

Company registered no SC26184

# **United Biscuits (Holdings) Limited**

## **Report and Financial Statements**

**For the 52 Weeks Ended**

**30<sup>th</sup> December 2006**



## United Biscuits (Holdings) Ltd

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### Directors' Report

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The directors present their report and the financial statements for the fifty two weeks ended 30 December 2006

#### Directors

The directors who served during the year were

B Meunier (resigned 15 December 2006)  
S Furst  
M Oldham  
S Rose  
JP van der Eems (resigned 15 December 2006)

#### Principal activity, review of the business and future developments

The principal activity of the Company is to act as an investment holding company for the United Biscuits Group. No change in this activity is intended. Full details of the performance of the United Biscuits Group are set out in the report and financial statements of Regentrealm Ltd, copies of which may be obtained from its registered address Hayes Park, Hayes End Road, Middlesex, Hayes, UB4 8EE

As a non trading holding company, the directors do not believe that there are any meaningful KPIs to report. Detail of the UB Group's KPIs can be found in Regentrealm Limited

#### Loss and appropriations

The profit for the period is shown in the profit and loss account on page 6. The directors do not recommend a dividend for the period (2005 nil)

#### Directors and their interests

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

	'E' shares as at 1 January 2006
S Furst	820
M Oldham	1,000
S Rose	145
JP van der Eems	15,000

The share capital of United Biscuits Group (Investments) Limited is divided into three classes of share. The 'E' shares were issued to certain other employees and did not contain any voting rights. Further details of the scheme are given in the Notes to the financial statements of United Biscuits Group (Investments) Limited

During 2006, Blackstone LLP and PAI acquired the United Biscuits group. As a consequence the issued 'E' shares were purchased by United Biscuits (Equity) Limited, the parent company of United Biscuits Group (Investments) Limited and subsequently converted to ordinary shares. No directors held any shares in any group company at 30 December 2006

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

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

## United Biscuits (Holdings) Ltd

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### Directors' Report (continued)

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#### Auditors

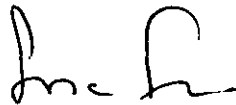
A resolution to re appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

#### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on Page 1. Having made enquiries of fellow directors and of the Group's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report which the Group's auditors are unaware of, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the board



Director

26 April 2007

Registered Office

50, Lothian Road  
Festival Square  
Edinburgh  
EH3 9BY

## **United Biscuits (Holdings) Ltd**

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### **Statement of directors' responsibilities in respect of the financial statements**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **United Biscuits (Holdings) Ltd**

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### **Independent Auditors' Report to the Members of United Biscuits (Holdings) Limited**

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We have audited the Company's financial statements for the period ended 30 December 2006, which comprise the Profit and Loss Account Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## United Biscuits (Holdings) Ltd

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### Independent Auditors' Report to the Members of United Biscuits (Holdings) Limited (continued)

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#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 December 2006 and of its profit 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

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

27 April 2007

## United Biscuits (Holdings) Ltd

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### Profit and Loss Account

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For the 52 weeks ended 30 December 2006 and 31 December 2005

	Notes	2006 £'000	2005 £'000
Administrative expenses		(23)	(18)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	<b>(23)</b>	<b>(18)</b>
Net interest payable	<b>4</b>	<b>(3,342)</b>	<b>(3,578)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(3,365)</b>	<b>(3,596)</b>
Tax on loss on ordinary activities	<b>5</b>	<b>6,756</b>	<b>1,261</b>
<b>Retained profit/(loss) for the financial year</b>		<b>3,391</b>	<b>(2,335)</b>

All amounts relate to continuing activities

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

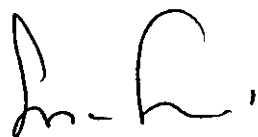
## United Biscuits (Holdings) Ltd

### Balance Sheet

At 30 December 2006 and 31 December 2005

	Notes	2006 £'000	2005 £'000
<b>Fixed assets</b>			
Investments in subsidiaries	6	1,153,962	1,153,962
<b>Current assets</b>			
Debtors	7	200	202
		200	202
<b>Creditors amounts falling due within one year</b>	8	(453,009)	(456,396)
<b>Net current liabilities</b>		(452,819)	(456,194)
<b>Total assets less current liabilities</b>		701,143	697,768
<b>Provisions for liabilities and charges</b>	9		(16)
<b>Net assets</b>		701,143	697,752
<b>Capital and Reserves</b>			
Called up share capital	10	220,945	220,945
Share premium	11	129,369	129,369
Capital reserve	11	313,773	313,773
Profit and loss account	11	37,056	33,665
<b>Total shareholder's funds</b>		701,143	697,752

Approved by the Board and signed on its behalf on 26 April 2007



Director



**United Biscuits (Holdings) Ltd**  
**Notes to the financial statements**

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**1 Accounting Policies**

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**Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The Company is exempt from producing group financial statements, under S228 of the Companies Act 1985, as its parent company as at 30 December 2006, Regentrealm Limited has produced group financial statements.

**Investments**

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

**Foreign currency translations**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

**Taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made, where on the basis of all available evidence at the balance sheet date, it is more likely than not the taxable gain will be rolled into the replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Cash flow statement**

The company has not produced a cash flow statement as Regentrealm Ltd has prepared a consolidated cash flow statement at 30 December 2006.

**United Biscuits (Holdings) Ltd**  
**Notes to the financial statements**

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**2 Directors and employees**

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S Furst, M Oldham, JP van der Eems and S Rose's remuneration was paid by United Biscuits (UK) Limited by whom they are employed. The other director received his remuneration from United Biscuits Group (Investments) Limited. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the Company and their services as directors of the holding and fellow subsidiaries.

The Company has no employees.

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**3 Profit/(loss) on ordinary activities before taxation**

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

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**4 Interest**

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	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
<b>Interest payable</b>		
Fellow subsidiary undertakings	<b>3,342</b>	3,630
	<b>3,342</b>	3,630
<b>Interest receivable</b>		
Bank deposit		52
<b>Net interest payable</b>	<b>3,342</b>	<b>3,578</b>

**United Biscuits (Holdings) Ltd**  
**Notes to the financial statements**

**5 Tax on loss on ordinary activities**

	2006 £'000	2005 £'000
UK corporation tax credit	(6,756)	(1,261)

The tax credit on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 – 30%). The differences are reconciled below

	2006 %	2005 %
UK statutory tax rate	(30.0)	(30.0)
UK transfer pricing adjustments	(248.6)	(233.7)
Group relief not paid for	-	228.8
Losses on which no tax credit provided	77.8	
Other items		(0.1)
Effective tax rate	(200.8)	(35.0)

At 30 December 2006, the Company had tax losses carried forward of approximately £8 million (2005 Nil) on which deferred tax has not been provided. It is not anticipated that any of these losses will be able to be offset against profits arising within the next year.

**6 Investments in subsidiaries**

	£'000
<b>Cost</b>	
As at 30 December 2006 and 1 January 2006	1,159,116
<b>Provisions</b>	
As at 30 December 2006 and 1 January 2006	(5,154)
Net book value at 30 December 2006 and 1 January 2006	1,153,962

Details of the Company's principal subsidiary undertakings at 30 December 2006 are set out below

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Principal activity</i>
<b>Held directly</b>		
UB Foods US Limited	UK *	Holding company
UB Overseas Limited	UK *	Holding company
UB Investments plc	UK *	Holding company
McVitie & Price Limited	UK *	Holding company

\* Registered in England

\* Registered in Scotland

At 30 December 2006 all the above subsidiary undertakings were wholly owned. The Company also held investments in other subsidiaries, which were either dormant or not significant.

The directors are of the opinion that the aggregate value of the Company's investment in its subsidiary undertakings was not less than the amount at which it was included in the balance sheet.

**United Biscuits (Holdings) Ltd**  
**Notes to the financial statements**

**7 Debtors**

	2006 £'000	2005 £'000
Amounts receivable from fellow subsidiary companies	17	19
Other debtors	183	183
	<u>200</u>	<u>202</u>

**8 Creditors: amounts falling due within one year**

	2006 £'000	2005 £'000
Amounts due to fellow subsidiary companies	452,904	456,276
Other creditors	115	120
	<u>453,009</u>	<u>456,396</u>

**9 Provision for liabilities and charges**

	2006 £'000	2005 £'000
Balance at 1 January 2006	16	152
Amounts utilised	(16)	(136)
Balance at 30 December 2006	<u>          </u>	<u>16</u>

**10 Share capital**

	Number 000's	Ordinary Shares £'000
<b>Ordinary share capital</b>		
<b>Authorised</b>		
At 30 December 2006 and 1 January 2006	<u>900,000</u>	<u>261,000</u>
<b>Issued, called up and fully paid</b>		
At 30 December 2006 and 1 January 2006	<u>761,878</u>	<u>220,945</u>

## **11 Reconciliation of shareholder's funds and movements on reserves**

	Share capital £'000	Share premium £'000	Revaluation Reserve £'000	Profit & Loss account £'000	Total £'000
Balance at 1 January 2005	220,945	129,369	313,773	36,000	700,087
Loss for the year				(2,335)	(2,335)
Balance at 31 December 2005	<u>220,945</u>	<u>129,369</u>	<u>313,773</u>	<u>33,665</u>	<u>697,752</u>
Balance at 1 January 2006	220,945	129,369	313,773	33,665	697,752
Profit for the year				3,391	3,391
Balance at 30 December 2006	<u>220,945</u>	<u>129,369</u>	<u>313,773</u>	<u>37,056</u>	<u>701,143</u>

## **13 Inter group cross-guarantee**

The Company, together with other subsidiary undertakings in the United Biscuits Group, had cross guaranteed the Group's Senior Credit Facility, held by Regentrealm Limited, an investment company within the United Biscuits Group. The amount outstanding under the facility as at 31 December 2005 was £576.1 million. The senior Credit Facility was repaid on 15 December 2006, and the company was released from the guarantee at this time. The company is currently in the process, together with other subsidiary undertakings in the United Biscuits group, to cross guarantee the group's Senior Credit Facility, which is held by United Biscuits Holdco Limited. The amount outstanding under the facility as at 30 December 2006 was £1,149.3m.

## **14 Related party transactions**

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

## **15 Ultimate parent company**

In the directors' opinion, the Company's ultimate parent undertaking as at 30 December 2006 is United Biscuits Luxco SCA, which is registered in Luxembourg.