

**Premier Foods Investments No.1 Limited**

Annual report and financial statements

For the year ended 31 December 2012

Registered Number 5014179



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**Premier Foods Investments No.1 Limited**

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**Report of directors for the year ended 31 December 2012**

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The directors present their annual report together with the audited financial statements for Premier Foods Investments No 1 Limited (the 'Company'), registered number 5014179, for the year ended 31 December 2012

**Principal activities and business review**

The principal activity of the Company throughout the year continued to be that of an investment holding company. The directors are satisfied with the results for the year and do not envisage any changes to the conduct of the business over the next twelve months.

**Results and dividends**

The profit and loss account is set out on page 6 and shows the results for the year. The results for the Company show a pre-tax loss of £10.1m (2011: £8.8m loss) for the year. The retained loss has been transferred to reserves.

In March 2012 the Premier Foods Group agreed revised financing arrangements with its banking syndicate, swap counterparties and pension funds.

Interim dividend paid in the year was £nil (2011: £nil). The directors propose a final dividend for the year of £nil (2011: £nil).

As at 31 December 2012, the Company had net assets of £123.6m (2011: £131.2m).

**Subsequent events**

There were no subsequent events.

**Principal risk and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are aligned with the principal risks of Premier Foods Group and are not managed separately. Accordingly, the principal risks and uncertainties of Premier Foods plc, which includes those of the Company, are discussed in the Group's 2012 annual report and accounts which do not form part of this report. The financial risk management objectives, policies and exposures are disclosed in the Group's 2012 annual report and accounts.

**Directors 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.

**Directors**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Antony Smith (resigned 20 April 2012)  
Jim Hepburn  
Andrew McDonald  
Emmett McEvoy (appointed 20 April 2012)

**Premier Foods Investments No.1 Limited**

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**Report of directors for the year ended 31 December 2012 (continued)**

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**Charitable and political donations**

During the year the Company made charitable donations of £nil (2011 £nil) and political donations of £nil (2011 £nil)

**Key performance indicators**

The directors of Premier Foods plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Premier Foods Investments No 1 Limited. The development, performance and position of Premier Foods plc is discussed in the Group's 2012 annual report and accounts which does not form part of this report.

**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 prepared 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 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 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, 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 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.

**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 auditors are unaware, and
- (b) the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Premier Foods Investments No.1 Limited**

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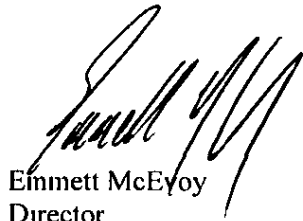
**Report of directors for the year ended 31 December 2012 (*continued*)**

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**Statutory dispensation**

The Company has in force, under Section 423 of the Companies Act 2006, 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



Emmett McEyoy  
Director  
30 April 2013

**Premier Foods Investments No.1 Limited**

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**Independent auditors' report to the members of Premier Foods Investments No.1 Limited**

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We have audited the financial statements of Premier Foods Investments No 1 Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities 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. 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**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 Annual Report and financial statements 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 2012 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 matter 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.

**Premier Foods Investments No.1 Limited**

Annual report and financial statements for the year ended 31 December 2012

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**Independent auditors' report to the members of Premier Foods Investments No.1 Limited**  
*(continued)*

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**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



Pauline Campbell (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 April 2013

**Premier Foods Investments No.1 Limited**

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**Profit and loss account for the year ended 31 December 2012**

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	Note	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Interest payable and similar charges	5	(10 1)	(8 8)
<b>Loss on ordinary activities before taxation</b>		<hr/> (10 1)	<hr/> (8 8)
Taxation on loss on ordinary activities	6	2 5	2 3
<b>Loss for the financial year</b>		<hr/> (7 6) <hr/>	<hr/> (6 5) <hr/>

All amounts relate to continuing activities

There were no recognised gains and losses in the year, other than the loss on ordinary activities after taxation and therefore no separate statement of total recognised gains and losses has been presented

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 8 to 12 form an integral part of these financial statements



**Premier Foods Investments No.1 Limited**

Annual report and financial statements for the year ended 31 December 2012

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**Balance sheet as at 31 December 2012**

	Note	31 December 2012 £m	31 December 2011 £m
<b>Fixed assets</b>			
Investments	7	<u>362.5</u>	<u>362.5</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	8	14.3	11.9
Creditors amounts falling due within one year	9	<u>(253.2)</u>	<u>(243.2)</u>
<b>Net current liabilities</b>		<u>(238.9)</u>	<u>(231.3)</u>
<b>Total assets less current liabilities</b>		123.6	131.2
<b>Net assets</b>		<u>123.6</u>	<u>131.2</u>
<b>Capital and reserves</b>			
Called up share capital	10	1.0	1.0
Share premium account	11	151.0	151.0
Profit and loss account	11	(31.8)	(24.2)
Other reserves	11	3.4	3.4
<b>Total shareholders' funds</b>		<u>123.6</u>	<u>131.2</u>

The financial statements were approved by the Board on 30 April 2013, and were signed on its behalf by

Emmett McEvoy  
Director

30 April 2013

The notes on pages 8 to 12 form an integral part of these financial statements

**Premier Foods Investments No.1 Limited**

Annual report and financial statements for the year ended 31 December 2012

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**Notes to the financial statements for the year ended 31 December 2012**

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**1. Principal accounting policies**

*Basis of accounting*

The financial statements have been prepared on the going concern basis and under the historical cost convention, in line with the accounting policies set out below, and are prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006

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 appropriate

The directors consider that the accounting policies set out below are appropriate and have been consistently applied, except where detailed below

*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 or credit for taxation is based on the profit or loss for the year and takes into account deferred taxation.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Deferred tax is measured at the rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the timing difference can be utilised. Their carrying value is reviewed at each balance sheet date on the same basis.

*Interest*

Interest costs are accounted for on an accruals basis in the income statement using the effective interest method.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

**Premier Foods Investments No.1 Limited**

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**Notes to the financial statements for the year ended 31 December 2012 (continued)****2. 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 Premier Foods plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of 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.

**3. Operating loss**

The audit fee has been borne by a fellow group undertaking in both the years ended 31 December 2012 and 31 December 2011.

**4. Directors and employees**

No emoluments were paid to any of the directors during the year for services to the Company (2011: £nil). No director had a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

There were no employees of the Company during the year (2011: nil).

**5. Interest payable and similar charges**

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Interest payable to group undertakings	<u>(10.1)</u>	<u>(8.8)</u>

**6. Tax on loss on ordinary activities**

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
UK corporation tax on result for the year at 24.5% (2011: 26.5%)		
United Kingdom corporation tax – current year	2.5	2.3
<b>Tax credit on loss on ordinary activities</b>	<u>2.5</u>	<u>2.3</u>

The tax assessed for the year is consistent with the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%).

The Company has no material unprovided deferred tax.

**Premier Foods Investments No.1 Limited**

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**Notes to the financial statements for the year ended 31 December 2012 (continued)****7. Fixed asset investments**

	31 December 2012 £m	31 December 2011 £m
<b>Subsidiary undertaking</b>	<u>362.5</u>	<u>362.5</u>

Subsidiary undertakings are disclosed within note 16

**8. Debtors: amounts falling due within one year**

	31 December 2012 £m	31 December 2011 £m
<b>Group relief receivable</b>	<u>14.3</u>	<u>11.9</u>

**9. Creditors: amounts falling due within one year**

	31 December 2012 £m	31 December 2011 £m
<b>Amounts owing to group undertakings</b>	<u>(253.2)</u>	<u>(243.2)</u>

Amounts owing to group undertakings include loans of £200m which carry interest at LIBOR plus 2.25% (2011 LIBOR plus 2.25%)

The remaining amounts owing to group undertakings are repayable on demand, unsecured and interest free

**10. Share capital**

	Allotted, called up and fully paid Number	£m
<b>Ordinary shares of £1 each</b>		
At 31 December 2011 and At 31 December 2012	<u>1,000,200</u>	<u>1.0</u>

**Premier Foods Investments No.1 Limited**

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**Notes to the financial statements for the year ended 31 December 2012 (continued)****11. Share premium and reserves**

	Share premium	Profit & loss account	Other reserves	Total
	£m	£m	£m	£m
At 31 December 2011	151 0	(24 2)	3 4	130 2
Loss for the year	-	(7 6)	-	(7 6)
At 31 December 2012	<u>151 0</u>	<u>(31 8)</u>	<u>3 4</u>	<u>122 6</u>

**12. Reconciliation of movement in shareholders' funds**

	Year ended 31 December 2012	Year ended 31 December 2011
	£m	£m
Loss for the year	(7 6)	(6 5)
<b>Net decrease in shareholders' funds</b>	<u>(7 6)</u>	<u>(6 5)</u>
Opening shareholders' funds	131 2	137 7
<b>Closing shareholders' funds</b>	<u>123 6</u>	<u>131 2</u>

**13. Group financial statements**

The company is a wholly-owned subsidiary of Premier Foods Investments No 2 Limited 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.

**14. Ultimate parent company**

The immediate parent undertaking is Premier Foods Investments No 2 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 Company Secretary at Premier Foods plc, Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire, AL1 2RE.

**15. Guarantees**

On 16 March 2007, the Premier Group entered into a £2.1bn term and revolving credit facility. In March 2012, the Premier Group announced revised financing arrangements including proposed changes to provide greater covenant and liquidity headroom and to extend the maturity of the facility to June 2016. This facility is guaranteed by the principal entities of the Group including Premier Foods Investments No 1 Limited.

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**Notes to the financial statements for the year ended 31 December 2012 (continued)**

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**16. List of subsidiary undertakings**

The following represent the principal subsidiary undertakings of Premier Foods Investments No 1 Limited at the year end. With the exception of Premier Foods Investments Limited, which is owned 100% by Premier Foods Investments No 1 Limited, all shares in subsidiary undertakings are held indirectly by Premier Foods Investments No 1 Limited.

Trading companies	Country of incorporation	Holding	Class of share
Premier Foods Investments Limited	England & Wales	100%	Ordinary
Premier Foods Group Limited	England & Wales	100%	Ordinary
Premier Foods Group Services Limited	England & Wales	100%	Ordinary

All subsidiary undertakings have the same balance sheet date as Premier Foods Investments No 1 Limited. The companies listed above are those that principally affect the results and assets of the Company. The directors consider that to give full particulars of subsidiary undertakings would lead to a statement of excessive length. A full list of subsidiary undertakings is available from the Company Secretary.

**17. Subsequent events**

There were no subsequent events.