

SWISS MILK PRODUCTS LIMITED

REPORT AND ACCOUNTS

31 MARCH 2001



SWISS MILK PRODUCTS LIMITED**Registered No. 701444****DIRECTORS**

I A Ellis (appointed 5 May 2000)

J N Wild

SECRETARY

F S Harris

AUDITORS

Arthur Andersen

1 City Square

Leeds

LS1 2AL

REGISTERED OFFICE

Beverley House

St Stephen's Square

Hull

HU1 3XG

SWISS MILK PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company franchises and licenses the use of trademarks. The directors consider that the result for the year is satisfactory.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £128,000 (2000 - £271,000) and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend (2000 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are those listed on page 1, together with A Barton who resigned on 5 May 2000.

According to the register maintained as required under the Companies Act 1985, none of the directors held any beneficial interest in the shares of the company during the year.

The interests of the directors in the ordinary shares of 25p each of the ultimate parent company, Northern Foods plc, were as follows:-

	<i>At 31 March 2001</i>	<i>At 1 April 2000 or date of appointment</i>
I A Ellis	5,132	4,308
J N Wild	29,045	32,698

The options on ordinary shares of Northern Foods plc granted to or exercised by the directors during the year ended 31 March 2001 were as follows:

	<i>Options granted in the year</i>	<i>Options exercised in the year</i>
I A Ellis	10,771	-
J N Wild	10,771	-

SWISS MILK PRODUCTS LIMITED**DIRECTORS' REPORT****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year there were no charitable or political contributions (2000 - £nil).

AUDITORS

Arthur Andersen have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted to the company's annual general meeting.

By order of the Board



J N Wild
Director

28 January 2002

SWISS MILK PRODUCTS LIMITED**REPORT OF THE AUDITORS****to the shareholders of Swiss Milk Products Limited**

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
1 City Square
Leeds
LS1 2AL

28 January 2002

SWISS MILK PRODUCTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 March 2001

	<i>Notes</i>	2001 £'000	2000 £'000
TURNOVER	2	246	340
Administrative expenses		(26)	(13)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION		220	327
Taxation on profit on ordinary activities	4	(92)	(56)
		-----	-----
RETAINED PROFIT FOR THE FINANCIAL YEAR		128	271
		=====	=====

Movements on reserves are set out in note 10.

All results derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses (2000 - £nil) other than the profit for the financial years attributable to the shareholders of the company, as shown above.

SWISS MILK PRODUCTS LIMITED**BALANCE SHEET****at 31 March 2001**

	<i>Notes</i>	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	5	251	-
Debtors: amounts falling due within one year	5	1,062	1,142
		<u>1,313</u>	<u>1,142</u>
CREDITORS: amounts falling due within one year	6	(52)	(3)
		<u>1,261</u>	<u>1,139</u>
NET CURRENT ASSETS			
CREDITORS: amounts falling due after more than one year	7	-	(41)
PROVISIONS FOR LIABILITIES AND CHARGES	8	(74)	(39)
		<u>1,187</u>	<u>1,059</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	9	31	31
Profit and loss account	10	1,156	1,028
		<u>1,187</u>	<u>1,059</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>1,187</u>	<u>1,059</u>



J.N. Wild
Director

28 January 2002

SWISS MILK PRODUCTS LIMITED

NOTES TO THE ACCOUNTS at 31 March 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement of FRS1 to present a cash flow statement since it is a wholly owned subsidiary undertaking of Northern Foods plc, in whose accounts a cash flow statement is presented.

Taxation

Corporation tax is provided at the current rate. Provision is made for deferred taxation using the liability method on all timing differences, to the extent that it is probable that the liabilities will crystallise.

Foreign Currencies

Transactions in foreign currencies are translated at the rate of exchange at the date of the transaction, or if hedged at the forward contract rate. Monetary assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date, or if hedged at the forward contract rate. All exchange differences are dealt with in the profit and loss account

2. TURNOVER

	2001 £'000	2000 £'000
Royalties receivable from fellow subsidiary undertaking	246	340

All turnover derives from the company's continuing principal activity.

3. EMOLUMENTS OF DIRECTORS

None of the directors received any remuneration from the company during the year (2000 - £nil).

The emoluments for all directors have been borne by the ultimate parent undertaking, Northern Foods plc. It is not practicable to ascertain what proportion of these emoluments relate to the company.

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
UK Corporation tax at 30% (2000 - 30%)	52	36
Overseas taxation	30	20
Deferred taxation	(28)	-
	54	56
Adjustment in respect of prior years:		
UK Corporation tax	(25)	-
Deferred taxation	63	-
	92	56

SWISS MILK PRODUCTS LIMITED
NOTES TO THE ACCOUNTS
at 31 March 2001
5. DEBTORS

	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
Amounts falling due within one year:		
Due from group undertakings	<u>1,062</u>	<u>1,142</u>
	<u>1,062</u>	<u>1,142</u>
Amounts falling due after more than one year:		
Due from group undertakings	<u>251</u>	<u>-</u>
	<u><u>1,313</u></u>	<u><u>1,142</u></u>

6. CREDITORS: amounts falling due within one year

	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
Corporation tax	<u>52</u>	<u>3</u>

7. CREDITORS: amounts falling due after more than one year

	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
Amounts due to group undertakings	<u>-</u>	<u>41</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation</i>	
	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
At 1 April 2000	39	39
Transfer from profit and loss account	35	-
At 31 March 2001	<u><u>74</u></u>	<u><u>39</u></u>

The provision for deferred taxation and the amount not provided are analysed as follows:

	<i>2001</i> <i>£'000</i>	<i>Provided</i> <i>2000</i> <i>£'000</i>	<i>2001</i> <i>£'000</i>	<i>Not</i> <i>provided</i> <i>2000</i> <i>£'000</i>
Short term timing differences	<u>74</u>	<u>39</u>	<u>-</u>	<u>-</u>

SWISS MILK PRODUCTS LIMITED
**NOTES TO THE ACCOUNTS
at 31 March 2001**
9. CALLED UP SHARE CAPITAL

	<i>Authorised, allotted and fully paid</i>	
	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
Ordinary shares of £1 each	<u>31</u>	<u>31</u>

10. PROFIT AND LOSS ACCOUNT

	<i>£'000</i>
At 1 April 2000	1,028
Retained profit for the year	<u>128</u>
At 31 March 2001	<u>1,156</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
Profit attributable to equity shareholders	128	271
Opening equity shareholders' funds	<u>1,059</u>	<u>788</u>
Closing equity shareholders' funds	<u>1,187</u>	<u>1,059</u>

12. ULTIMATE PARENT UNDERTAKING

The parent company of the smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Northern Foods plc, registered in England and Wales. Northern Foods plc is also the company's ultimate parent undertaking. Copies of Northern Foods plc's accounts can be obtained from Beverley House, St Stephen's Square, Hull, HU1 3XG.

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Northern Foods plc group.