

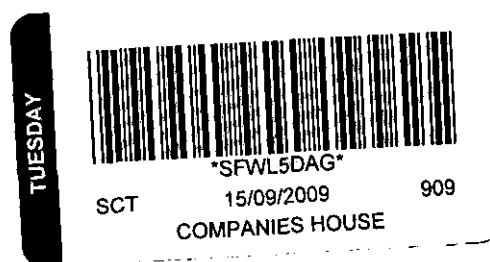
Company registered no: SC26184

United Biscuits (Holdings) Limited

Report and Financial Statements

For the 53 Weeks Ended

3 January 2009



United Biscuits (Holdings) Limited

Directors' Report

The directors present their report and the financial statements for the 53 weeks ended 3 January 2009.

Directors

The directors who served during the year were:

Name

S Furst

M Oldham

S Rose

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 ("Group"). No change in this activity is intended.

Full details of the performance of the United Biscuits Group are set out in the report and financial statements of United Biscuits Topco Limited, copies of which may be obtained from its registered address: Hayes Park, Hayes End Road, Middlesex, Hayes, UB4 8EE.

Principal risks and uncertainties

Full details of the principal risks and uncertainties are set out in the report and financial statements of United Biscuits Topco Limited.

Financial risk management objectives

Full details of the financial risk management objectives are set out in the report and financial statements of United Biscuits Topco Limited.

Key Performance Indicators

Refer to United Biscuits Topco Limited for the Key Performance Indicators for the Group.

Results and dividends

The loss for the period is shown in the profit and loss account on page 6. The directors do not recommend a dividend for the period (2007: £Nil).

Directors

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

Directors' Report (continued)

Auditors

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

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/ she is obliged to take as a director in order to make himself/ herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board,



Susan Furst - Director

1 April 2009

Registered Office:

50, Lothian Road
Festival Square
Edinburgh
EH3 9BY

United Biscuits (Holdings) Limited

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 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 Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

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

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

Independent Auditor's Report to the Members of United Biscuits (Holdings) Limited

We have audited the Company's financial statements for the year ended 3 January 2009, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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).

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 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 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) Limited

Independent Auditor's Report to the Members of United Biscuits (Holdings) Limited (continued)

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 3 January 2009 and of the Company's loss 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
Registered Auditor
London

1 April 2009

United Biscuits (Holdings) Limited

Profit and Loss Account

For the 53 weeks ended 3 January 2009 and 52 weeks ended 29 December 2007

		2008	2007
	Notes	£ '000	£ '000
Administrative expenses		(206)	(19)
Operating loss before interest and taxation	3	(206)	(19)
Interest expense	4	(4,619)	(3,507)
Loss on ordinary activities before taxation		(4,825)	(3,526)
Tax on loss on ordinary activities	5	-	13,019
Retained profit/ (loss) for the financial year		(4,825)	9,493

All amounts relate to continuing activities.

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

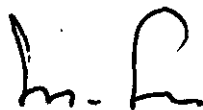
United Biscuits (Holdings) Limited

Balance Sheet

As at 3 January 2009 and 29 December 2007

		2008	2007
	Notes	£ '000	£ '000
Investment in subsidiaries	6	1,153,962	1,153,962
Debtors	7	16	199
Current assets		16	199
Creditors: amounts falling due within one year	8	(448,167)	(443,525)
Net current liabilities		(448,151)	(443,326)
Net assets		705,811	710,636
Capital and Reserves			
Called up share capital	9	220,945	220,945
Share premium	10	129,369	129,369
Capital reserve		313,773	313,773
Profit and loss account	10	41,724	46,549
Total shareholders' funds		705,811	710,636

Approved by the Board and signed on its behalf on 1 April 2009.



Susan Furst – Director

1 Accounting Policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The Company is exempt from producing group financial statements, under S228 of the Companies Act 1985, as its parent undertaking as at 3 January 2009, United Biscuits Topco Limited has produced group financial statements. These financial statements solely relate to United Biscuits (Holdings) Limited.

Investments

Investments in subsidiaries 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.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

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; and
- 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 the parent company, United Biscuits Topco Limited has prepared a consolidated cash flow statement at 3 January 2009.

United Biscuits (Holdings) Limited
Notes to the financial statements

2 Directors and employees

S Furst, M Oldham and S Rose's remuneration was paid by United Biscuits (UK) Limited by whom they are employed. 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.

3 Loss on ordinary activities before taxation

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

4 Interest

	2008 £'000	2007 £'000
Interest expense paid to fellow subsidiary undertakings	4,619	3,507
	<u>4,619</u>	<u>3,507</u>

5 Tax on loss on ordinary activities

	2008 £'000	2007 £'000
UK corporation tax credit	-	(10,502)
Adjustment in respect of prior years	-	(2,517)
Total current tax credit	-	<u>(13,019)</u>

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 28% (2007 – 30%). The differences are reconciled below:

	2008 £'000	2007 £'000
Tax credit at UK statutory rate	(1,375)	(1,058)
UK transfer pricing adjustment	(7,937)	(9,446)
Adjustment in respect of prior years	-	(2,517)
Losses on which no tax credit provided	9,260	-
Other items	52	2
	<u>-</u>	<u>(13,019)</u>
Loss on ordinary activities before taxation	<u>(4,825)</u>	<u>(3,526)</u>

At 3 January 2009, the Company had tax losses carried forward of £nil (2007: £nil).

United Biscuits (Holdings) Limited
Notes to the financial statements

6 Investments in subsidiaries

	£'000
Cost	
As at 3 January 2009 and 29 December 2007	1,159,116
Provisions	
As at 3 January 2009 and 29 December 2007	(5,154)
Net book value at 3 January 2009 and 29 December 2007	<u>1,153,962</u>

Details of the Company's principal subsidiary undertakings at 3 January 2009 are set out below:

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Principal activity</i>
Held directly:		
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 3 January 2009 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.

7 Debtors

	2008 £'000	2007 £'000
Amounts receivable from fellow subsidiary companies	16	16
Other debtors	-	183
	<u>16</u>	<u>199</u>

8 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts due to fellow subsidiary companies	448,052	443,410
Other creditors	115	115
	<u>448,167</u>	<u>443,525</u>

United Biscuits (Holdings) Limited
Notes to the financial statements

9 Share capital

	Ordinary Shares Number '000	Ordinary Shares £'000
Ordinary share capital of 29 pence each		
Authorised		
At 3 January 2009 and 29 December 2007	<u>900,000</u>	<u>261,000</u>
Issued, called-up and fully paid		
At 3 January 2009 and 29 December 2007	<u>761,878</u>	<u>220,945</u>

10 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 as at 31 December 2006	220,945	129,369	313,773	37,056	701,143
Profit for the year	-	-	-	9,493	9,493
Balance as at 29 December 2007	<u>220,945</u>	<u>129,369</u>	<u>313,773</u>	<u>46,549</u>	<u>710,636</u>
Balance as at 30 December 2007	220,945	129,369	313,773	46,549	710,636
Profit for the year	-	-	-	(4,825)	(4,825)
Balance at 3 January 2009	<u>220,945</u>	<u>129,369</u>	<u>313,773</u>	<u>41,724</u>	<u>705,811</u>

11 Inter-group cross-guarantee

The Company, together with other subsidiary undertakings in the United Biscuits Group, had cross-guaranteed the Group's Senior and Second Lien facility and Mezzanine facility, which is held by United Biscuits Holdco Limited. The amount outstanding under the facility as at 3 January 2009 was £1,360.7m.

12 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 United Biscuits Topco Limited group, on the grounds that consolidated financial statements of the group are publicly available.

13 Ultimate parent undertaking and controlling party

The Company's ultimate UK parent undertaking as at 3 January 2009 is United Biscuits Topco Limited. United Biscuits Topco Limited has included the Company in its group financial statements.

The Company's ultimate parent undertaking is United Biscuits Luxco SCA, which is incorporated in Luxembourg.