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FARNSWORTH INVESTMENTS LIMITED

REPORT AND ACCOUNTS

30 APRIL 2003



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COMPANIES HOUSE 01/10/03

FARNSWORTH INVESTMENTS LIMITED**Registered No. 2475724****DIRECTORS**

M S Christie

I A Ellis

G M Reid (appointed 24 September 2002)

SECRETARY

J N Wild

INDEPENDENT AUDITORS

Deloitte & Touche LLP

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 2003.

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 £13,852 (2002 - £3,132) and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend (2002 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are those listed on page 1.

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 interests in that company's share capital is disclosed. The interests of the other directors in the ordinary shares of 25p each of the ultimate parent company, Northern Foods plc, were as follows:-

	<i>At 30 April 2003</i>	<i>At 30 April 2002 or date of appointment</i>
I A Ellis	13,593	8,627
G M Reid	14,018	14,018

The executive options over ordinary shares of Northern Foods plc granted to or exercised by the directors during the year ended 30 April 2003 were as follows:

	<i>Options granted in the year</i>	<i>Options exercised in the year</i>
I A Ellis	40,000	28,228
G M Reid	40,000	-

At 30 April 2003 the mid-market price of the ordinary shares of Northern Foods plc was 128.5p. During the year the market price ranged between 112.0p and 186.0p.

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

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in dark ink, appearing to be 'J N Wild', written over a horizontal line.

J N Wild
Secretary

10 September 2003

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 2003 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 2003 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

10 September 2003

FARNSWORTH INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 April 2003

	<i>Notes</i>	2003 £	2002 £
Income from shares in group undertakings		11,356	-
Bank interest receivable		3,096	3,961
		-----	-----
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION		14,452	3,961
Taxation on profit on ordinary activities	3	(600)	(829)
		-----	-----
RETAINED PROFIT FOR THE FINANCIAL YEAR		13,852	3,132
		=====	=====

Movements on reserves are set out in note 9.

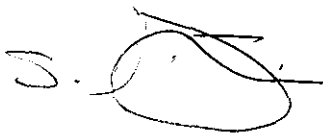
All results derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 April 2003

There are no recognised gains or losses (2002 - £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 2003**

	<i>Notes</i>	2003 £	2002 £
FIXED ASSETS			
Investments	4	6,369	6,369
		-----	-----
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	5	49,399	7,510,228
Debtors: amounts falling due within one year	5	7,460,061	61
Cash at bank		123,122	120,026
		-----	-----
		7,632,582	7,630,315
		-----	-----
CREDITORS: amounts falling due within one year	6	(2,377,757)	(2,389,342)
		-----	-----
NET CURRENT ASSETS		5,254,825	5,240,973
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		5,261,194	5,247,342
		-----	-----
CREDITORS: amounts falling due after more than one year	7	(50,000)	(50,000)
		-----	-----
NET ASSETS		5,211,194	5,197,342
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	8	2,500,000	2,500,000
Profit and loss account	9	2,711,194	2,697,342
		-----	-----
EQUITY SHAREHOLDERS' FUNDS	10	5,211,194	5,197,342
		=====	=====



M S Christie
Director

10 September 2003

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS at 30 April 2003

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom 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 any provision for impairment.

Interest receivable

Interest receivable is accounted for on an accruals basis.

Taxation

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

2. EMOLUMENTS OF DIRECTORS

None of the directors received any remuneration from the company during the year (2002 - £nil).

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Corporation tax at 19% (2002 - 20%)	600	829
	----- 600	----- 829
	=====	=====

The corporation tax charge is lower than the standard UK corporation tax rate of 19%. The differences are explained below:

	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	14,452	3,961
	=====	=====
Taxation on profit on ordinary activities at the standard UK Corporation tax rate of 19% (2002 - 20%)	2,746	792
Effects of:		
Group dividend income	(2,146)	-
Other	-	37
	-----	-----
Corporation tax charge for the year	600	829
	=====	=====

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

at 30 April 2003

4. FIXED ASSET INVESTMENTS

£

Investment in group undertakings at cost:

At 1 May 2002 and 30 April 2003

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%	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.

5. DEBTORS

	<i>2003</i> £	<i>2002</i> £
Amounts falling due within one year:		
Amounts owed by group undertakings	7,460,000	-
Other debtors	61	61
	<u>7,460,061</u>	<u>61</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	49,399	7,510,228
	<u>7,509,460</u>	<u>7,510,289</u>

6. CREDITORS: amounts falling due within one year

	<i>2003</i> £	<i>2002</i> £
Bank overdraft	2,377,157	2,388,513
Corporation tax	600	829
	<u>2,377,757</u>	<u>2,389,342</u>

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

	<i>2003</i> £	<i>2002</i> £
Amounts owed to group undertaking	50,000	50,000

FARNSWORTH INVESTMENTS LIMITED**NOTES TO THE ACCOUNTS****at 30 April 2003****8. CALLED UP SHARE CAPITAL**

	2003 £	2002 £
Authorised:		
10,000,000 ordinary shares at £1 each	10,000,000 =====	10,000,000 =====
Allotted and fully paid:		
2,500,000 ordinary shares at £1 each	2,500,000 =====	2,500,000 =====

9. PROFIT AND LOSS ACCOUNT

	£
At 1 May 2002	2,697,342
Retained profit for the year	13,852 -----
At 30 April 2003	2,711,194 =====

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit attributable to equity shareholders	13,852	3,132
Opening equity shareholders' funds	5,197,342 -----	5,194,210 -----
Closing equity shareholders' funds	5,211,194 =====	5,197,342 =====

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 2003 the company's contingent liabilities under the guarantee amounted to £nil (2002 - £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 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.