

Company registered no: 3877932

FINALREALM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED
3 JANUARY 2004



Directors' Report

The directors present their report and the financial statements for the fifty-three weeks ended 3 January 2004.

Directors

The directors who served during the year were:

D Mégret	
B Meunier	
D Murphy	
A-D de Seze	
AGM Ritchie	
R Bell	(resigned 26 February 2004)
R Bradish	
A Zombanakis	(resigned 13 March 2003)
G Clempson	(appointed 13 March 2003)
T Dillon	(appointed 26 February 2004)

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. No change in this activity is intended. Full details of the performance of the United Biscuits Group are set out in the report and financial statements of United Biscuits Group (Investments) Limited, copies of which are available from its registered office: Hayes Park, Hayes End Road, Hayes, Middlesex, UB4 8EE.

Loss and appropriations

The loss for the period is shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend for the period (2002: nil).

Directors and their interests

The names of the present directors are stated above. No director, other than those shown below had interests in the share capital of either the Company or other group companies. Those holding interests in the share capital of the ultimate UK parent company, United Biscuits Group (Investments) Limited, were as follows:

	'M' shares as at 3 January 2004	'E' shares as at 3 January 2004	'M' shares as at 28 December 2002	'E' shares as at 28 December 2002
AGM Ritchie	26,587	-	26,587	-

The share capital of United Biscuits Group (Investments) Limited is divided into three classes of share. The 'M' shares were issued in 2001 to senior management and they entitle holders to one vote per share at shareholders' meetings. The 'E' shares were issued to certain other employees and do not contain any voting rights. Further details of the scheme are given in the Notes to the financial statements of United Biscuits Group (Investments) Limited.

No director had, during the period or at the end of the period, any material interest in any contract of significance to the Company's business.

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

Finalrealm Limited

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.

On behalf of the board

A handwritten signature in dark ink, appearing to read 'D. R. Blane', is written over a horizontal line.

Director

16 April 2004

Registered Office:

Hayes Park
Hayes End Road
Hayes
Middlesex UB4 8EE

Statement of directors' responsibilities in respect of the financial statements

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 consistently;
- make judgements and estimates that are reasonable and prudent; 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 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.

Finalrealm Limited

Report of the auditors'to the members of Finalrealm Limited

We have audited the company's financial statements for the year ended 3 January 2004 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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.

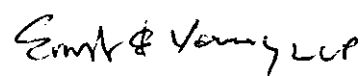
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 3 January 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
16 April 2004

Finalrealm Limited
Profit and Loss Account

For the 53 weeks ended 3 January 2004

	Notes	2003 £'000	2002 £'000
Other operating income		725	-
Foreign exchange loss		(9,781)	(7,359)
Loss before interest	3	(9,056)	(7,359)
Net interest expense	4	(53,829)	(62,239)
Loss on ordinary activities before taxation		(62,885)	(62,598)
Taxation credit/(charge) on profit on ordinary activities	5	2	(47)
Loss on ordinary activities after taxation		(62,883)	(69,645)
Retained loss for the financial year		(62,883)	(69,645)

All amounts relate to continuing activities.

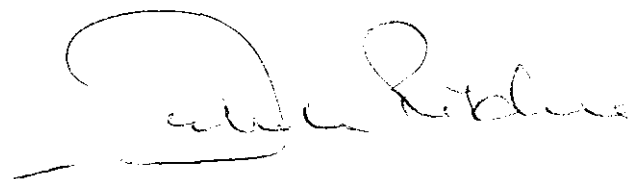
There were no recognised gains or losses other than those disclosed above.

Finalrealm Limited
Balance Sheet

As at 3 January 2004

	Notes	2003 £'000	2002 £'000
Fixed assets			
Investments in subsidiaries	6	1,412,246	1,412,246
Current assets			
Amounts due from group companies		60,150	60,148
Cash and short term deposits		-	16
		60,150	60,164
Creditors: amounts falling due within one year	7	557,615	477,563
Net current liabilities		(497,465)	(417,399)
Total assets less current liabilities		914,781	994,847
Creditors : amounts falling due after more than one year			
Amounts due to group companies		752,124	769,307
Net assets		162,657	225,540
Capital and Reserves			
Called up share capital	8	427,000	427,000
Profit and loss account	9	(264,343)	(201,460)
Total Shareholder's funds		162,657	225,540

Approved by the Board and signed on its behalf on 16 April 2004.



Director

Finalrealm Limited

Notes to the financial statements

1 Accounting Policies

Basis of accounting

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 group financial statements, under S228 of the Companies Act 1985, as its parent company as at 3 January 2004, United Biscuits Group (Investments) Limited has produced group financial statements.

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.

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.

Cash flow statement

The company has not produced a cash flow statement as the parent company as at 3 January 2004, United Biscuits Group (Investments) Limited, has prepared a consolidated cash flow statement complying with FRS1 Cash Flow Statements (revised 1996).

Going concern

The directors believe the Company to be a going concern with continuing support from the parent company United Biscuits Group (Investments) Limited.

2 Directors and employees

AGM Ritchie's remuneration was paid by United Biscuits (UK) Limited by whom he is employed. Other directors receive their remuneration from United Biscuits Group (Investments) Limited. 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 the holding and fellow subsidiaries.

The Company, as an investment holding company, has no employees.

3 Loss before interest

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

Finalrealm Limited
Notes to the financial statements (continued)

4 Interest

	2003 £'000	2002 £'000
Interest payable		
Interest payable to parent company	<u>53,829</u>	<u>62,239</u>

5 Taxation on loss on ordinary activities

	2003 £'000	2002 £'000
UK Corporation tax credit at 30%	2	832
Adjustment in respect of prior years	-	(879)
	<u>2</u>	<u>(47)</u>

The statutory rate of tax is reconciled to the effective rate of current tax as follows:

	%	%
Statutory rate	(30.0)	(30.0)
Prior year charge/(credit)	-	1.3
Losses on which no tax credit provided	-	28.8
Group relief not paid for	<u>30.0</u>	<u>-</u>
Effective current tax rate	<u>0.0</u>	<u>0.1</u>

6 Investments in subsidiaries

	£'000
At 3 January 2004 and 28 December 2002	<u>1,412,246</u>

The investment is in respect of the following subsidiary undertaking which is 100% directly owned:

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Principal activity</i>
United Biscuits (Holdings) Limited	England	Investment Holding

Finalrealm Limited
Notes to the financial statements (continued)

7 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Amounts due to group companies	557,615	477,282
Other creditors	-	281
	<u>557,615</u>	<u>477,563</u>

8 Share capital

	Number 000's	Ordinary Shares £'000
Ordinary share capital		
Authorised		
At 3 January 2004 and 28 December 2002:	<u>427,000</u>	<u>427,000</u>
Issued		
At 3 January 2004 and 28 December 2002:	<u>427,000</u>	<u>427,000</u>

9 Profit and loss account

	£'000
At 29 December 2002	(201,460)
Balance from reserves for the period	<u>(62,883)</u>
At 3 January 2004	<u>(264,343)</u>

10 Inter-group cross-guarantee

The Company, together with other subsidiary undertakings in the United Biscuits Group, has cross-guaranteed the Group's Senior Credit Facility which is held by Regentrealm Limited, an investment company within the United Biscuits group. The amount outstanding under the facility as at 3 January 2004 was £439.4 million (2002: £453.7 million).

Finalrealm Limited
Notes to the financial statements (continued)

11 Related party transactions

The Company has taken advantage of the exemptions laid out in the Financial Reporting Standard 8, "Related Party Transactions" not to disclose transactions with entities that are part of the group, on the grounds that consolidated financial statements of the group are publicly available.

12 Ultimate parent company

The Company's ultimate UK parent undertaking is United Biscuits Group (Investments) Limited. It has included the Company in its group financial statements, copies of which are available from its registered office: Hayes Park, Hayes End Road, Hayes, Middlesex, UB4 8EE.

In the directors' opinion, the Company's ultimate parent undertaking is United Biscuits (Equity) Limited which is incorporated in the Cayman Islands.