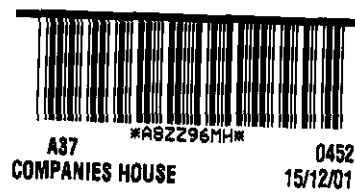


FARNSWORTH INVESTMENTS LIMITED

REPORT AND ACCOUNTS

30 APRIL 2001



FARNSWORTH INVESTMENTS LIMITED

Registered No. 2475724

DIRECTORS

M S Christie

I A Ellis (appointed 5 May 2000)

SECRETARY

J N Wild

AUDITORS

Arthur Andersen

1 City Square

Leeds

LS1 2AL

REGISTERED OFFICE

Beverley House

St Stephen's Square

Hull

HU1 3XG

FARNSWORTH INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 April 2001.

PRINCIPAL ACTIVITIES

The company operated as a divisional holding company within the Northern Foods plc Group.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £4,092 (2000 - £3,533) 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 and M A J Morgan who resigned on 31 December 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.

M S Christie is a director of the ultimate parent company, Northern Foods plc, in whose accounts his interest in that company is shown. The interest of the other director in the ordinary shares of 25p each of the ultimate parent company, Northern Foods plc, was as follows:-

	<i>At 30 April 2001</i>	<i>At date of appointment</i>
I A Ellis	5,132	4,308

The options on ordinary shares of Northern Foods plc granted to or exercised by the directors during the year ended 30 April 2001 were as follows:

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

FARNSWORTH INVESTMENTS 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 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

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
Secretary

16 October 2001

FARNSWORTH INVESTMENTS LIMITED**REPORT OF THE AUDITORS****to the shareholders of Farnsworth Investments 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.

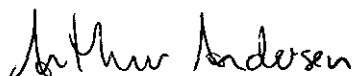
Basis of opinion

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 30 April 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

16 October 2001

FARNSWORTH INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****for the year ended 30 April 2001**

	<i>Notes</i>	2001 £	2000 £
Administrative expenses		-	(10)
OPERATING LOSS		-	(10)
Interest receivable	2	5,225	4,431
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,225	4,421
Taxation on profit on ordinary activities	4	(1,133)	(888)
RETAINED PROFIT FOR THE FINANCIAL YEAR		4,092	3,533

Movements on reserves are set out in note 10.

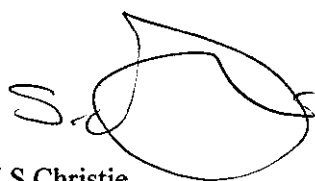
All results derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

FARNSWORTH INVESTMENTS LIMITED**BALANCE SHEET****at 30 April 2001**

	<i>Notes</i>	2001 £'000	2000 £'000
FIXED ASSETS			
Investments	5	6,369	6,369
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	6	7,511,271	7,512,271
Debtors: amounts falling due within one year	6	61	61
Cash at bank		116,065	110,840
		7,627,397	7,623,172
CREDITORS: amounts falling due within one year	7	(2,389,556)	(2,389,423)
NET CURRENT ASSETS		5,237,841	5,233,749
TOTAL ASSETS LESS CURRENT LIABILITIES		5,244,210	5,240,118
CREDITORS: amounts falling due after more than one year	8	(50,000)	(50,000)
NET ASSETS		5,194,210	5,190,118
CAPITAL AND RESERVES			
Called up share capital	9	2,500,000	2,500,000
Profit and loss account	10	2,694,210	2,690,118
EQUITY SHAREHOLDERS' FUNDS	11	5,194,210	5,190,118



M S Christie
Director

16 October 2001

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

at 30 April 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.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Interest receivable

Interest receivable is accounted for on an accruals basis.

2. INTEREST RECEIVABLE

	2001 £	2000 £
Bank interest receivable	5,225	4,431

3. EMOLUMENTS OF DIRECTORS

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

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation tax at 20% (2000 - 20%)	1,043	910
Adjustments in respect of previous years	90	(22)
	<u>1,133</u>	<u>888</u>

5. FIXED ASSET INVESTMENTS

Investment in group undertakings at cost:
At 1 May 2000 and 30 April 2001

£
6,369

Details of the investment in group undertakings is as follows:

<i>Name of company</i>	<i>Country of registration</i>	<i>Shares</i>	<i>Proportion of shares held</i>	<i>Nature of Business</i>
Northern Foods Services	England and Wales	Ordinary	7.67%	Finance company

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

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
at 30 April 2001

6. DEBTORS

	2001 £	2000 £
Amounts falling due within one year:		
Other debtors	61	61
	<u>61</u>	<u>61</u>
Amounts falling due after more than one year:		
Amounts due from group undertakings	7,511,271	7,512,271
	<u>7,511,332</u>	<u>7,512,332</u>

7. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Bank Overdraft	2,388,513	2,388,513
Corporation tax	1,043	910
	<u>2,389,556</u>	<u>2,389,423</u>

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

	2001 £	2000 £
Amounts owed to group undertaking	<u>50,000</u>	<u>50,000</u>

9. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
Ordinary shares at £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted and fully paid:		
Ordinary shares at £1 each	<u>2,500,000</u>	<u>2,500,000</u>

10. PROFIT AND LOSS ACCOUNT

	£
At 1 May 2000	2,690,118
Retained profit for the year	4,092
At 30 April 2001	<u>2,694,210</u>

FARNSWORTH INVESTMENTS LIMITED**NOTES TO THE ACCOUNTS****at 30 April 2001****11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	2001	2000
	£	£
Profit attributable to equity shareholders	4,092	3,533
Opening equity shareholders' funds	5,190,118	5,186,585
Closing equity shareholders' funds	<u>5,194,210</u>	<u>5,190,118</u>

12. CONTINGENT LIABILITIES

The company, together with Northern Foods plc and certain fellow subsidiary undertakings, has entered into a guarantee with HSBC plc in respect of the net overdrafts due by the other group companies, which are parties to the guarantee. At 30 April 2001 the company's contingent liabilities under the guarantee amounted to £nil (2000 - £nil).

13. 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 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 FRS8 from disclosing transactions with related parties that are part of the Northern Foods plc group.