

Malvern Farm Foods Limited

Report and Financial Statements

31 March 2010



Malvern Farm Foods Limited

Registered No 1926311

Directors

R P Miller
T A Atherton

Secretary

A Money

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

Claygate House
Littleworth Road
Esher
Surrey
KT10 9PN

Registered No 1926311

Directors' report

The Directors present their report and financial statements for the year ended 31 March 2010

Results and dividends

The Malvern Farm Foods Limited (the 'Company') profit for the year amounted to £219 (2009 £nil) The Directors do not recommend the payment of any dividends (2009 £nil)

Principal activities and review of the business

The only activity during the year was interest receivable, calculated at market rates, on amounts owed by group undertakings

Key risks and uncertainties

Interest Risk - The Company is exposed to the risk of changes in the market interest rate in Euros and Sterling as result of its entering into cross currency swap arrangements These risks, along with the wider Dairy Crest Group interest rate risks are continuously monitored

Directors

The Directors who served the company during the year were as follows

M Allen	(resigned 11/09/09)
R P Miller	
T Atherton	(appointed 11/09/09)

Going Concern

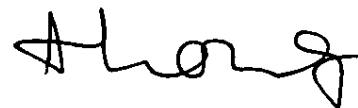
It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain Nevertheless, at the time of preparation of these accounts and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the accounts

Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware The Directors have taken all the 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 auditors are aware of that information

In accordance with section 485 of the Companies Act 2006, a resolution has been passed to dispense with the obligation to appoint auditors annually Accordingly Ernst & Young LLP shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to members

By order of the board



A Money
Secretary

9 December 2010

Statement of Directors' responsibilities in respect of 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 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). 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 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 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.

Independent auditor's report to the members of Malvern Farm Foods Limited

We have audited the financial statements of Malvern Farm Foods Limited for the year ended 31 March 2010 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

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 31 March 2010 and of its profit for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Ernst & Young LLP

Andrew Walton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

10 December

2010

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £	2009 £
Interest receivable	4	219	-
Profit on ordinary activities before taxation		219	-
Tax on profit on ordinary activities	5	-	-
Profit for the year		219	-

The profit and loss account relates to continuing operations

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Statement of total recognised gains and losses

for the year ended 31 March 2010

There were no gains or losses recognised in the year other than the profit of £219 attributable to the shareholders for the year ended 31 March 2010 (2009 £nil)

Malvern Farm Foods Limited

Registered No 1926311

Balance sheet

at 31 March 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	6	13,498	13,279
Net Assets		<u>13,498</u>	<u>13,279</u>
Capital and reserves			
Called up Share capital	7	1,000	1,000
Profit & loss account	8	12,498	12,279
Equity shareholders' funds	8	<u>13,498</u>	<u>13,279</u>

The financial statements were approved by the Directors and signed on their behalf by



T A Atherton
Director

9 December 2010

Notes to the financial statements

at 31 March 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Interest

Interest income is recognised on an accrual basis

Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

2 Profit and loss account

Auditor's remuneration is borne by other Group Companies

3. Directors' remuneration and staff costs

No emoluments were paid in respect of their role as Directors of the Company (2009 £nil) There were no employees during the year (2009 nil)

4. Interest receivable

	2010 £
Group undertakings	219
	<u>219</u>

5 Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010 £
<i>Current tax</i>	
UK corporation tax	-
Total current tax (note 5 (b))	<u>-</u>

(b) Factors affecting current tax charge

The differences are reconciled below

	2010 £
Profit on ordinary activities before taxation	219
Profit on ordinary activities multiplied by the standard rate of Corporation Tax in UK of 28%	61
Profits offset by available group relief	(61)
Total current tax (note 5 (a))	<u>-</u>

Notes to the financial statements at 31 March 2010

5 Tax (continued)

Factors that may affect the future tax changes

Over the period between 31 March 2010 and 31 March 2015, there will be a staggered reduction in the standard rate of corporation tax from 28% to 24%

6. Debtors

	2010 £	2009 £
Amounts owed by group undertakings	13,498	13,279

7. Share capital

	No	2010 £	No	Authorised 2009 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

	No	2010 £	No	Allotted, called up and fully paid 2009 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

8. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Retained profit £	Total shareholders funds £
At 31 March 2008 and 2009	1000	12,279	13,279
Profit for the year	-	219	219
At 31 March 2010	1,000	12,498	13,498

9 Related party transactions

As the Company is a wholly owned subsidiary of Dairy Crest Group plc, it is exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing transactions with other Group undertakings, joint ventures or associated companies

10. Parent undertakings

The Company's immediate parent undertaking is Dairy Crest Limited. The Company's ultimate parent undertaking is Dairy Crest Group plc, whose financial statements are available from its registered office at Claygate House, Littleworth Road, Esher, Surrey, KT10 9PN

The largest and smallest group preparing consolidated group accounts which include Malvern Farm Foods Limited is Dairy Crest Group plc for the year ended 31 March 2010