

Company Registration No 08305253

Cucina Finance (UK) Limited

Annual Report

For the five month and twenty five day period from incorporation to 31 December 2007

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Cucina Finance (UK) Limited

Annual Report for the five month and twenty five day period from incorporation to 31 December 2007

Contents

	Page
Directors' report	1 - 2
Independent Auditors' report	3
Consolidated income statement	4
Consolidated and company statements of recognised income and expense	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Company cash flow statement	9
Notes to the financial statements	10 - 34

Cucina Finance (UK) Limited

Annual report

Directors' report

The directors submit their annual report and the audited financial statements for the five month and twenty five day period from incorporation to 31 December 2007

Business review and principal activities

The Company was incorporated on 6 July 2007. Cucina Finance (UK) Limited is a limited company incorporated, domiciled and operating in the United Kingdom. On 6 July 2007 the Company acquired its subsidiary undertaking Cucina Acquisition (UK) Limited, a company incorporated on the 14 June 2007 for a cash consideration of £1 and on the 12 September 2007 a further £20.7m was invested in the share capital of Cucina Acquisition (UK) Limited in order to provide equity funding for the acquisition of Brake Bros Holding I Limited. On 12 September 2007, Cucina Acquisition (UK) Limited, a wholly owned subsidiary of Cucina Finance (UK) Limited, acquired the entire issued share capital of Brake Bros Holding I Limited.

The financial statements include the trading results of the Brake Bros Holding I Limited group of companies for the period from 12 September to 31 December 2007. The principal trading companies of the Brake Bros Holding I Limited group of companies are Brake Bros Limited, Brake Bros Foodservice Limited, M&J Seafood Limited, W Pauley & Co Limited, Wild Harvest Limited and Brake France Service SAS. The Company did not trade between 6 July and 11 September 2007.

The principal activity of the Company is that of a holding and finance company for the Group. The Company is part of a financing group of companies headed and controlled by Bain Capital Investors LLC in order to acquire Brake Bros Holding I Limited. The principal activity of the Group is the specialist supply of frozen, chilled and ambient foods as well as catering supplies and equipment to the catering industry.

Details of the acquisition of Brake Bros Holding I Limited are set out in note 24 to the financial statements.

The results of the Group for the five month and twenty five day period are set out in the consolidated income statement on page 4.

The results of the Group show a pre-tax loss of £32.4m for the period and revenue of £582.8m. The Group has net debt of £1,334.8m (note 23) and cash inflow from operating activities was £12.3m.

Principal risks and uncertainties

The directors of the largest UK parent undertaking, Cucina Lux Investments Limited, manage the Group's risks and performance through its immediate subsidiary company, Cucina Investments (UK) Limited. Group refers to Cucina Finance (UK) Limited from incorporation to year end, including the post acquisition results of the former ultimate parent, Brake Bros Holding I Limited Group. For this reason a discussion of the Group's risks, together with an analysis using key performance indicators has not been included by the Company's directors. The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Cucina Lux Investments Limited Group, which include those of the Company and the Group, are discussed on page 2 of the Group's annual report, which does not form part of this report.

Future outlook

Based on the expected future operating profits and trading of the Group, the Directors are satisfied that the Group will have sufficient funds to repay its liabilities as they fall due.

Dividends

No interim dividends have been paid and the Directors do not recommend a final dividend.

Directors

The directors who held office during the period and up to the date of signing these financial statements are given below:

M Plantevin	(appointed 6 July 2007)
D Poler	(appointed 6 July 2007)
M R C Fearn	(appointed 12 September 2007)
I Goldsmith	(appointed 12 September 2007)
F J McKay	(appointed 12 September 2007)
F D Merry Del Val Barbavara Di Gravellona	(appointed 6 July 2007)

Employment report

The Group aims to keep employees aware of all material factors affecting them as employees and the performance of the Group and their respective businesses. It encourages good communication through regular meetings between management and staff, enabling senior managers to consult and ascertain employees' views on all appropriate matters. This is supplemented by regular briefings, intranet and e-mail bulletins and divisional newsletters. Employees are encouraged to participate in the performance of the Group by way of bonus schemes.

As a result of the acquisition of Brake Bros Holding I Limited, the Group employs around 8,700 people. We provide extensive training and career development programmes. It is our policy to achieve and maintain a high standard of health and safety at work and to ensure everyone, regardless of race, religion or sex, and including disabled people where reasonable and practicable, is treated in the same way as regards employment, training, career development and promotion. Every effort is made to help with the rehabilitation of anyone disabled during their employment, and to provide support we have an Employee Care Programme.

Health and safety

As a business, the Group is strongly committed to being a safe and responsible place to work. Concern for the wellbeing of our staff is a key element in our drive to be a great place to work, and we demonstrate this commitment through ongoing training and education of all our employees, working closely with our insurance providers and equipment suppliers to ensure sharing of best practice and leading edge health and safety solutions.

Creditor payment policy

The Group's policy is generally to agree terms of payment with suppliers to settle invoices accordingly. The practice on payment has been quantified under the terms of the Statement of Payment Practice Regulations. The number of days' suppliers' invoices included in trade payables at 31 December 2007 represented 59 days of annual purchases for the Group.

Donations

The Group actively supports and encourages charitable activity in support of the community. In addition, direct donations to national and local charitable organisations amounting to £24,210 and £452, respectively, were made in the period. No donations were made to any political party.

Cucina Finance (UK) Limited

Annual report

Directors' report (continued)

Financial risk management

The Group has operations in the UK and Continental Europe and has significant debt financing which exposes it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, credit risks, liquidity and interest rates.

The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by using foreign currency debt to hedge overseas investments in subsidiaries and swap agreements to convert debt with floating interest rates to fixed interest rates.

The Group's board of directors have the responsibility for setting the risk management policies applied by the Group. The policies are implemented by the central group treasury department that receives regular reports from the operating companies to enable prompt identification of financial risks so that the appropriate actions may be taken. The Group has a policy and procedures manual that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity. Further information is given in note 16 of these financial statements.

(a) Foreign exchange risk

The Group has operations in the UK and Continental Europe (all within the Euro zone). The Group is exposed to foreign exchange risks primarily with respect to the Euro. The Group finance department oversees investment mainly through the use of foreign currency borrowings to hedge the foreign currency investment.

(b) Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. The Group's interest rate risk primarily arises from floating interest rate long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2007, the Group's borrowings at variable rate were denominated in the UK pound and Euro. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

(c) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks only independently rated parties with a minimum rating of 'A' are accepted. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The Group has implemented policies that require appropriate credit checks on potential customers before sales commence.

(d) Liquidity risk

The Group actively maintains a mixture of long-term and short term facilities, including amounts funded from parent undertakings that are designed to ensure the Group has sufficient available funds for operations and planned expansions. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

Auditors

The Directors have appointed PricewaterhouseCoopers LLP as auditors of the Company. PricewaterhouseCoopers LLP shall remain in office until the Company or PricewaterhouseCoopers LLP otherwise determine.

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and 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 auditors are aware of that information.

Statement of Directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for the 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,
- state that the financial statements comply with IFRSs as adopted by the European Union and IFRSs issued by IASB,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on its behalf by



A J Whitehead
Secretary
24 April 2008

Registered office
Enterprise House
Eureka Business Park
Ashford
Kent
TN25 4AG

Cucina Finance (UK) Limited

Annual report

Independent Auditors' report to the members of Cucina Finance (UK) Limited

We have audited the group and parent company financial statements of Cucina Finance (UK) Limited for the five month and twenty five day period ended 31 December 2007 which comprise the group income statement, the group and parent company balance sheets, the group and parent company cash flow statements, the group and parent company statements of recognised income and expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland). 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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

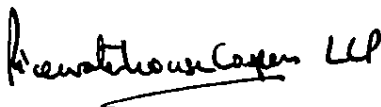
In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2007 and of the group's loss and cash flows for the five month and twenty five day period then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2007 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements.

Separate opinion in relation to IFRSs

As explained in notes to the group financial statements in the accounting policies on pages 10 to 14, the group in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the group financial statements give a true and fair view, in accordance with IFRSs, of the state of the group's affairs as at 31 December 2007 and of its loss and cash flows for the five month and twenty five day period then ended.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick
24 April 2008

Cucina Finance (UK) Limited

Annual report

Consolidated income statement

For the five month and twenty five day period from incorporation to 31 December 2007

	Notes	2007 £m
Revenue	1	582.8
Operating costs		(553.4)
Operating profit	2	29.4
Finance costs	3	(66.4)
Finance income	3	4.6
Finance costs - net		(61.8)
Loss on ordinary activities before taxation		(32.4)
Income tax income	4	6.4
Loss for the period attributable to equity holders of the Company		(26.0)

The notes on pages 10 to 34 form an integral part of these financial statements

Cucina Finance (UK) Limited

Annual report

Statements of recognised income and expense

For the five month and twenty five day period from incorporation to 31 Decer

	Notes	2007 Group £m	2007 Company £m
Loss for the financial period		(25 0)	-
Net exchange differences in foreign currency translations		(0 4)	-
Net fair value losses		(5 3)	-
Actuarial losses on defined benefit pension scheme	17	(0 8)	-
Deferred tax on items taken directly to equity	4	0 3	-
Net losses recognised directly in equity		(6 2)	-
Total recognised expense for the period attributable to equity holders of the Company		(32 2)	-

The notes on pages 10 to 34 form an integral part of these financial statements

Cucina Finance (UK) Limited

Annual report

Consolidated balance sheet

As at 31 December 2007

	Notes	2007 £m	£m
Assets			
Non-current assets			
Goodwill	6		817.0
Intangible assets	7		563.9
Property, plant and equipment	8		171.4
			1,552.3
Current assets			
Inventories	10	56.6	
Trade and other receivables	11	169.3	
Cash and cash equivalents	12	92.4	
		318.3	
Liabilities			
Current liabilities			
Financial liabilities - borrowings	15	(41.7)	
Trade and other payables	13	(313.8)	
Current tax liabilities	14	(5.2)	
		(360.7)	
Net current liabilities			(42.4)
Non-current liabilities			
Financial liabilities - borrowings	15	(1,367.9)	
Financial liabilities - derivative financial instruments	16 (b)	(17.6)	
Deferred tax liabilities	18	(125.6)	
Retirement benefit obligations	17	(10.1)	
		(1,521.2)	
Net liabilities			(11.3)
Shareholders' deficit			
Called up share capital	19	20.7	
Other reserves	20	(5.7)	
Retained earnings	20	(26.5)	
Total shareholders' deficit		(11.5)	
Minority interest in equity	21	0.2	
Total deficit		(11.3)	

The notes on pages 10 to 34 form an integral part of these financial statements

The financial statements on pages 4 to 34 were approved by the Board of Directors on 24 April 2008 and were signed on its behalf by



M R C Fearn
Director

Cucina Finance (UK) Limited

Annual report

Company balance sheet

As at 31 December 2007

	Notes	2007 £m	£m
Assets			
Non-current assets			
Investments in subsidiaries	9		20.7
Trade and other receivables	11		232.7
			253.4
Current assets			
Trade and other receivables	11	222.5	
		222.5	
Liabilities			
Current liabilities			
Financial liabilities - borrowings	15	(7.4)	
Trade and other payables	13	(11.9)	
		(19.3)	
Net current assets			203.2
Non-current liabilities			
Financial liabilities - borrowings	15	(435.9)	
			(435.9)
Net assets			20.7
Shareholders' equity			
Called up share capital	19		20.7
Total shareholders' equity	21		20.7

The notes on pages 10 to 34 form an integral part of these financial statements

The financial statements on pages 4 to 34 were approved by the Board of Directors on 24 April 2008 and were signed on its behalf by



M R C Fearn
Director

Cucina Finance (UK) Limited
Annual report

Consolidated cash flow statement

For the five month and twenty five day period from incorporation to 31 December 2007

	Notes	2007 £m	£m
Cash flows from operating activities			
Cash generated from operations	22		75.8
Interest received			1.6
Interest paid			(65.3)
Tax received			0.2
Net cash from operating activities			12.3
Cash flows from investing activities			
Purchase of property, plant and equipment		(6.6)	
Purchase of intangible assets		(1.0)	
Sale of property, plant and equipment		3.8	
Acquisition of subsidiary, net of cash acquired	24	(688.3)	
Net cash used in investing activities			(692.1)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		20.7	
Loans from parent undertaking		236.6	
Loan drawdowns		1,075.6	
Loan repayments		(533.9)	
Debt issue costs paid		(24.4)	
Finance lease capital repayments		(3.5)	
Net cash flow from financing activities			771.1
Effects of exchange rate changes			1.1
Net increase in cash and cash equivalents			92.4
Cash and cash equivalents at 31 December 2007			92.4

The notes on pages 10 to 34 form an integral part of these financial statements

Cucina Finance (UK) Limited
Annual report

Company cash flow statement

For the five month and twenty five day period from incorporation to 31 December 2007

	Notes	2007 £m	£m
Cash flows from operating activities			
Cash generated from operations	22		-
Net cash from operating activities			-
Cash flows from investing activities			
Acquisition of subsidiary			(20.7)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		20.7	
Loans from parent undertaking		240.1	
Loans to group undertakings		(440.1)	
Loan drawdowns		200.0	
Net cash flow from financing activities			20.7
Net increase in cash and cash equivalents			-
Cash and cash equivalents at 31 December 2007			-

The notes on pages 10 to 34 form an integral part of these financial statements

Cucina Finance (UK) Limited

Annual report

Notes to the financial statements

Accounting policies

A Basis of preparation

These financial statements are the consolidated financial statements of Cucina Finance (UK) Limited ("the Group") and the parent financial statements of Cucina Finance (UK) Limited ("the Company") for the five month and twenty five day period from incorporation to 31 December 2007. These group consolidated financial statements were authorised for issue by the Board of Directors on 24 April 2008.

These consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and also as issued by the International Accounting Standards Board International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention except as modified by the revaluation of certain financial instruments. A summary of the more important Group accounting policies under IFRS is set out in note B.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below within critical accounting estimates and assumptions.

(i) Standards, amendments and interpretations effective in 2007

IFRS 7 Financial instruments: Disclosures and the complementary amendment to IAS 1, Presentation of financial statements. Capital disclosures introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group and Company's financial instruments or the disclosures relating to taxation and trade and other payables.

IFRIC 8 Scope of IFRS 2 requires consideration of transactions involving the issuance of equity instruments where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Group or Company's financial statements.

IFRIC 9 Re-assessment of embedded derivatives. This standard does not have any impact on the Group or Company's financial statements.

IFRIC 10 Interim financial reporting and impairment prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group or Company's financial statements.

(ii) Interpretations early adopted by the Group and Company

IFRIC 11 IFRS 2 - Group and treasury share transactions' was early adopted in 2007. IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as an equity settled or cash-settled share based payment transactions in the stand alone accounts of the parent or group companies. This interpretation does not have any impact on the Group or Company financial statements.

(iii) Standards, amendment and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group or Company's operations:

- IFRS 4 Insurance contracts
- IFRIC 7 Applying the restatement approach under IAS 29 Financial reporting in hyper inflationary economies

(iv) Standards, amendment and interpretations to existing standards that are not yet effective and have not been early adopted by the Group and Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods but the Group and Company have not early adopted them:

- IAS 23 (Amendment) Borrowing costs (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009 subject to endorsement by the EU.
- IFRS 8 Operating segments (effective from 1 January 2009). The standard is still subject to endorsement by the European Union. IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131. Disclosures about segments of an enterprise and related information. The new standard requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply IFRS 8 from 1 January 2009 subject to endorsement by the EU.

The expected impact is still being assessed in detail by management but it appears likely that the number of reportable segments as well as the manner in which the segments are reported will not change. As the financial report contains both the Group consolidated and parent company financial statements prepared under IFRS the Company will not be required to present segment information.

IFRIC 14 IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply IFRIC 14 from 1 January 2008 but it is currently not expected to have any impact on the Group or Company's accounts.

IFRIC 13 Customer loyalty programmes (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products) the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

Going Concern

At the period end the Group had net liabilities amounting to £11.3m. However, based on the expected cash generation from future trading of the Group and existing debt facilities, the Directors are satisfied that the Group will have sufficient funds to repay its liabilities as they fall due. On this basis the Directors consider it appropriate to prepare the consolidated and parent financial statements on the going concern basis.

Cucina Finance (UK) Limited

Annual report

Accounting policies (continued)

B Significant accounting policies

The Group's principal accounting policies adopted in the preparation of these financial statements are set out below

Basis of consolidation

(a) Subsidiaries

These financial statements consolidate the financial statements of the Company and all its subsidiary undertakings. Subsidiaries include special purpose entities where the substance of the relationship between the Group and the special purpose entity indicates that it is controlled by the Group. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(b) Transactions and minority interests

The group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains or losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products, net of value added tax, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised when the Group has delivered the products, has transferred to the buyer the significant risks and rewards of ownership and when it is considered probable that the related receivable is collectable. Rebates and discounts are recognised when the Group has delivered the products and when it is considered probable that the obligation is payable. Interest income is recognised on a time-proportion basis using the effective interest method.

Segmental reporting

The Group's primary reporting format is business segments and its secondary format is geographical segments. A business segment is a component of the group that is engaged in providing a group of related products and is subject to risks and returns that are different from those of other business segments. A geographical segment is a component of the Group that operates within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment result includes revenue and expenses which are directly attributable to or can be allocated to the segment on a reasonable basis. Segment assets and liabilities are those operating assets and liabilities directly attributable to a segment or can be allocated to the segment on a reasonable basis.

Property, plant and equipment

Property, plant and equipment is shown at historical cost less subsequent depreciation and impairment.

Cost represents invoiced cost plus any other costs that are directly attributable to the acquisition of the item. The Group charges borrowing costs to the income statement as they are incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

No depreciation is provided on freehold land.

Depreciation is provided on all other property, plant and equipment to write down their cost or, where their useful economic lives have been revised, their carrying amount at the date of revision to their estimated residual values on a straight line basis over the periods of their estimated or revised remaining useful economic lives respectively. These lives are considered to be:

Freehold buildings	- between 17 and 40 years
Leasehold buildings	- the period of the lease or 40 years whichever is the shorter
Motor vehicles	- between 5 and 10 years
Plant and equipment	- between 3 and 40 years
Information technology hardware	- between 3 and 5 years

Asset lives and residual values are reviewed during each financial period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

Investments in subsidiaries

Investments in subsidiaries held as non-current assets are stated at cost less a provision for any impairment in value.

Cucina Finance (UK) Limited

Annual report

Accounting policies (continued)

Intangible assets

(a) Goodwill

Goodwill arising represents the excess of the fair value of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is not subject to annual amortisation but is instead tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Computer software

Acquired computer software licences are capitalised as an intangible asset on the basis of the costs incurred to acquire and bring into use the specific software. Directly attributable costs associated with the development of software that are expected to generate future economic benefits are capitalised as part of computer software.

Where software costs are capitalised they are amortised using the straight-line basis to write them down to their estimated realisable value over their estimated useful economic lives, which are considered to be between three and five years.

The residual value and useful economic life are reviewed and adjusted if appropriate at each balance sheet date.

(c) Customer contracts and relationships

Customer contracts and relationships are acquired separately or as part of a business combination.

For those customer contracts or relationships acquired separately, an intangible asset is recognised on the basis of the costs to acquire the customer contracts and relationships together with any directly attributable costs of acquiring the asset.

For those customer contracts and relationships acquired as part of a business combination, the fair value of the asset is recognised at the date of the acquisition in accordance with IFRS 3.

Customer contracts and relationships are amortised on a straight line basis over their expected useful economic lives, which are considered to be between 6 and 16 years. These are assumed to have no residual value at the end of their expected useful economic life.

(d) Brands

Brands are acquired separately or as part of a business combination.

For those brands acquired separately, an intangible asset is recognised on the basis of the costs to acquire the brands together with any directly attributable costs of acquiring the asset.

For those brands acquired as part of a business combination, the fair value of the asset is recognised at the date of the acquisition in accordance with IFRS 3.

Brands are amortised on a straight line basis over their expected useful economic lives, which are considered to be 25 years. These are assumed to have no residual value at the end of their useful economic life.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct purchase costs and overheads that have been incurred in bringing the inventories to their present location and condition. Direct purchase cost is calculated on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 6 months overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a trade receivables impairment account, and the amount of the loss is recognised in the income statement within direct purchase cost. When a trade receivable is uncollectible it is written off against the trade receivables impairment account. Subsequent recoveries of amounts previously written off are credited in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank (being the cash book balance) and in hand, short term deposits and other short term highly liquid investments with original maturities of three months or less held for the purpose of meeting short term cash commitments. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised.

Cucina Finance (UK) Limited

Annual report

Accounting policies (continued)

Employee benefits

Defined benefit pension plan

The Group operates a defined benefit funded pension scheme covering a number of its employees. The scheme is a contracted out defined benefit scheme providing final salary related benefits accrued for each year of service. The scheme was made fully paid up at 31 December 2003 and no further benefits are accruing to members subsequent to this date.

The charge in the income statement in respect of the defined benefit pension scheme comprises the interest charge on pension liabilities offset by the expected return on pension scheme assets and is recognised in interest payable and similar charges and interest receivable respectively.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The independent actuary, using the projected unit credit method and assumptions agreed with the Trustees and Directors, calculates the defined benefit obligation annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arise from experience adjustments (the effects of differences between previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions. Actuarial gains and losses are recognised in full in the year they occur in the statement of recognised income and expenditure.

Defined contribution plan

For defined contribution plans, the Group pays contributions to Group money purchase pension plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Trade payables

Trade payables are non interest bearing and are stated at amortised cost.

Leases

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group are classified as finance leases.

Assets acquired under finance leases are included in the balance sheet as property, plant and equipment and are depreciated over the lease term. The capital element of future rentals is treated as a liability. Rentals are apportioned between reductions of the respective liabilities and finance charges, which are dealt with under finance costs in the income statement.

Rentals paid under operating leases (those leases where a significant portion of the risks and rewards of ownership are retained by the lessor) are charged to the income statement over the term of the lease.

Foreign currencies

Items included in the financial statements of the Group's subsidiary companies are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in sterling, which is the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the rates of exchange ruling at the balance sheet date. Differences arising on translation are charged or credited to the income statement except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

The income statements of foreign subsidiary companies are translated into sterling at monthly average exchange rates and the balance sheets are translated at the exchange rates ruling at the balance sheet date. On consolidation, exchange differences arising from the translation of the net investment in foreign subsidiaries and of borrowings designated as hedges of such investments are taken to shareholders' equity. These exchange differences are disclosed as a separate component of shareholders' equity within other reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Borrowings

Borrowings are recognised initially at fair value, being the issue proceeds net of any transaction costs incurred.

Borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is adjusted for the amortisation of any transaction costs. The amortisation is recognised in finance costs.

All borrowings denominated in currencies other than sterling are translated at the rate ruling at the balance sheet date.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Financial assets

The group classifies its financial assets in the following category: loans and receivables. The classification is based on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Cucina Finance (UK) Limited

Annual report

Accounting policies (continued)

Derivative financial instruments

The Group uses derivative financial instruments principally interest rate swaps to manage the interest rate risk on interest payments. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. The Group designates certain

hedges of a particular risk associated with a recognised asset or liability or a highly probable forecasted transaction (cash flow hedge)
hedges of a net investment in a foreign operation (net investment hedge)

The Group documents at or near to the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes are disclosed in note 16 (b). Movements on the hedging reserve in shareholders' equity are shown in note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year, and as a current asset or liability when the remaining maturity of the hedged item is less than one year.

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in 'finance costs - net' in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs - net'. The gain or loss relating to the ineffective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs - net'.

When a hedging instrument expires or is sold, or where a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'finance costs - net'.

(a) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'finance costs - net'.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Share capital

Where the Group issues shares or other financial instruments, these financial instruments are classified as a financial liability, financial asset or equity according to the substance of the contractual arrangement or its component parts. Incremental costs directly attributable to the issue of new shares are shown in the same respective category to which the costs relate. Dividends or interest arising on such financial instruments are recognised according to the classification of the financial instrument.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 6 to the financial statements).

Impairment reviews can be sensitive to the forecast level of earnings, and the Directors have considered the effect of a 10% reduction in the 2008 earnings and future earnings used in the value-in-use calculations on the impairment reviews. Even with a 10% reduction there is still adequate headroom in the calculations.

(b) Employee benefits – defined pension obligation

Following the amendment to IAS 19 Employee Benefits issued in December 2004, the Group has adopted an accounting policy whereby actuarial gains and losses for the UK defined benefit pension scheme are taken through the statement of recognised income and expenditure in full each year, and the full deficit on an IAS 19 basis is included within the balance sheet.

The defined benefit pension obligation has been calculated by the scheme actuary for each reporting date, using the projected unit credit method and assumptions agreed with the Group (see note 26 to the financial statements).

One of the key assumptions used in determining the valuation at 31 December 2007 is the UK discount rate of 5.8%. Whilst it has been accepted that the adoption of a 5.8% discount rate is appropriate, if the rate used had been 0.2% higher or lower, the retirement benefit obligation would have been £6.3m lower or higher. Another key assumption used in determining the valuation is the mortality assumption. If the average life expectancy in years of pensioner retiring was 1 year higher or lower than that used in the valuation, the retirement benefit obligation would have been £3.5m higher or lower.

(c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The key assumption used in determining the valuation of the Group's interest rate swap and interest rate cap derivative financial instrument liability of £17.6m is the sensitivity to interest rate market risk. The carrying amount of the derivative financial instrument liability would be an estimated £20.0m higher or £20.4m lower were the interest rate used in the valuation to differ by 10% from management's estimates. Components of equity would have been £19.5m lower or £19.0m higher, and finance costs in the income statement would have been £0.5m higher or £1.4m lower as a result of a 10% decrease / increase respectively in the interest rates.

(d) Fair value of intangible assets – brands and customer contracts and relationships

On 12 September 2007, the Group acquired 100% of the share capital of Brake Bros Holding I Limited (see note 24 Business combinations for further details). Following the acquisition, an exercise was carried out to attribute fair values to the brands and the customer contracts and relationships that were acquired. The fair value attributable to brands amounted to £207.4m and to customer contracts and relationships amounted to £360.1m.

In order to determine the fair values, the valuation models that were used were based upon discounted cash flows with a number of key assumptions being made. The key assumptions made to value those revenues regarded by the Directors as branded revenues were a post-tax discount rate of 8.5%, long-term growth of 4.0%, royalty rates of between 1.5 and 2.0% and useful economic lives of 25 years. The key assumptions made to value the customer contracts and relationships were annual revenues by contract, earnings before interest tax and amortisation margin by contract, contract retention rates of between 70 and 95%, a post-tax discount rate of 8.5%, long-term growth of 4.0% and useful economic lives of between 6 and 16 years.

Cucina Finance (UK) Limited
Annual report

Notes to the financial statements

1 Segmental reporting

Primary reporting format - business segments

For the five month and twenty five day incorporation to 31 December 2007	Broadline UK £m	Broadline France £m	Broadline Total £m	Country Choice £m	M&J Seafood £m	Eliminations £m	Group £m
Operations							
Revenue external customers	432.6	97.5	530.1	17.5	35.2		582.8
Revenue other business segments	2.4	-	2.4	-	5.1	(7.5)	
Segment result	22.9	2.5	25.4	1.8	2.2		29.4
Finance costs							(66.4)
Finance income							4.6
Loss before tax							(32.4)
Income tax income							6.4
Loss for the period							(26.0)
Segment assets	1,316.5	200.7	1,517.2	131.4	126.4		1,775.0
Unallocated assets							
amounts owed by parent undertakings							3.2
cash and cash equivalents							92.4
Total assets							1,870.6
Segment liabilities	226.4	54.8	281.2	6.9	16.9	-	305.0
Unallocated liabilities							
- financial assets (derivative financial instruments)							17.6
- current tax liabilities							5.2
- deferred tax liabilities							125.6
- amounts owed to parent undertakings							11.9
- other payables							7.0
- corporate borrowings							1,409.6
Total liabilities							1,881.9
Other segment items							
Capital expenditure (property, plant and equipment and intangible assets)	6.1	1.3	7.4	0.4	0.5		8.3
Depreciation	5.3	0.8	6.1	0.3	0.6		7.0
Amortisation of intangible assets							
- brands	1.8	0.2	2.0	0.1	0.3		2.4
- customer contracts and relationships	6.8	0.9	7.7	0.9	0.5		9.1
- computer software	0.6	0.4	1.0	-	-		1.0
Impairment of trade receivables	0.6	0.2	0.8	-	-		0.8

Allocated segment assets comprise goodwill £817.0m, intangible assets £563.9m, property, plant and equipment £171.4m, inventories £56.6m and trade and other

Allocated segment liabilities comprise trade and other payables of £294.9m and retirement benefit obligations of £10.1m

Secondary reporting format - geographical segments

	UK £m	Continental Europe £m	Unallocated assets £m	Group £m
Continuing operations				
Revenue products	485.3	97.5	-	582.8
Segment assets	1,574.3	200.7	95.6	1,870.6
Capital expenditure	7.0	1.3	-	8.3

The revenue analysis in the table above is based on the location of the customer which is not materially different from the location where the order is received and where the assets are located

Company

The Company's business is to invest and then provide finance to its subsidiaries and operates in a single segment.

Cucina Finance (UK) Limited

Annual report

2 Operating profit

For the five
month and
twenty five day
period ended
31 December
2007
£m

Revenue	582.8
Direct purchase cost	(415.8)
Trading profit	167.0
Distribution and selling costs	(109.4)
Gross profit	57.6
Administrative expenses	(15.7)
Amortisation of intangible assets - brands and customer contracts and relationships	(11.5)
Amortisation of intangible assets - computer software	(1.0)
Total administrative expenses	(28.2)
Group operating profit	29.4

Operating profit is arrived at after charging/(crediting)	£m
Employee benefit expense (note 25)	72.3
Inventories	
- cost of inventories recognised as an expense (included in direct purchase cost)	411.1
- write downs and losses incurred in the year	1.0
Amortisation of intangible assets - brands and customer contracts and relationships	11.5
Amortisation of intangible assets - computer software	1.0
Depreciation of property, plant and equipment	
owned assets	4.5
assets held under finance leases	2.5
Profit on sale of property, plant and equipment	(0.9)
Other operating lease rentals payable	
plant and machinery	2.8
- property	2.2
Repairs and maintenance expenditure on property, plant and equipment	6.8
Trade receivables impairment	0.8

During the period the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor at costs as detailed below

Audit services

Fees payable to company auditor for the audit of the parent company and consolidated accounts amounted to £79,250

Other services	£m
The audit of the company's subsidiaries pursuant to legislation	0.5
Tax services	0.2
Other services	0.3
	1.0

Other services provided by the auditors include £0.2m in respect of the issue of debt financing. This cost has been capitalised within debt issue costs.

In addition to the above services, the Group's auditors acted as auditors to the Brake Bros plc Pension Scheme and the Brakes Money Purchase pension Plan. The appointment of auditors to these schemes and the fees paid are agreed by the trustees of each scheme who act independently to the management of the Group. The aggregate fees charged were £24,802.

Cucina Finance (UK) Limited

Annual report

3 Finance costs - net

	For the five month and twenty five day period ended 31 December 2007 £m
Finance costs	
Bank loans	(11.4)
Senior bank loans	(19.8)
Payment in-kind loan	(4.4)
Shareholder loan owed to parent undertaking	(10.5)
Other loans owed to parent undertaking	(0.3)
Other loans and charges	(0.4)
Amortisation of debt issue costs	(1.2)
Finance leases	(0.7)
Foreign exchange losses on financing activities	(2.7)
Interest on pension scheme liabilities	(2.2)
Ineffectiveness on cash flow hedges	(0.5)
Fair value losses from interest rate swaps and interest rate caps with deferred premiums (note 16 (b))	(12.3)
Total finance costs	(66.4)
Finance income	
Interest income on short term deposits	0.7
Interest receivable from interest rate swaps	1.4
Expected return on pension scheme assets	2.5
Total finance income	4.6
Finance costs - net	(61.8)

4 Income tax income

	For the five month and twenty five day period ended 31 December 2007 £m
The taxation credit is based on the loss for the period and comprises	
Current tax	
Current period group relief credit	(3.2)
Deferred taxation	
origination and reversal of temporary differences	(5.1)
Impact of change in UK tax rate	1.9
	(6.4)

	For the five month and twenty five day period ended 31 December 2007 £m
Analysis of tax on items credited to equity	
Deferred tax on actuarial losses (see note 18)	0.3

	For the five month and twenty five day period ended 31 December 2007 £m
A reconciliation of the current tax charge for the period compared to the standard rate of corporation tax is summarised below	
Loss on ordinary activities before tax	(32.4)
At 30%	(9.7)
Effects of	
UK tax losses not giving rise to current period relief	0.4
Re-measurement of deferred tax change in UK tax rate	1.9
Expenses not deductible for tax purposes and other adjustments	1.0
Total taxation	(6.4)

During the period as a result of the change in UK Corporation Tax rates which will be effective from 1 April 2008 deferred tax balances have been re-measured. Deferred tax relating to temporary differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to temporary differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal.

Cucina Finance (UK) Limited

Annual report

5 Loss of the Parent Company for the financial period

The Company has taken advantage of Section 230 of the Companies Act 1985 and consequently has not presented an income statement. The Company's profit for the five month and twenty five day period ended 31 December 2007 amounted to £nil

6 Goodwill

Group	£m
Cost and net book value	
Acquisition of subsidiary (note 24)	817.0
As at 31 December 2007	817.0

The goodwill has been allocated to cash-generating units (CGUs) and a summary of the carrying amounts of goodwill by business segments (representing groups of cash generating units) at 31 December 2007 is as follows

	Broadline £m	Country Choice £m	M&J Seafood £m	Total £m
United Kingdom	591.5	92.2	48.4	732.1
Continental Europe	84.9			84.9
	676.4	92.2	48.4	817.0

Impairment reviews

An overview of impairment reviews performed by business segment is set out below. The recoverable amount of a CGU is determined on value-in-use calculations. These calculations use pre-tax cash flow projections based on internal forecasts approved by management covering a four year period. Cash flows beyond the four-year period are extrapolated using the estimated growth rate stated below.

Broadline, Country Choice and M&J Seafood

The key assumptions in the value in use calculations were

Revenue growth. This was based on expected levels of activity under existing major contractual arrangements together with growth based upon historical rates and having regard for expected economic and market conditions for other customers.

- Operating cost growth. This assumption was based upon management's expectation for each significant product line, having regard for contractual arrangements and expected changes in market conditions.

- The relative risk adjustment (or beta) applied to discount rates to reflect the risk inherent in foodservice companies. In determining the risk adjusted discount rate management have applied an adjustment for risk of such companies relative to all other sectors on average determined using the betas of comparable foodservice companies.

The forecasts are based on the approved management plan covering the next four years. Subsequent cash flows have been increased by 2.25% in line with the long term GDP growth rate. The cash flows were discounted using a pre-tax discount rate of 11.5%. The results of the impairment reviews undertaken indicated that the business segments have recoverable amounts in excess of the carrying value of the goodwill.

7 Intangible Assets

Group	Brands £m	Customer contracts and relationships £m	Computer software £m	Total £m
Cost				
At incorporation				-
Acquisition of subsidiary (note 24)	207.4	360.1	30.3	597.8
Exchange adjustment	-	-	0.9	0.9
Additions	-	-	1.0	1.0
Disposals	-	-	(0.2)	(0.2)
As at 31 December 2007	207.4	360.1	32.0	599.5
Accumulated amortisation				
At incorporation				
Acquisition of subsidiary (note 24)			22.5	22.5
Exchange adjustment		-	0.8	0.8
Charge for the period	2.4	9.1	1.0	12.5
Disposals	-	-	(0.2)	(0.2)
As at 31 December 2007	2.4	9.1	24.1	35.6
Net book value at 31 December 2007	205.0	351.0	7.9	563.9

The Company has no intangible assets.

Cucina Finance (UK) Limited

Annual report

8 Property, plant and equipment

Group	Land and buildings £m	Motor vehicles £m	Plant and equipment £m	Information technology hardware £m	Total £m
Cost					
At incorporation	-	-	-	-	-
Acquisition of subsidiary (note 24)	142.8	93.6	107.5	27.2	371.1
Exchange adjustments	3.4	0.2	0.9	0.5	5.0
Additions	0.4	3.4	2.5	1.0	7.3
Disposals	(8.8)	(3.6)	(3.1)	(0.1)	(15.6)
As at 31 December 2007	137.8	93.6	107.8	28.6	367.8
Accumulated depreciation					
At incorporation	-	-	-	-	-
Acquisition of subsidiary (note 24)	58.4	48.9	69.5	21.3	198.1
Exchange adjustment	1.5	0.2	0.6	0.5	2.8
Charge for the period	0.9	3.3	1.9	0.9	7.0
Disposals	(5.7)	(3.2)	(2.6)	-	(11.5)
As at 31 December 2007	55.1	49.2	69.4	22.7	196.4
Net book value at 31 December 2007	82.7	44.4	38.4	5.9	171.4

Land and buildings comprise

	£m
Cost	
Freehold	122.1
Long leasehold	10.5
Short leasehold	5.2
	137.8
Accumulated depreciation	
Freehold	50.8
Long leasehold	2.1
Short leasehold	2.2
	55.1

Assets held under finance leases have the following net book amount

	£m
Cost	65.8
Accumulated depreciation	(32.2)
Net book amount	33.6
Land and buildings	6.5
Motor vehicles	25.3
Plant and equipment	1.1
Information technology hardware	0.7
Net book amount	33.6

The Company has no property plant and equipment

9 Investments in subsidiaries

Company	Investments in subsidiary undertakings (equity) At cost and net book value £m
At incorporation	
Investment in subsidiary undertakings	20.7
At 31 December 2007	20.7

The Company's subsidiary undertaking is Cucina Acquisition (UK) Limited, a non-trading holding company. Cucina Acquisition (UK) Limited's subsidiary undertakings are Brake Bros Holding I Limited and Brake Bros Holding III Limited, non-trading holding companies. All subsidiary undertakings are wholly owned. The fair value of the provisional purchase consideration of the investment in Brake Bros Holding I Limited amounted to £769.2m (see note 24).

Brake Bros Holding I Limited owns the entire issued share capital of Brake Bros Holding II Limited. Brake Bros Holding III Limited is 88.2% owned by Cucina Acquisition (UK) Limited, with Brake Bros Holding I Limited holding the remaining 11.8% of the issued share capital. Brake Bros Holding II Limited holds the entire share capital of Brake Bros Receivables Limited, a special purpose entity. Other subsidiary undertakings set out below are subsidiaries of Brake Bros Holding III Limited.

The principal trading subsidiary undertakings are Brake Bros Limited, Brake Bros Foodservice Limited, M&J Seafood Limited, W Pauley & Co Limited, Wild Harvest Limited and Brake France Service SAS and are involved in the supply of frozen, chilled and ambient foods as well as catering supplies and equipment to the catering industry. All subsidiary undertakings are wholly owned, with the exception of Cengel SA, a 98% owned subsidiary undertaking of Brake France Service SAS. Brake Bros Limited, Brake Bros Foodservice Limited, M&J Seafood Limited, W Pauley & Co Limited and Wild Harvest Limited are registered in England and Wales and operate in the UK. Brake France Service SAS operates in Continental Europe and is incorporated in France.

Cucina Finance (UK) Limited

Annual report

10 Inventories

	Group £m	Company £m
Raw materials and consumables - cost	17	-
Finished goods and goods for resale - cost	54.9	-
	56.6	-

11 Trade and other receivables

	Group £m	Company £m
Trade receivables	25.3	-
Trade receivables - factored	137.7	-
Less: provision for impairment of receivables	(3.7)	-
Trade receivables - net	159.3	-
Amounts owed by parent undertakings (group tax relief)	3.2	-
Amounts owed by group undertakings	-	15.1
Loans owed by group undertakings	-	440.1
Other receivables	2.5	-
Prepayments	4.3	-
	169.3	455.2
Less non-current portion	-	(232.7)
	169.3	222.5

During the period certain subsidiary companies of the Group sold trade receivables to a special purpose entity Brake Bros Receivables Limited. In accordance with SIC 12 ("Consolidation - Special Purpose Entities") Brake Bros Receivables Limited is included within the consolidated results of the Group. Brake Bros Receivables Limited has entered into a recourse factoring agreement with a bank and these receivables are separately disclosed in the note above. The transaction has been accounted for as a collateralised borrowing (see note 15). In case Brake Bros Receivables Limited defaults under the loan agreement, the lender has the right to receive the cash flows from the receivables transferred. Without default, Brake Bros Receivables Limited will collect the receivables and allocate new receivables as collateral. The total amount pledged as collateral for borrowings is £137.7m.

The fair value of trade and other receivables with a maturity of less than one year are assumed to approximate to book value.

As of 31 December 2007, group trade receivables of £114.7m were fully performing and as of 31 December 2007, company receivables from amounts owed by group undertakings of £15.1m and loans owed by group undertakings of £440.1m were fully performing.

As of 31 December 2007, group trade receivables of £44.1m were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group £m
Up to 3 months	42.5
3 to 6 months	1.6
	44.1

As of 31 December 2007, trade receivables of £4.2m were impaired and provided for. The amount of the provision was £3.7m as of 31 December 2007. The individually impaired receivables mainly relate to independent customers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing analysis of these trade receivables is as follows:

	Group £m
Up to 3 months	0.5
3 to 6 months	0.4
Over 6 months	3.3
	4.2

Cucina Finance (UK) Limited

Annual report

11 Trade and other receivables (continued)

The carrying amounts of the company's trade and other receivables are denominated in the following currencies

	Group £m	Company £m
Pounds	133.6	222.5
Euros	35.7	
	169.3	222.5

Movements on the provision for impairment of trade receivables are as follows

	Group £m
At incorporation	
Acquisition of subsidiary (note 24)	3.9
Exchange adjustment	0.2
Provision for receivables impairment	0.8
Receivables written off during the period as uncollectible	(1.2)
At 31 December 2007	3.7

The creation and release of provision for impaired receivables have been included in 'direct purchase costs' in the income statement

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Due to this, management believe there is no further credit risk provision required in excess of normal provision for doubtful receivables. Therefore, the maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The group and company do not hold any collateral as security.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group and Company does not hold any collateral as security.

12 Cash and cash equivalents

	Group £m	Company £m
Cash at bank and in hand	38.5	
Short term bank deposits	53.9	
	92.4	

The effective interest rate on group short term deposits was 5.67% and these deposits have an average maturity of 1 day.

Short term bank deposits include £21.5m held as cash collateral which is only available to repay vendor loan notes issued in connection with the acquisition of Brake Bros Holding Limited. Short term bank deposits also include £1.9m held as cash collateral which is only available to repay other vendor loan notes.

13 Trade and other payables - current

	Group £m	Company £m
Trade payables	240.4	-
Amounts owed to parent undertakings	11.9	10.8
Other taxes and social security	11.2	-
Other payables	15.7	
Accruals	34.6	1.1
	313.8	11.9

Amounts owed to group and parent undertakings are unsecured, bear no interest and are repayable on demand.

14 Current tax liabilities

	Group £m	Company £m
Corporation tax	5.2	

Cucina Finance (UK) Limited

Annual report

15 Financial liabilities - borrowings

Current	Group £m	Company £m
Loan notes	23.4	-
Bank loans	0.6	-
Other loans owed to parent undertaking	7.4	7.4
Finance lease obligations	10.3	-
	41.7	7.4
Non-current	Group £m	Company £m
Loan notes	23.4	-
Bank loans	109.0	-
Senior bank loans	831.0	-
Payment in-kind loan	203.2	203.2
Shareholder loan owed to parent undertaking	232.7	232.7
Other loans owed to parent undertaking	7.4	7.4
Debt issue costs	(24.0)	-
Finance lease obligations	26.9	-
	1,409.6	443.3
Less amounts falling due within one year	(41.7)	(7.4)
	1,367.9	435.9

The loan notes are guaranteed by way of cash collateral (note 12). Certain bank loans are secured by way of a fixed and floating charge over the assets of the Group and other bank loans have been obtained pursuant to a debt factoring arrangement (note 11).

The carrying amounts of the Group and Company's borrowings at 31 December 2007 are denominated in the following currencies:

	Group £m	Company £m
Pounds	1,275.9	443.3
Euros	133.7	-
	1,409.6	443.3

Maturity of financial liabilities

The tables below analyse the Group and Company's financial liabilities and net-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Less than one year £m	Between one year and two years £m	Between two and five years £m	Over five years £m	Total £m
At 31 December 2007					
Borrowings	41.7	5.8	126.1	1,236.0	1,409.6
Derivative financial instruments	-	-	17.6	-	17.6
Trade and other payables	313.8	-	-	-	313.8
Total	355.5	5.8	143.7	1,236.0	1,741.0
Company	Less than one year £m	Between one year and two years £m	Between two and five years £m	Over five years £m	Total £m
At 31 December 2007					
Borrowings	7.4	-	-	435.9	443.3
Trade and other payables	11.9	-	-	-	11.9
Total	19.3	0.0	0.0	435.9	455.2

Cucina Finance (UK) Limited

Annual report

15 Financial liabilities - borrowings (continued)

Borrowing facilities

The Group has the following undrawn committed borrowing facilities available at 31 December 2007

	Floating rate £m
Expiring beyond one year	153.9

The minimum lease payments under finance leases at 31 December 2007 fall due as follows

	Group £m
Not later than one year	12.4
Later than one year but not more than five	17.9
More than five years	1.6
	31.9
Future finance charges on finance leases	(5.0)
Present value of finance lease liabilities	26.9

The exposure of the Group to interest rate changes at 31 December 2007 is as follows

	£m
Borrowings at floating interest rates	1,158.7
Fixed rate borrowings maturing	
within one year	6.9
- one to five years	10.2
- over five years	233.8
	1,409.6

Of the borrowings at floating interest rates the Group have entered into interest rate swaps with the effect of swapping floating rates to fixed. The notional principal amounts of the interest rate swaps were £970.1m at 31 December 2007 (see note 16(b)(i)).

The effective interest rates at the balance sheet date were as follows

Loan notes	5.3%
Bank loans	6.8%
Senior bank loans	10.2%
Payment in-kind loan	9.4%
Shareholder loan owed to parent undertaking	14.8%
Other loans owed to parent undertakings	14.8%
Finance lease obligations	7.5%

16 Financial Instruments

16 (a) Financial Instruments - disclosures

Disclosures in respect of the Group's financial risks are set out below. Additional disclosures are set out in the Accounting Policies (on pages 10 to 13) and numerical disclosures in respect of financial instruments are set out in note 16(b) and 16(d).

Financial risk management

Financial risk factors

The Group has operations in the UK and Continental Europe and has significant debt financing which exposes it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, liquidity and interest rates. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by using foreign currency debt to hedge overseas investments in subsidiaries and other instruments to fix interest costs in sterling.

The Group's board of directors have the responsibility for setting the risk management policies applied by the Group. The policies are implemented by the central treasury department that receives regular reports from the operating companies to enable prompt identification of financial risks so that the appropriate actions may be taken. The Group has a policy and procedures manual that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these.

(i) Foreign exchange risk

The Group has operations in the UK and Continental Europe (all within the Eurozone). The Group is exposed to foreign exchange risks primarily with respect to the Euro. The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the Euro.

If the UK pound had weakened/strengthened by 10% against the Euro with all other variables held constant, the profit and loss impact in the income statement before taxation is estimated at £5.9m higher/lower as a result of foreign exchange gains/losses on translation of the Euro denominated borrowings.

(ii) Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities.

The Group's interest rate risk primarily arises from floating interest rate long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2007 the Group's borrowings at variable rate were denominated in the UK pound and Euro. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on the various scenarios the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Based on these scenarios the Group calculates the impact on profit and loss after taxation of a defined interest rate shift on finance costs and finance income. Based on the simulations performed the impact on the post tax loss of a 10% shift would be a maximum increase or decrease of £2.6m and other components of equity would have been £19.5m lower or £19.0m higher.

Cucina Finance (UK) Limited

Annual report

16 Financial Instruments (continued)

16 (a) Financial instruments - disclosures (continued)

(iii) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks only independently rated parties with a minimum rating of A are accepted. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The Group has implemented policies that require appropriate credit checks on potential customers before sales commence.

The table below shows the credit rating and balance of the major bank counterparties at the balance sheet date, excluding cash held as collateral (note 12). A full analysis of cash at bank and short term deposits is included in note 16 (d) to the financial statements.

At 31 December 2007

Counterparty	Rating	Balance £m
Bank A	AAA	21.5
Bank B	AAA	4.0
Bank C	AA	34.0
Bank D	A	7.1
		66.6

Management does not expect any losses from non-performance by these counterparties.

16 Financial Instruments (continued)

16 (a) Financial instruments - disclosures (continued)

(iv) Liquidity risk

The Group actively maintains a mixture of long-term and short-term committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility (note 15) and cash and cash equivalents (note 12)) on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

The group has no derivative financial instruments which will be settled on a gross basis.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. These objectives are managed at the ultimate UK group level, Cucina Lux Investments Limited, rather than at individual unit level.

The overall debt and equity structure of the company is under the control of the ultimate parent company, Cucina (BC) Luxco Sàrl. There are no external capital requirements on the company. Further details of the share capital of the Company can be found in note 19 of the financial statements.

16 (b) Financial Instruments - numerical disclosures

Set out below are numerical disclosures in respect of the Group's financial instruments.

Carrying values of derivative financial instruments	Liabilities £m
Interest rate swaps - cash flow hedges	(16.2)
Interest rate caps with deferred premiums	(1.4)
Total	(17.6)
Less non-current portion	
Interest rate swaps - cash flow hedges	(16.2)
Interest rate caps with deferred premiums	(1.4)
Total non-current portion	(17.6)
Current portion	-

The fair value of the interest rate swaps and interest caps with deferred premiums have been determined by reference to prices available from the markets on which the instruments involved are traded.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year, and as a current asset or liability when the remaining maturity of the hedged item is less than one year.

The ineffective portion recognised in finance costs in the income statement, that arises from cash flow hedges amounted to a loss of £0.5m, and that arising from net investment in foreign entity hedges amounted to a loss of £2.7m.

The company has no derivative financial instruments.

Cucina Finance (UK) Limited

Annual report

16 Financial Instruments (continued)

16 (b). Financial Instruments numerical disclosures (continued)

Net fair values of derivative financial instruments

The net fair values of derivative financial instruments designated as cash flow hedges at the balance sheet date were

	£m
Contracts with negative fair values	
Interest rate swaps	(16.2)

(i) Interest rate swaps

The interest rate swaps were entered into on 24 August 2007 with a forward start date of 20 September 2007 and mature on 20 September 2010 and had the effect of swapping floating rate LIBOR and EURIBOR borrowings to fixed rate. The Group uses hedge accounting for the swaps.

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2007 were £835.0m for the LIBOR hedges and £135.1m for the EURIBOR hedges. At 31 December 2007 the fixed interest rates vary from 4.39% to 6.078%. Gains and losses recognised in the hedging reserve in equity (note 20) on interest rate swap contracts as of 31 December 2007 will be continuously released to the income statement until the swaps expire.

(ii) Interest rate caps with deferred premiums

The interest rate cap contracts with deferred premiums were entered into on 24 August 2007 with a forward start date of 20 September 2010 and mature on 20 September 2012 and will have the effect of capping floating rate LIBOR and EURIBOR borrowings. The notional principal amounts of the outstanding interest rate cap contracts at 31 December 2007 were £418.0m for the LIBOR borrowings and £87.6m for the EURIBOR borrowings. The capped interest rates are 7.0% for LIBOR borrowings and 5.40% for EURIBOR borrowings. The notional amounts of the deferred premiums payable at the end of the contract on 20 September 2012 are £1.5m on the LIBOR borrowings and

(iii) Hedge of net investment in foreign entity

The Group has Euro denominated borrowings of which it has designated as a hedge of the net investment in its subsidiaries in Continental Europe. The fair value of the Euro borrowings at 31 December 2007 were £131.4m. A foreign exchange loss of £3.8m on translation of the borrowings into sterling has been offset against an exchange gain of £3.8m on translation of the net investment in subsidiaries.

Fair values of non-derivative financial assets and liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end exchange rates. The fair value of short term borrowings approximate to book value as the impact of discounting is not significant.

Fair value of primary financial instruments held or issued to finance operations

	At 31 December 2007	
	Book value	Fair value
Group	£m	£m
Primary financial instruments held or issued to finance the Group's operations		
Short term financial liabilities and current portion of long term borrowings	(41.7)	(41.7)
Other long term borrowings	(1,391.9)	(1,391.9)
Trade and other payables	(313.8)	(313.8)
Trade and other receivables	165.0	165.0
Cash and cash equivalents	92.4	92.4
Retirement benefit obligations	(10.1)	(10.1)
Interest rate swaps	(16.2)	(16.2)
Interest rate caps with deferred premiums	(1.4)	(1.4)

The fair values of short term bank deposits, loans and other borrowings with a maturity of less than one year are assumed to approximate to their book values. In the case of bank loans and other borrowings due in more than one year the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Other fair values shown above have been calculated by discounting cash flows at prevailing interest rates.

	At 31 December 2007	
	Book value	Fair value
Company	£m	£m
Primary financial instruments held or issued to finance the Company's operations		
Short term financial liabilities and current portion of long term borrowings	(7.4)	(7.4)
Other long term borrowings	(435.9)	(435.9)
Other payables	(11.9)	(11.9)
Other receivables	455.2	455.2

Cucina Finance (UK) Limited

Annual report

16 Financial Instruments (continued)

16 (c) Financial Instruments - by category

The accounting policies for financial instruments have been applied to the line items below

Group	Loans and receivables £m
At 31 December 2007	
Assets as per balance sheet	
Trade and other receivables	163 0
Cash and cash equivalents	92 4
Total	255 4

Group	Liabilities at fair value through the profit and loss £m	Derivatives used for hedging £m	Other financial liabilities £m	Total £m
At 31 December 2007				
Liabilities as per balance sheet				
Borrowings		-	1,409 6	1,409 6
Derivative financial instruments	1 4	16 2		17 6
Total	1 4	16 2	1,409 6	1,427 2

Company	Loans and receivables £m
At 31 December 2007	
Assets as per balance sheet	
Trade and other receivables	

Company	Other financial liabilities £m	Total £m
At 31 December 2007		
Liabilities as per balance sheet		
Borrowings	443 3	443 3
Total	443 3	443 3

16 (d) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to our Group risk profile indication based upon information provided by our external credit agency

	Group £m	Company £m
At 31 December 2007		
Trade receivables		
Low risk	94 0	
Medium risk	11 5	
High risk	- 9 2	
Total trade receivables	114 7	

These categories of risk reflect the relative credit risk attributable to our trade receivables

	Group £m	Company £m
At 31 December 2007		
Cash at bank and short term deposits		
AAA	25 5	
AA	57 4	
A	9 4	
	92 3	

The rest of the balance sheet item: cash and cash equivalents' is cash on hand

Cucina Finance (UK) Limited

Annual report

17 Retirement benefit obligations

	Group £m
Retirement benefit obligations	
At incorporation	
Acquisition of subsidiary (note 24)	13.2
Exchange adjustment	0.1
Interest on obligation	2.2
Expected return on scheme assets	(2.5)
Contributions paid in the period	(3.7)
Actuarial losses recognised in equity	0.8
At 31 December 2007 (note 26)	10.1

18 Deferred tax

The movement on the deferred tax account is as shown below

	Group £m
Deferred tax	
On incorporation	
Acquisition of subsidiary (note 24)	129.7
Exchange adjustment	(0.6)
Tax credit on retirement benefit actuarial loss taken directly to equity	(0.3)
Credit for the period	(3.2)
At 31 December 2007	125.6

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net

	Accelerated tax depreciation £m
Deferred tax liabilities	
On incorporation	
Acquisition of subsidiary (note 24)	(147.0)
Credit for the period	7.8
At 31 December 2007	(139.2)

	Retirement benefit obligations £m	Tax losses £m	Total £m
Deferred tax assets			
On incorporation			-
Acquisition of subsidiary (note 24)	8.4	8.9	17.3
Exchange adjustment		0.6	0.6
Tax credit on actuarial loss taken directly to equity	0.3		0.3
Charge for the period	(3.7)	(0.9)	(4.6)
At 31 December 2007	5.0	8.6	13.6
Net deferred tax liabilities as at 31 December 2007			(125.6)

All of the deferred tax assets were available for offset against deferred tax liabilities and hence the net deferred tax liability at 31 December 2007 was £125.6m

Deferred tax assets have been recognised in respect of tax losses to the extent that it is considered probable based on internal forecasts that these assets will be recovered. The net deferred tax asset expected to be recovered after more than one year is £8.1m. There are unrecognised deferred tax assets of £24.3m in respect of unutilised tax losses in the UK and Continental Europe. The deferred tax credited to equity during the period is £0.3m. See note 29 (b) for events after the balance sheet date.

Cucina Finance (UK) Limited

Annual report

19 Called up share capital

Group and Company	£m
Authorised	
30 000 000 ordinary shares of £1	30 0

Issued and fully paid	Number	£m
Ordinary shares of £1 each		
At incorporation	1	-
Allotted during the period	20,680,978	20 7
At 31 December 2007	20,680,979	20 7

The Company was incorporated on 6 July 2007 with an authorised share capital of £30 0m divided into 30 000 000 shares of £1 each. 1 subscriber share was issued and fully paid for an aggregate cash consideration of £1. Subsequently a further 20 680 978 shares were issued on 12 September 2007 to Cucina Holdings (UK) Limited at nominal value for an aggregate cash consideration of £20 680 978. The shares were issued in order to provide funds for the acquisition of Brake Bros Holding I Limited.

20 Reserves

Group	Retained earnings £m	Other reserves Hedging £m	Other £m	Total £m
On incorporation				-
Loss for the period	(26 0)			(26 0)
Net exchange differences on foreign currency translations			(0 4)	(0 4)
Retirement benefit obligation actuarial loss	(0 8)			(0 8)
Deferred tax on retirement benefit obligation actuarial loss	0 3			0 3
Cash flow hedges fair value losses in the period		(5 3)		(5 3)
At 31 December 2007	(26 5)	(5 3)	(0 4)	(32 2)

Included within other reserves are cumulative exchange losses of £0 4m.

Company	Retained earnings £m
On incorporation	
Result for the period	
At 31 December 2007	

21 Statement of changes in shareholders' equity

Group	Note	Share capital £m	Retained earnings £m	Other reserves £m	Total shareholders' equity £m	Minority interests £m	Total equity £m
On incorporation		-					
Acquisition of subsidiary (note 24)		-				0 2	0 2
Loss for the period	20	-	(26 0)	-	(26 0)	-	(26 0)
Net exchange differences on foreign currency translations		-		(0 4)	(0 4)	-	(0 4)
Issue of shares		20 7	-	-	20 7	-	20 7
Retirement benefit obligation actuarial loss	17	-	(0 8)	-	(0 8)	-	(0 8)
Deferred tax on retirement benefit obligation actuarial loss	18	-	0 3	-	0 3	-	0 3
Cash flow hedges fair value losses in the period	20	-	-	(5 3)	(5 3)	-	(5 3)
At 31 December 2007		20 7	(26 5)	(5 7)	(11 5)	0 2	(11 3)

Company	Note	Share capital £m	Retained earnings £m	Total shareholders' equity £m
On incorporation		-		
Result for the period	20	-		
Issue of shares		20 7		20 7
At 31 December 2007		20 7	-	20 7

Cucina Finance (UK) Limited
Annual report

22. Cash flow from operating activities

Reconciliation of net loss after taxation to net cash inflow from operating activities for the five month and twenty five day period ended 31 December 2007

	Group £m	Company £m
Net loss after taxation	(26 0)	-
Adjustments for:		
Income tax income	(6 4)	-
Finance income	(4 6)	(15 2)
Finance costs	66 4	15 2
Depreciation charges	7 0	-
Amortisation of intangibles	12 5	-
Retirement benefit obligations paid	(3 7)	-
Profit on sale of property plant and equipment	(0 9)	-
Decrease in inventories	3 7	-
Decrease in trade and other receivables	5 5	-
Increase in trade and other payables	22 3	-
Cash generated from operations	75 8	-

23 Analysis of changes in net debt

Group	At incorporation £m	Cash flow (including cash) £m	Acquisitions (including cash) £m	Loan notes issued as settlement for acquisitions finance £m	Inception of leases £m	Other non cash movements £m	Exchange movements £m	At 31 December 2007 £m
Cash available on demand		67 9					1 1	69 0
Cash collateral	-	23 4						23 4
Cash and cash equivalents		91 3	-	-		-	1 1	92 4
Loan notes		0 6	(2 5)	(25 0)		3 5		(23 4)
Bank loans		1 2	(1 2)			(0 6)		(0 6)
Payment-in-kind loan owed to parent undertak		(203 2)						(203 2)
Other loans owed to parent undertaking		(3 9)				(3 5)		(7 4)
Debt due within one year		(205 3)	(3 7)	(25 0)		(0 6)		(234 6)
Bank loans		484 2	(592 7)			0 6	-	(107 9)
Senior bank loans		(800 1)				(0 9)	(6 5)	(807 5)
Shareholder loan owed to parent undertaking		(232 7)						(232 7)
Debt due after one year	-	(548 6)	(592 7)			(0 3)	(6 5)	(1,148 1)
Finance lease obligations		3 5	(29 6)		(0 6)		(0 2)	(26 9)
Derivative financial instruments					-	(17 6)	-	(17 6)
Total net debt	-	(659 1)	(626 0)	(25 0)	(0 6)	(18 5)	(5 6)	(1,334 8)

Cucina Finance (UK) Limited

Annual report

24 Business combinations

On 12 September 2007 Cucina Acquisition (UK) Limited, a subsidiary company acquired 100% of the share capital of Brake Bros Holding Limited, a specialist supplier of frozen, chilled and ambient foods as well as catering supplies and equipment to the catering industry operating in the United Kingdom and Continental Europe. The acquired business contributed revenues of £582.8m and net profit after taxation of £29.9m to the group for the period from 12 September 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, the group revenue would have been £1,811.4m and net loss after taxation would have been £58.5m. These amounts have been calculated using the group's accounting policies and by adjusting the results of the subsidiary to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2007, together with the consequential tax effects.

Details of the provisional net liabilities acquired and goodwill are as follows:

	£m
Provisional purchase consideration	
Cash paid	716.6
Direct costs relating to the acquisition	25.9
Accrued direct costs relating to the acquisition	1.7
Loan notes issued in settlement of acquisition	25.0
Total purchase consideration	769.2
Provisional fair value of net liabilities acquired	47.8
Goodwill (note 6)	817.0

The goodwill is attributable to future customer account wins and customer account growth, together with the value of the workforce of the acquired business, and also includes £159.3m relating to deferred tax liability on intangible assets for brands and customer contacts and relationships.

Provisional amounts have been used to determine the purchase consideration and the fair value of the liabilities acquired as the Directors are continuing to assess the impact of accounting for the acquisition up to the date of these financial statements. The fair value adjustments will be finalised in the 2008 financial statements.

The assets and liabilities as of 12 September 2007 arising from the acquisition, provisionally determined are as follows:

	Fair value £m	Acquiree's carrying amount £m
Cash and cash equivalents	54.2	54.2
Property, plant and equipment (note 8)	173.0	161.9
Computer software (included in intangibles, note 7)	7.8	7.8
Brands (included in intangibles, note 7)	207.4	-
Customer contracts and relationships (included in intangibles, note 7)	360.1	-
Inventories	59.2	59.2
Trade and other receivables	167.6	167.6
Trade and other payables	(302.9)	(302.9)
Retirement benefit obligations	(13.2)	(13.2)
Borrowings	(626.0)	(626.0)
Corporation tax	(5.1)	(5.1)
Deferred tax (liabilities) / assets (note 18)	(129.7)	32.7
Minority interest	(47.6)	(463.8)
	(0.2)	(0.2)
Net liabilities	(47.8)	(464.0)
Purchase consideration settled in cash		742.5
Cash and cash equivalents in subsidiary acquired		(54.2)
Cash outflow on acquisition		688.3

See note 30 (b) for disclosures regarding the business combination that took place after the balance sheet date but before the approval of these financial statements.

Cucina Finance (UK) Limited
Annual report

25 Employees and Directors' emoluments

Average monthly number of people (including executive directors) employed by the Group during the period	Number
Distribution, manufacturing and selling	7,761
Administration	955
	8,716

	For the five month and twenty five day period ended 31 December 2007 £m
The costs incurred in respect of these employees were	
Wages and salaries	62.3
Social security costs	9.0
Defined contribution pension costs (note 26)	1.0
	72.3

The Company has no employees or employee related costs

Key management compensation

	For the five month and twenty five day period ended 31 December 2007 £ 000
Salaries and short term benefits	1,340
Post employment benefits	62
Termination benefits	317
	1,719

The key management figures given above include directors. The Group considers key management to be those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Directors' emoluments

	For the five month and twenty five day period ended 31 December 2007 £ 000
Aggregate emoluments	483
Company pension contributions to money purchase schemes	21

Retirement benefits are accruing to 3 directors under money purchase pension arrangements.

Emoluments paid to the highest paid director are as follows:

Aggregate emoluments and benefits	244
Company pension contributions to money purchase schemes	7

Cucina Finance (UK) Limited

Annual report

26 Retirement benefit obligations

Following the acquisition of Brake Bros Holding I Limited the Group operates a number of pension schemes for its UK employees the assets of all schemes being held in separate trustee administered funds. These pension schemes are operated by Brake Bros Limited a subsidiary of Brake Bros Holding I Limited.

The Brake Bros plc Pension Scheme is closed to new entrants and existing employees. No further benefits are accruing to members subsequent to this date. The scheme is a contracted out defined benefit scheme providing final salary related benefits accruing 1/60th for each year of service and a lump sum in the event of death in service.

The Brakes Money Purchase Pension Plan is contracted into the State pension scheme and minimum contribution rates are 3% of pensionable salary for members and employers with higher age related and managers' contributions. Funds are invested with Legal & General Investment Management.

Pension costs for defined contribution schemes are as follows

	For the five month and twenty five day period ended 31 December 2007 £m
Defined contribution schemes	1.0

Defined benefit plans

The most recent actuarial valuation of The Brake Bros plc Pension Scheme was carried out at 5 April 2004. The principal assumptions made by the actuaries for the 31 December 2007 valuation were:

	%
Rate of increase in pensionable salaries	
Rate of increase in pensions in payment and deferred pensions - UK	3.3
Discount rate - UK	5.8
Discount rate - Continental Europe	5.3
Inflation assumption - UK	3.3
Expected return on plan assets - UK	6.6

Mortality rate assumptions

Assumptions regarding future mortality experience are set based on advice and published statistics. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

Male	19.5
Female	21.7

The average life expectancy in years of a pensioner retiring at age 65 20 years after the balance sheet date is as follows:

Male	20.6
Female	22.7

Pensions and other post-retirement obligations

The amounts recognised in the balance sheet at 31 December 2007 are determined as follows:

	Group £m
Present value of funded obligations	147.3
Present value of unfunded obligations	2.0
Fair value of plan assets	(139.2)
Net pension liability recognised in the balance sheet	10.1
Experience gains on plan assets for the period	4.2
Experience losses on scheme liabilities for the period	(5.0)

Cucina Finance (UK) Limited

Annual report

26 Retirement benefit obligations (continued)

Analysis of movement in present value of retirement benefit obligations

	Group £m
On incorporation	
Acquisition of subsidiary (note 24)	143.0
Exchange adjustment	0.1
Interest cost	2.2
Actuarial loss	5.0
Benefits paid	(1.0)
At 31 December	149.3

Represented by

	Group £m
Funded obligations	147.3
Unfunded obligations	2.0
	149.3

Analysis of movement in fair value of scheme assets

	Group £m
On incorporation	
Acquisition of subsidiary (note 24)	129.8
Expected return on plan assets	2.5
Actuarial gains	4.2
Contributions paid by employer	3.7
Benefits paid	(1.0)
At 31 December	139.2

The current contribution schedule in place would have the Group and Company make a cash contribution of £5.0m in the year ending 31 December 2008 although this is subject to the outcome of the triennial valuation currently underway

The assets in the scheme and the expected rate of return were

	Long term rate of return expected per annum %	Value £m
Equities	7.8	80.8
Bonds	4.7	45.9
Other assets	5.9	12.5
	6.6	139.2

The overall expected return on scheme assets is determined by reference to the expected rates of return on each class of asset stated above together with the expected profile of investments held

The amounts recognised in the income statement are as follows

	Group £m
Interest obligation included within interest cost	(2.2)
Expected return on scheme assets included within interest receivables	2.5
Total income	0.3

Group net actuarial losses of £0.8m were recognised in the period and included in the statement of recognised income and expense

The actual return on plan assets was £8.7m

The Company did not operate any defined contribution schemes or defined benefit schemes during the financial period ended 31 December 2007

Cucina Finance (UK) Limited

Annual report

27 Commitments

(a) Capital commitments

	Group £m	Company £m
At 31 December 2007		
Contracted for but not provided	47	

(b) Operating lease commitments

The total of future minimum lease payments in respect of non-cancellable operating leases are as follows

At 31 December 2007 Group	Land and buildings £m	Other £m
Within one year	79	0.8
Between two and five years	253	12.4
After five years	39.8	2.1
	730	15.3

The Group leases various properties and plant and equipment under non-cancellable operating lease agreements. The leases have various terms and renewal rights. The Group has also sub-let certain properties under non-cancellable sublease agreements and the total of future minimum lease payments expected to be received amounts to £0.9m.

28 Related party transactions

During the period the Company has entered into certain transactions with other companies in the Cucina Lux Investments Limited Group. Details of these transactions are as follows

	For the five month and twenty five day period ended 31 December 2007 £m
(a) Income statement	
Finance income on loans to group undertakings	15.2
Finance costs on loan from parent undertaking	(10.8)

(b) Period-end balances at 31 December 2007	£m
Loans owed by group undertakings	440.1
Amounts owed by group undertakings - finance income	15.1
Shareholder loan owed to parent undertaking	(232.7)
Other loans owed to parent undertaking	(7.4)
Amounts owed to parent undertakings - finance costs	(10.8)

Key management compensation is disclosed in note 25 and acquisitions are disclosed in note 24

29 Ultimate parent company and controlling party

The immediate parent undertaking and controlling party is Cucina Holdings (UK) Limited, a company incorporated in Great Britain.

The ultimate parent undertaking is Cucina (BC) Luxco Sarl, a private limited company registered in Luxembourg. The ultimate controlling party of the Company is Bain Capital Fund IX E LP, an exempted limited partnership registered in the Cayman Islands, which is indirectly controlled by Bain Capital Investors LLC, a Delaware limited liability company.

The parent undertaking of the smallest group to consolidate these financial statements is Cucina Investments (UK) Limited and the parent undertaking of the largest UK group to consolidate these financial statements is Cucina Lux Investments Limited and Cucina (BC) Luxco Sarl is the parent company of the largest group to consolidate these financial statements. Copies of Cucina Investments (UK) Limited, Cucina Lux Investments Limited and Cucina (BC) Luxco Sarl consolidated financial statements can be obtained from the Company Secretary at Enterprise House, Eureka Business Park, Ashford, Kent, TN25 4AG.

30 Events after the balance sheet date

(a) Changes to UK Corporation Tax system

A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act on 26 June 2007. The impact of these changes has been recognised in these financial statements (see note 4 for further details).

Certain other changes are expected to be enacted in the Finance Act 2008. The impact of these changes will be recognised in the period in which the Finance Act 2008 is substantively enacted, which is expected to be in the year to 31 December 2008.

The changes to the industrial building allowances will result in an increase of deferred tax liabilities recognised in respect of land and buildings. The increase expected to be recognised in the 2008 is estimated at £2.8m and will be recognised in the income statement.

(b) Business combinations

On 29 February 2008, the Group acquired Rault, a family foodservice wholesaler business based in Western France. The consideration paid was one Euro with the Group taking on estimated debt of £5.0m. An additional amount of up to £1.8m is payable by the Group during 2009 dependent on the trading performance.