2475724

FARNSWORTH INVESTMENTS LIMITED

Report and Accounts

30 April 1996

FARNSWORTH INVESTMENTS LIMITED

Registered No. 2475724

Directors:	M S Christie (appointed 21 February 1996) C R Haskins M A J Morgan
Secretary:	J N Wild
Auditors:	Ernst & Young PO Box 3 Lowgate House Lowgate Hull HU1 1JJ
Bankers:	Midland Bank PLC 55 Whitefriargate Hull HU1 2HX
Registered Office:	Beverley House St Stephen's Square Hull HU1 3XG

FARNSWORTH INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 April 1996.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company operated as a finance company. During the year, the company repaid the loan due to group undertakings of £40,000,000. The company's associated undertaking, Northern Foods Services repaid 99.98% of its issued share capital at par.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £237,953 and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the company during the year were those listed on page 1, together with Mr M Clark who resigned on 21 February 1996. Mr M S Christie was appointed to the Board on 21 February 1996.

DIRECTORS' INTERESTS

According to the register maintained as required by the Companies Act 1985, none of the directors held any beneficial interest in the shares of the company during the year and all are directors of the ultimate parent company, Northern Foods plc, in whose accounts their interests in that company are shown.

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 a 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 to 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.

FARNSWORTH INVESTMENTS LIMITED

DIRECTORS' REPORT

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the Board

J N Wild
Secretary

24 February 1997

REPORT OF THE AUDITORS
to the members of Farnsworth Investments Limited

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 the company's affairs as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Hull

24 February 1997

FARNSWORTH INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 April 1996

	Notes	*1996* £	*1995* £
Profit on disposal of investment		-	447,193
Income from shares in group undertakings	2	**1,918,344**	2,698,382
Administrative expenses		**(784)**	(65)
Interest receivable	3	**2,102**	1,703
Interest payable	4	**(2,509,041)**	(2,340,002)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(589,379)**	807,211
Taxation - credit	6	**827,332**	771,748
PROFIT FOR THE FINANCIAL YEAR		**237,953**	1,578,959

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit for the financial year attributable to the shareholders of the company, as shown above.

FARNSWORTH INVESTMENTS LIMITED

BALANCE SHEET
at 30 April 1996

	Notes	*1996* £	*1995* £
FIXED ASSETS			
Investments	7	**6,369**	40,000,000
CURRENT ASSETS			
Amounts due from group undertakings		**5,895,782**	5,141,029
Debtors	8	**843,505**	771,660
Cash at bank		**452,663**	997,677
		7,191,950	6,910,366
TOTAL ASSETS		**7,198,319**	46,910,366
CREDITORS:			
amounts falling due after more than one year	9	**(50,000)**	(40,000,000)
NET ASSETS		**7,148,319**	6,910,366
CAPITAL AND RESERVES			
Called up share capital	10	**2,500,000**	2,500,000
Profit and loss account	11	**4,648,319**	4,410,366
EQUITY SHAREHOLDERS' FUNDS	12	**7,148,319**	6,910,366

MS Christie
Director
24 February 1997

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
at 30 April 1996

1. ACCOUNTING POLICIES

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

Deferred tax
Provision is made for deferred tax using the liability method on all timing differences, to the extent that it is probable that the liability will crystallise.

Interest payable
Interest payable is taken into account on an accruals basis.

Income from shares in group undertakings
Income from shares in group undertakings is taken into account when the dividends are declared.

2. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	1996	*1995*
	£	£
Dividends receivable	**1,918,344**	2,698,382

3. INTEREST RECEIVABLE

	1996	*1995*
	£	£
Bank interest	**2,102**	1,703

4. INTEREST PAYABLE

	1996	*1995*
	£	£
Interest payable to group undertakings	**2,509,041**	2,340,002

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
at 30 April 1996

5. DIRECTORS' EMOLUMENTS AND STAFF NUMBERS

None of the directors received any remuneration from the company during the year (1995 - £nil) and there were no staff employed other than directors (1995 - none).

6. TAXATION

	1996	*1995*
	£	*£*
UK corporation tax at 33% (1995 - 33%)	**827,332**	771,660
Adjustment relating to prior years	-	88
	827,332	771,748

The income from shares in group undertakings is received under a group election.

7. INVESTMENTS

	£
Cost of investment in associated undertakings:	
At 1 May 1995	40,000,000
Repayment of capital	(39,993,631)
At 30 April 1996	**6,369**

During the year, the associated undertaking repaid 99.98% of its issued share capital at par.

Details of the associated undertaking at 30 April 1996 are as follows:

	Registered	*Proportion of shares held*	*Nature of business*
Northern Foods Services	England and Wales	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 1996

8. DEBTORS

	1996	*1995*
	£	£
Taxation	**843,505**	771,660

9. CREDITORS: amounts falling due after more than year

	1996	*1995*
	£	£
Amounts due to group undertakings	**50,000**	40,000,000

10. SHARE CAPITAL

		Authorised		*Allotted, called up and fully paid*
	1996	*1995*	*1996*	*1995*
	£	£	**£**	£
Ordinary shares of £1 each	**10,000,000**	10,000,000	**2,500,000**	2,500,000

11. STATEMENT OF RETAINED PROFITS

At 1 May 1995	4,410,366
Profit for the year	237,953
At 30 April 1996	**4,648,319**

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
at 30 April 1996

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1996	*1995*
	£	*£*
Profit attributable to equity shareholders	**237,953**	1,578,959
Opening equity shareholders' funds	**6,910,366**	5,331,407
Closing equity shareholders' funds	**7,148,319**	6,910,366

13. GROUP ACCOUNTS

The parent undertaking of the 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.