

Premier Brands Limited

Annual report and financial statements

For the period ended 4 April 2015

Registered Number: SCO96055

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Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

CONTENTS

	Pages
Report of the directors	1-2
Strategic report	3
Independent auditors' report to the members of Premier Brands Limited	4-6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-14

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Report of directors for the period ended 4 April 2015

The directors present their annual report together with the audited financial statements for Premier Brands Limited (the 'Company'), registered number SCO96055, for the period ended 4 April 2015.

Principal activities and business review

The principal activity of the Company throughout the period continued to be that of a property and investment holding company in the food industry. The directors are satisfied with the financial position and do not envisage any changes to the conduct of the business over the next twelve months.

Directors and Officers' liability insurance

This insurance covers the directors and officers against the costs of defending themselves in civil proceedings taken against them in their capacity as a director or officer of the Company and in respect of damages resulting from the unsuccessful defence of any proceedings.

Directors

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

Andrew McDonald
Emmett McEvoy (resigned 12 January 2015)
Jim Hepburn (resigned 5 April 2015)
Duncan Leggett (appointed 12 January 2015)
Simon Wilbraham (appointed 5 April 2015)

Political donations

During the period the Company made no political donations (2013: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Report of directors for the period ended 4 April 2015 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

Each person who is a director at the date of approval confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) the directors have taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



Duncan Leggett

Director

22 July 2015

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Strategic report for the period ended 4 April 2015

Results and dividends

The profit and loss account is set out on page 7 and shows the results for the period. The results for the Company show a loss on ordinary activities before taxation of £135.4m (2013: £0.6m loss) for the period. The loss has been transferred to reserves.

No dividend was paid during the period (2013: £nil).

As at 4 April 2015, the Company had net assets of £13.4m (2013: £148.8m).

Subsequent events

On 5 May 2015 the company's subsidiary undertaking, Premier Foods Pension Trustees Ltd was dissolved

Principal risk and uncertainties

From the perspective of the Company, the principal risks and uncertainties are aligned with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Premier Foods plc, which includes those of the Company, are discussed in the Group's 2014/15 annual report and financial statements which do not form part of this report. The financial risk management objectives, policies and exposures are disclosed in the Group's 2014/15 annual report and financial statements.

Key performance indicators

The directors of Premier Foods plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Premier Brands Limited. The development, performance and position of the Group is discussed in the Group's 2014/15 annual report and financial statements which does not form part of this report.

On behalf of the board



Duncan Leggett
Director
22 July 2015

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Independent auditors' report to the members of Premier Brands Limited

Report on the financial statements**Our opinion**

In our opinion, Premier Brands Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 4 April 2015 and of its loss for the 15 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

Premier Brands Limited's financial statements comprise:

- the balance sheet as at 4 April 2015;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Report of the directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Independent auditors' report to the members of Premier Brands Limited (*continued*)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Independent auditors' report to the members of Premier Brands Limited (*continued*)



Pauline J Campbell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 July 2015

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Profit and loss account for the period ended 4 April 2015

	Note	Period ended 4 April 2015	Year ended 31 December 2013
		£'000	£'000
Rental income		272	544
Administrative expenses		(42)	(85)
Write off of amounts due from group undertakings		(133,469)	-
Operating (loss) / profit	3	(133,239)	459
Loss from shares in group undertakings		-	(1,013)
Loss on disposal of fixed assets	6	(2,136)	-
Loss on ordinary activities before taxation		(135,375)	(554)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period/year		(135,375)	(554)

All amounts relate to continuing operations

There were no recognised gains and losses in the period/year, other than the loss on ordinary activities after tax.

There is no material difference between the results as disclosed in the profit and loss account and the results on an historical cost basis in period/year.

The notes on pages 9 to 14 form part of these financial statements.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Balance sheet as at 4 April 2015

	Note	4 April 2015	31 December 2013
		£'000	£'000
Fixed assets			
Tangible assets	8	-	2,678
Investments	9	-	1
		<u>-</u>	<u>2,679</u>
Current assets			
Debtors	10	14,413	147,109
		<u>14,413</u>	<u>147,109</u>
Creditors: amounts falling due within one year	11	(1,013)	(1,013)
Net current assets		<u>13,400</u>	<u>146,096</u>
Net assets		<u>13,400</u>	<u>148,775</u>
Capital and reserves			
Called up share capital	12	112,183	112,183
Share premium account	13	49,847	49,847
Profit and loss account	13	(148,630)	(13,255)
Total shareholders' funds		<u>13,400</u>	<u>148,775</u>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements were approved by the Board on 22 July 2015, and were signed on its behalf by:



Duncan Leggett

Director

22 July 2015

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015

1. Principal accounting policies*Basis of accounting*

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

In accordance with FRS 18 'Accounting Policies', the Company performs an annual review of accounting policies to ensure that those used by the Company continue to be those that are appropriate.

The directors consider that the accounting policies set out below are appropriate and have been consistently applied.

The Group changed its financial year end from the 12 months ended 31 December to the 52 weeks ended on the Saturday closest to 31 March, with effect from the current reporting period ended 4 April 2015. The financial statements for Hillside Europe Limited for the current reporting period are made up from 1 January 2014 to 4 April 2015 in order to align with the new year end. Therefore, the amounts presented in the current reporting period for the 15 months ended 4 April 2015 are not directly comparable with the amounts presented for the 12 months ended 31 December 2013.

Turnover

Rental Income is recognised in the period to which the rentals relate.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value on a straight line basis over the useful economic life of that asset as follows:

Freehold buildings: 20-50 year

Asset impairment

Tangible assets are subject to review for impairment in accordance with FRS 11 'Impairment of Fixed Assets and Goodwill'. Impairment reviews are conducted when an event that might indicate a reduction in asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying value cannot be recovered either by selling the asset or by use in the business, measured using the discounted future earnings from operating the assets.

Investments

Investments held as fixed assets are stated at cost less any provision required for impairment in their value. An impairment loss is recognised, in the Profit and Loss Account, to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from operating the assets.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015 (continued)**1. Principal accounting policies (continued)***Tax*

The charge or credit for taxation is based on the profit or loss for the period and takes into account deferred taxation.

2. Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of Premier Foods plc and is included in the consolidated financial statements of Premier Foods plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements'. The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related-party transactions with entities that are part of the Premier Foods plc group or investees of the Premier Foods plc group.

3. Operating (loss) / profit

Operating (loss) / profit is stated after (charging) / crediting:

	Period ended 4 April 2015	Year ended 31 December 2013
	£'000	£'000
Rental income	272	544
Write off of amounts due from group undertakings	(133,469)	-
Depreciation - owned assets	<u>(42)</u>	<u>(85)</u>

4. Auditors' remuneration

The audit fee has been borne by a fellow group undertaking in the period ended 4 April 2015 and the year ended 31 December 2013.

5. Directors and employees

No emoluments were paid to any of the directors during the period for their services to the Company (2013: £nil). No director had a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

There were no employees of the Company during the period (2013: nil).

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015 (continued)**6. Disposals**

On 28 June 2014 the Group completed the transaction with Specialty Powders Holdings Limited which led to the disposal of the Group's majority share in the Powdered Beverages and Desserts business. Certain property, plant and equipment relating to this disposal was held in Premier Brands Limited.

	Powdered Beverages and Desserts £'000
Loss arising on disposal:	
Initial consideration	500
Net assets disposed:	
Property, plant and equipment	(2,636)
Loss on disposal before tax	<u><u>(2,136)</u></u>

7. Tax on loss on ordinary activities

	Period ended 4 April 2015 £'000	Year ended 31 December 2013 £'000
UK corporation tax on result for the period at 21.4% (2013: 23.25%)		
Current period/year	-	-
Tax credit on loss on ordinary activities	<u><u>-</u></u>	<u><u>-</u></u>

The tax for the period varies from (2013: varies from) the standard rate of corporation tax in the UK 21.4% (2013: 23.25%). The differences are explained below:

	Period ended 4 April 2015 £'000	Year ended 31 December 2013 £'000
Loss on ordinary activities before taxation	<u>(135,375)</u>	<u>(554)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.4% (2013: 23.25%)	28,970	129
Items not deductible for tax purposes	(29,028)	(255)
Income not chargeable for tax purposes	<u>58</u>	<u>126</u>
Total tax charge	<u><u>-</u></u>	<u><u>-</u></u>

As a result of the 2013 Finance Act provision to reduce the UK corporation tax rate from 23% to 21% from 1 April 2014 the applicable rate of corporation tax for the period is 21.4%.

The Company has no material unprovided deferred tax.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015 (continued)**8. Tangible assets**

	Freehold land and buildings £'000
Cost	
At 1 January 2014	5,435
Disposals	(5,435)
At 4 April 2015	-
Depreciation	
At 1 January 2014	(2,757)
Charge for the period	(42)
Disposals	2,799
At 4 April 2015	-
Net book value	
At 4 April 2015	-
At 31 December 2013	2,678

9. Investments

	Subsidiary undertakings £'000
Cost	
At 1 January 2014	16,786
Written off in the period	(16,786)
At 4 April 2015	-
Impairment	
At 1 January 2014	(16,785)
Written off in the period	16,785
At 4 April 2015	-
Carrying value	
At 4 April 2015	-
At 31 December 2013	1

Subsidiary undertakings are disclosed within note 18.

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015 (continued)**10. Debtors**

	4 April 2015	31 December 2013
	£'000	£'000
Amounts owed by group undertakings	14,323	147,019
Corporation tax group relief	90	90
	<u>14,413</u>	<u>147,109</u>

The amounts falling due within one year owed by group undertakings are interest free, unsecured and are repayable on demand.

11. Creditors: amounts falling due within one year

	4 April 2015	31 December 2013
	£'000	£'000
Amounts owed to group undertakings	<u>(1,013)</u>	<u>(1,013)</u>

The amounts falling due within one year owed to group undertakings are interest free, unsecured and are repayable on demand.

12. Called up share capital

	Allotted, called up and fully paid	
	Number	£'000
Ordinary shares of £1 each		
At 4 April 2015 and At 31 December 2013	<u>112,182,928</u>	<u>112,183</u>

13. Share premium and reserves

	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2014	49,847	(13,255)	36,592
Loss for the financial period	-	(135,375)	(135,375)
At 4 April 2015	<u>49,847</u>	<u>(148,630)</u>	<u>(98,783)</u>

14. Reconciliation of movement in shareholders' funds

	Period ended 4 April 2015	Year ended 31 December 2013
	£'000	£'000
Loss for the financial period/year	<u>(135,375)</u>	<u>(544)</u>
Net decrease in shareholders' funds	<u>(135,375)</u>	<u>(544)</u>
Opening shareholders' funds	<u>148,775</u>	<u>149,329</u>
Closing shareholders' funds	<u>13,400</u>	<u>148,775</u>

Premier Brands Limited

Annual report and financial statements for the period ended 4 April 2015

Registered Number: SCO96055

Notes to the financial statements for the period ended 4 April 2015 (continued)

15. Group financial statements

The company is a wholly-owned subsidiary of Premier Financing Limited and is included in the consolidated financial statements of Premier Foods plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

16. Ultimate parent company

The immediate parent undertaking is Premier Financing Limited.

The ultimate parent undertaking and controlling party is Premier Foods plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Premier Foods plc consolidated financial statements can be obtained from the Group's website: www.premierfoods.co.uk.

17. Guarantees

The Group has provided guarantees to third parties in respect of borrowings of certain subsidiary undertakings. The maximum amount guaranteed at 4 April 2015 is £0.9bn (2013: £1.2bn). This facility is guaranteed by the principal entities of the Group including Premier Brands Limited.

18. List of subsidiary undertakings

There were no subsidiary undertakings of Premier Brands Foods Limited at 4 April 2015.

GA Old Co Limited was dissolved on 1 April 2014, Premier Foods Ltd was dissolved on 3 January 2014 and Premier Brands Pension Trustees Ltd was dissolved on 5 May 2015.

19. Subsequent events

On 5 May 2015 the company's subsidiary undertaking, Premier Foods Pension Trustees Ltd was dissolved