

2475724

FARNSWORTH INVESTMENTS LIMITED

REPORT AND ACCOUNTS

52 WEEKS ENDED 30 APRIL 2005



FARNSWORTH INVESTMENTS LIMITED

Registered No. 2475724

DIRECTORS

I A Ellis

G M Reid

C Williams (appointed 31 March 2005)

SECRETARY

C Williams (appointed 31 March 2005)

INDEPENDENT AUDITORS

Deloitte & Touche LLP

1 City Square

Leeds

LS1 2AL

REGISTERED OFFICE

2180 Century Way

Thorpe Park

Leeds

LS15 8ZB

FARNSWORTH INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 April 2005

PRINCIPAL ACTIVITIES

The company operates as a divisional holding company within the Northern Foods plc group.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £819 (2004: £2,052) and is dealt with as shown in the profit and loss account. On 23 March 2005 an interim dividend of £2,000,000 (2004: £nil) was paid. The directors do not recommend the payment of a final dividend (2004: £nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year ended 30 April 2005 were those listed on page 1, together with M S Christie who resigned on 22 October 2004 and J N Wild who ceased to be a director and company secretary on 31 March 2005.

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 undertaking, Northern Foods plc, were as follows:

	<i>At 30 April 2005</i>	<i>At 30 April 2004 or date of appointment</i>
I A Ellis	21,562	21,562
G M Reid	7,969	17,159
C Williams	19,177	19,177

The executive options over ordinary shares of Northern Foods plc granted to or exercised by the directors during the year ended 30 April 2005 were as follows:

	<i>Options granted in the year</i>	<i>Options exercised in the year</i>
I A Ellis	60,000	-
G M Reid	30,000	-

FARNSWORTH INVESTMENTS LIMITED**DIRECTORS' REPORT****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 at the end of the financial year and of the profit or loss of the company for that period. 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.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors of the company and a resolution proposing their re-appointment will be submitted to the company's forthcoming Annual General Meeting.

By order of the board



C Williams
Secretary

29 September 2005

FARNSWORTH INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

to the members of Farnsworth Investments Limited

We have audited the accounts of Farnsworth Investments Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 12. These accounts 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 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the accounts, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 30 April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Leeds

28 October 2005

FARNSWORTH INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 April 2005

	<i>Notes</i>	2005 £	2004 £
Interest payable to group undertakings		(2,205)	-
Bank interest receivable		3,216	2,390
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,011	2,390
Taxation on profit on ordinary activities	4	(192)	(338)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		819	2,052
Equity dividends	3	(2,000,000)	-
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	9	(1,999,181)	2,052

All results derive from continuing operations.

There were no recognised gains and losses in either period other than the profit for that period.

FARNSWORTH INVESTMENTS LIMITED**BALANCE SHEET**

as at 30 April 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Investments	5	6,369	6,369
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	7,466,163	7,460,061
Debtors: amounts falling due after more than one year	6	42,551	48,893
Cash at bank		128,515	125,512
		<u>7,637,229</u>	<u>7,634,466</u>
CREDITORS: amounts falling due within one year	7	<u>(2,377,328)</u>	<u>(2,377,589)</u>
NET CURRENT ASSETS		<u>5,259,901</u>	<u>5,256,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,266,270</u>	<u>5,263,246</u>
CREDITORS: amounts falling due after more than one year	7	<u>(2,052,205)</u>	<u>(50,000)</u>
NET ASSETS		<u><u>3,214,065</u></u>	<u><u>5,213,246</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	2,500,000	2,500,000
Profit and loss account	9	714,065	2,713,246
EQUITY SHAREHOLDERS' FUNDS	10	<u><u>3,214,065</u></u>	<u><u>5,213,246</u></u>


 I A Ellis
 Director


 C Williams
 Director

29 September 2005

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 April 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

A summary of the more important accounting policies, applied consistently, is set out below:

Cash flow statement

The company is exempt from the requirement of FRS 1 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.

Fixed assets

Fixed assets including investments are valued at cost, less any provision for impairment.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. EMOLUMENTS OF DIRECTORS AND AUDITOR'S REMUNERATION

None of the directors received any remuneration from the company during the year (2004: £nil). In both the current and prior year, auditor's remuneration was borne by another group company.

3. EQUITY DIVIDENDS

	2005 £	2004 £
Interim equity dividends paid on ordinary shares	<u>2,000,000</u>	<u>-</u>

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
Corporation tax at 19%	192	454
Adjustment to prior years corporation tax	-	(116)
	<u>192</u>	<u>338</u>

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 April 2005

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

The corporation tax charge is at the standard UK corporation tax rate of 19%. The calculation is shown below:

	2005 £'000	2004 £'000
Profit on ordinary activities before taxation	1,011	2,390
Taxation on profit on ordinary activities at the standard UK Corporation tax rate of 19%	192	454
Factors affecting the charge:		
Adjustment to tax charge in respect of previous periods	-	(116)
Corporation tax charge for the year	192	338

5. FIXED ASSET INVESTMENTS

	£
Investment in group undertakings at cost:	
At start and at end of year	6,369

Details of the investment in group undertakings is as follows:

Name of company	Country of registration	Shares	Proportion of shares held	Nature of Business
Northern Foods Services	England and Wales	Ordinary	7.67%	Investment

The remaining 92.33% of the shares of Northern Foods Services are held by a fellow subsidiary undertaking.

In the opinion of the directors the value of the share of the company's investment in group undertakings is not less than the amount at which it is stated in the balance sheet.

6. DEBTORS

	2005 £	2004 £
Amounts falling due within one year:		
Amounts due from group undertakings	7,466,101	7,460,000
Other debtors	62	61
	7,466,163	7,460,061
Amounts falling due after more than one year:		
Amounts due from group undertakings	42,551	48,893

FARNSWORTH INVESTMENTS LIMITED**NOTES TO THE ACCOUNTS
for the year ended 30 April 2005****7. CREDITORS**

	2005 £	2004 £
Amounts falling due within one year:		
Bank overdraft	2,377,136	2,377,135
Corporation tax	192	454
	<u>2,377,328</u>	<u>2,377,589</u>
Amounts falling due after more than one year:		
Amounts due to group undertaking	<u>2,052,205</u>	<u>50,000</u>

8. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
10,000,000 ordinary shares at £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted and fully paid:		
2,500,000 ordinary shares at £1 each	<u>2,500,000</u>	<u>2,500,000</u>

9. PROFIT AND LOSS ACCOUNT

	£
At start of the year	2,713,246
Retained loss for the year	(1,999,181)
At end of the year	<u><u>714,065</u></u>

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit attributable to equity shareholders	819	2,052
Equity dividends	(2,000,000)	-
Movement in equity shareholders' funds	<u>(1,999,181)</u>	<u>2,052</u>
Opening equity shareholders' funds	5,213,246	5,211,194
Closing equity shareholders' funds	<u><u>3,214,065</u></u>	<u><u>5,213,246</u></u>

FARNSWORTH INVESTMENTS LIMITED**NOTES TO THE ACCOUNTS
for the year ended 30 April 2005****11. CONTINGENT LIABILITIES**

The company, together with Northern Foods plc and certain fellow subsidiary undertakings, has entered into a guarantee with HSBC Bank plc in respect of the net overdrafts due by the other group companies, which are parties to the guarantee. At 30 April 2005 the company's contingent liabilities under the guarantee amounted to £nil (2004: £nil).

12. ULTIMATE PARENT UNDERTAKING

The parent undertaking 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 immediate and ultimate parent undertaking. Copies of Northern Foods plc's accounts can be obtained from 2180 Century Way, Thorpe Park, Leeds, LS15 8ZB.

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.