

Premier Foods (Holdings) Limited

Annual report and financial statements

For the 52 weeks ended 1 April 2017

Registered Number: 971448

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Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

Registered Number: 971448

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Premier Foods (Holdings) Limited
Annual report and financial statements for the 52 weeks ended 1 April 2017
Registered Number: 971448

Directors' report for the 52 weeks ended 1 April 2017

The directors present their annual report together with the audited financial statements for Premier Foods (Holdings) Limited (the "Company"), registered number 971448, for the 52 weeks ended 1 April 2017.

Principal activities

The principal activity of the Company during the 52 weeks 1 April 2017 continued to be that of a holding company in the food industry. The directors are satisfied with the results and do not envisage any change in the conduct of the business over the next twelve months.

Director's 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.

Dividend

The directors do not recommend the payment of a dividend (2015/16: £nil).

Directors

The directors who held office during the period were as follows:

Andrew McDonald
Duncan Leggett
Simon Wilbraham

Political donations

During the period the Company made political donations of £nil (2015/16: £nil).

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

Registered Number: 971448

Directors' report for the 52 weeks ended 1 April 2017 (continued)

Statement of directors' responsibilities in respect of the directors' report and the financial statements (continued)

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 the 52 weeks ended 1 April 2017. In preparing these 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

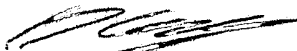
Each person who is a director at the date of approval confirms that:

- a) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



Duncan Leggett
Director

20 July 2017
Premier House
Centrium Business Park
Griffiths Way
St Albans
Hertfordshire
AL1 2RE

Independent auditor's report to the members of Premier Foods (Holdings) Limited

We have audited the financial statements of Premier Foods (Holdings) Limited for the 52 weeks ended 1 April 2017 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement 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 and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 April 2017 and of its result for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the 52 weeks ended 1 April 2017 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

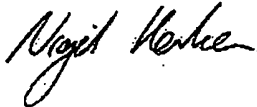
- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Premier Foods (Holdings) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Nigel Harker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

20 July 2017

Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

Registered Number: 971448

Statement of profit and loss and other comprehensive income for the 52 weeks ended 1 April 2017

	Note	52 weeks ended 1 April 2017	52 weeks ended 2 April 2016
		£m	£m
Other operating income		-	1.2
Impairment of amounts owed to Group undertakings		-	255.6
Operating result/profit	2	-	256.8
Finance cost	5	-	(5.2)
Result/profit before tax		-	251.6
Tax credit	6	-	0.8
Result/profit after tax and total comprehensive income		-	252.4

There is no material difference between the results as disclosed in the statement of profit and loss and other comprehensive income and the results on a historical cost basis.

The notes on pages 8 to 13 form an integral part of these financial statements.

Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

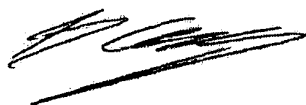
Registered Number: 971448

Balance sheet as at 1 April 2017

	Note	1 April 2017 £m	2 April 2016 £m
ASSETS:			
Non-current assets			
Investments	7	1,133.6	1,133.6
Trade and other receivables	8	<u>7.5</u>	<u>7.5</u>
		1,141.1	1,141.1
Current assets			
Trade and other receivables	8	<u>50.8</u>	<u>60.8</u>
		<u>130.8</u>	<u>60.8</u>
Total assets		<u>1,271.9</u>	<u>1,201.9</u>
LIABILITIES:			
Current liabilities			
Trade and other payables	9	<u>(743.0)</u>	<u>(753.0)</u>
Total liabilities		<u>(743.0)</u>	<u>(753.0)</u>
Net assets		<u>448.9</u>	<u>448.9</u>
EQUITY:			
Capital and reserves			
Share capital	10	23.8	23.8
Share premium		421.9	421.9
Profit and loss reserve		<u>3.2</u>	<u>3.2</u>
Total equity		<u>448.9</u>	<u>448.9</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

The financial statements were approved by the Board on 20 July 2017, and were signed on its behalf by:

Duncan Leggett
Director
20 July 2017

Premier Foods (Holdings) Limited
 Annual report and financial statements for the 52 weeks ended 1 April 2017
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Statement of changes in equity for the 52 weeks ended 1 April 2017

	Share capital	Share premium	Profit and loss reserve	Total equity
	£m	£m	£m	£m
At 5 April 2015	23.8	421.9	(249.2)	196.5
Total comprehensive income for the 52 weeks	-	-	252.4	252.4
At 2 April 2016	23.8	421.9	3.2	448.9
At 3 April 2016	23.8	421.9	3.2	448.9
Total comprehensive income for the 52 weeks	-	-	-	-
At 1 April 2017	23.8	421.9	3.2	448.9

The notes on pages 8 to 13 form an integral part of these financial statements.

Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

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Notes to the financial statements for the 52 weeks ended 1 April 2017

1. Principal accounting policies

Basis of accounting

Premier Foods (Holdings) Limited (the "Company") is a company incorporated and domiciled in the UK. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to produce group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Premier Foods plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Premier Foods plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from www.premierfoods.co.uk

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative 52 week reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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

Investments

Investments are stated at cost less any provision required for impairment in their value. An impairment loss is recognised, in the statement of profit and loss and other comprehensive income, if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the financial statements for the 52 weeks ended 1 April 2017 (continued)

1. Principal accounting policies (continued)

Taxation

Taxation losses within the Group are surrendered for nil consideration from 3 April 2016 to other members of the Group to off-set against taxable profits in the claimant company.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous period.

Finance cost

Borrowing costs are accounted for on an accruals basis in the statement of profit or loss and other comprehensive income using the effective interest method.

Finance income

Finance income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable, taking into consideration the interest element of derivatives.

Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2. Operating result/profit

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

	52 weeks ended 1 April 2017	52 weeks ended 2 April 2016
	£m	£m
Net exchange gain on foreign currency	-	1.2
Impairment of amounts owed to Group undertakings	-	255.6

In the prior period the write off of amounts owed to Group undertakings related to a write off of amounts forgiven to the company.

3. Auditor's remuneration

The audit fee has been borne by a fellow Group undertaking in the 52 weeks ended 1 April 2017 and 2 April 2016.

Premier Foods (Holdings) Limited

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Notes to the financial statements for the 52 weeks ended 1 April 2017 (continued)**4. Directors and employees**

No emoluments relating to qualifying services for this Company were paid to any of the directors during the 52 weeks (2015/16: £nil). All directors who served during the 52 weeks were employed by other Group companies and were remunerated for the qualifying services they provided to them. 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 52 weeks (2015/16: nil).

5. Finance costs

	52 weeks ended 1 April 2017	52 weeks ended 2 April 2016
	£m	£m
Interest payable to Group undertakings	-	(5.2)

There were no finance costs in the current year, on 3 April 2016 it was agreed that the interest bearing intercompany loan would no longer bear interest.

6. Taxation

	52 weeks ended 1 April 2017	52 weeks ended 2 April 2016
	£m	£m
Current tax		
UK corporation tax on result/profit for the period at 20.0% (2015/16: 20.0%)	-	0.8
Tax credit on result/profit	-	0.8

The tax assessed for the period same as from (2015/16: differs from) the standard rate of corporation tax in the UK of 20.0% (2015/16: 20.0%). The differences are explained below:

	52 weeks ended 1 April 2017	52 weeks ended 2 April 2016
	£m	£m
Result/profit before tax	-	251.6
Result/profit multiplied by the standard rate of corporation tax in the UK of 20.0% (2015/16: 20.0%)	-	(50.3)
Net income not chargeable for tax purposes	-	51.1
Total current tax credit	-	0.8

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively.

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Notes to the financial statements for the 52 weeks ended 1 April 2017 (continued)

7. Investments

	£m
Net book value at 1 April 2017 and 2 April 2016	<u>1,133.6</u>

Details of subsidiary undertakings are in note 14.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

8. Trade and other receivables

	1 April 2017	2 April 2016
	£m	£m
<i>Amounts due after more than one year:</i>		
Amounts owed by Group undertakings	7.5	7.5
Total trade and other receivables	<u>7.5</u>	<u>7.5</u>

The amounts owed by Group undertakings are unsecured, interest free and will not be called on for more than 12 months.

	1 April 2017	2 April 2016
	£m	£m
<i>Amounts due within one year:</i>		
Amounts owed by Group undertakings	38.5	48.5
Group relief	12.3	12.3
Total trade and other receivables	<u>50.8</u>	<u>60.8</u>

The amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

9. Trade and other payables

	1 April 2017	2 April 2016
	£m	£m
<i>Amounts due within one year:</i>		
Amounts owed to Group undertakings	<u>(743.0)</u>	<u>(753.0)</u>

Amounts owed to Group undertakings in the current period are unsecured, interest free and repayable on demand. In the prior period amounts owed to Group undertakings of £108.8m were interest bearing at 5% and unsecured.

10. Share capital

	Allotted, called up and fully paid	
	Number	£m
Ordinary shares of £1 each		
At 1 April 2017 and at 2 April 2016	<u>23,844,944</u>	<u>23.8</u>

11. Group financial statements

The Company is a wholly-owned subsidiary of Premier Foods Group Limited (registered address: Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire, AL1 2RE) 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.

Premier Foods (Holdings) Limited

Annual report and financial statements for the 52 weeks ended 1 April 2017

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Notes to the financial statements for the 52 weeks ended 1 April 2017 (continued)**12. Ultimate parent company**

The immediate parent undertaking is Premier Foods Group 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.

The principle place of business is in the UK.

13. Guarantees

The Group has provided guarantees to third parties in respect of borrowings of certain subsidiary undertakings. The maximum amount guaranteed at 1 April 2017 is £772.0m (2 April 2016: £772.0m). This facility is guaranteed by the principal entities of the Group including Premier Foods (Holdings) Limited.

14. Investments

The following represent the undertakings, associate undertakings and joint operations as at 1 April 2017. With the exception of Premier Financing Limited, Premier Brands Foods Limited, Premier Grocery Products Limited, H. L. Foods Limited, Citadel Insurance Company Limited, PFF Old Co Limited and Hilldown Europe Limited which are owned 100% directly by Premier Foods (Holdings) Limited, all shares in undertakings are held indirectly by Premier Foods (Holdings) Limited.

Name of company	Holding	Class of share	Country of incorporation	Registered address
Premier Financing Limited H.L. Foods Limited Hilldown Europe Limited* CH Old Co Limited Premier International Foods UK Limited* Hilldown International Limited	100%	Ordinary	England and Wales	Premier House Centrium Business Park Griffiths Way St Albans Hertfordshire AL1 2RE
Premier Brands Limited*	100%	Ordinary	Scotland	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD
Citadel Insurance Company Limited	100%	Ordinary	Isle of Man	Ioma House Hope Street Douglas Isle of Man IM1 1AP
Diamond Foods Lebensmittellehandel GmbH*	100%	Ordinary	Germany	Cecilienallee 6 Dusseldorf 40474 Germany

* Dormant entities

All subsidiary undertakings have the same balance sheet date as Premier Foods (Holdings) Limited, with the exception of Diamond Foods Lebensmittellehandel GmbH and Citadel Insurance Company Limited which have a 31 December year end.

Premier Foods (Holdings) Limited

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Notes to the financial statements for the 52 weeks ended 1 April 2017 (*continued*)

14. Investments (*continued*)

Premier Brands Foods Limited, Premier Grocery Products Limited, MF Old Co Limited, Hillsdown Investments Limited, Hillsdown Ambient Foods Group Limited and Premier Ambient Products Limited were all dissolved on 28 March 2017.

15. Subsequent events

On 16 May 2017 the Group announced that it had amended and extended the term of its revolving credit facility with its lending syndicate from March 2019 to December 2020. The £272m facility, which was £22m drawn at 1 April 2017, reduced by £55m to £217m, following the issue of a £210m Senior Secured floating rate note. The revolving credit facility is held in another Group company.

The issue of a £210m Senior Secured floating note due to mature in 2022, replaced the Group's £175m Senior Secured floating rate, due to mature March 2020, and enabled the Group to make a prepayment under the revolving credit facility. The new note was issued on 5 June 2017 and under the terms of which the Company has agreed to act as a guarantor.