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Premier Foods plc consolidated financial statements can be obtained from the Group's website: [www.premierfoods.co.uk](http://www.premierfoods.co.uk).

The principle place of business of Premier Foods plc, Premier House, Centrium House, Centrium Business Park, Griffiths Way, St Albans, AL1 2RE is in the UK.

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**Notes to the financial statements for the 52 weeks ended 30 March 2019 (continued)****13. Guarantees**

The Group has provided guarantees to third parties in respect of borrowings of certain subsidiary undertakings. The maximum amount guaranteed at 30 March 2019 is £687.0m (31 March 2018: £752.0m). This facility is guaranteed by the principal entities of the Group including Premier Financing Limited.

**14. Investments**

The following represent all the undertakings, associate undertakings and joint operations as at 30 March 2019. With the exception of Hillsdown International Limited, Premier International Foods UK Limited, Premier Brands Limited and CH Old Co Limited which are owned 100% by Premier Foods Investments Limited, all shares in undertakings are held indirectly by Premier Financing Limited.

Name of company	Holding	Class of share	Country of incorporation	Registered address
Hillsdown International Limited* Premier International Foods UK Limited* CH Old Co Limited	100%	Ordinary	England and Wales	Premier House Centrium Business Park Griffiths Way St Albans Hertfordshire AL1 2RE
Premier Brands Limited*	100%	Ordinary	Scotland	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD

\* Dormant entities

All undertakings have the same balance sheet date as Premier Financing Limited.