

FARNSWORTH INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2007

REGISTERED NO 2475724



FARNSWORTH INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

I A Ellis (resigned 19 May 2006)
S Henderson (appointed 30 June 2006)
J Lill (appointed 19 May 2006)
G M Reid (resigned 30 June 2006)
C Williams

SECRETARY

C Williams

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
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 Annual report and audited financial statements for the year ended 30 April 2007

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Northern Foods plc

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

The result for the period, as disclosed in the company's profit and loss account on page 5, is a loss and is principally due to group interest payable on intercompany loans

Principal risks and uncertainties

The company is financed by inter group loans from its parent company and therefore has no external interest rate exposure

Group risks are discussed in the group's Annual report which does not form part of this report

Environment

The Northern Foods plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damages that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual report which does not form part of this report

Employees

The company has no employees other than directors. Details of the directors' emoluments can be found in note 2

Future Prospects

The directors have considered the future prospects of the company to be satisfactory

RESULTS AND DIVIDENDS

The loss for the year attributable to shareholders amounts to £81,887 (2005/06 £88,028) and is dealt with as shown in the profit and loss account. No interim dividend was paid in the year (2005/06 £nil). The directors do not recommend the payment of a final dividend (2005/06 £nil).

DIRECTORS

The directors of the company who served during the year ended 30 April 2007 and up to the date of signing the financial statements were those listed on page 1

FARNSWORTH INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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 accounting standards have been followed, 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

CHARITABLE AND POLITICAL CONTRIBUTIONS

Donations to charitable organisations amounted to £nil (2005/06 £nil). There were no political contributions (2005/06 £nil).

AUDITORS

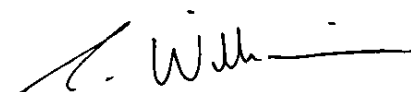
In the case of each of the persons who are directors of the company at the date when this report was approved,

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- Each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board



C Williams
Secretary

6 September 2007

FARNSWORTH INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARNSWORTH INVESTMENTS LIMITED

We have audited the financial statements of Farnsworth Investments Limited for the year ended 30 April 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 11. These financial statements 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

*Chartered Accountants and Registered Auditors
Leeds*

6 September 2007

FARNSWORTH INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2007

	<i>Notes</i>	2007 £	2006 £
Administrative expenses		(61)	-
Interest payable to group undertakings		(120,529)	(111,443)
Bank interest receivable		2,823	2,895
Loss on ordinary activities before taxation		(117,767)	(108,548)
Taxation on loss on ordinary activities	3	35,880	20,520
Loss on ordinary activities after taxation		(81,887)	(88,028)
Loss for the financial year	8	(81,887)	(88,028)


All results derive from continuing operations

There were no recognised gains and losses in either year other than the loss for that year

FARNSWORTH INVESTMENTS LIMITED

BALANCE SHEET
as at 30 April 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	4	6,369	6,369
Current assets			
Debtors amounts falling due within one year	5	7,522,310	7,486,491
Debtors amounts falling due after more than one year	5	42,551	42,551
Cash at bank		-	131,410
		7,564,861	7,660,452
Creditors amounts falling due within one year	6	-	(2,377,135)
Net current assets		7,564,861	5,283,317
Total assets less current liabilities		7,571,230	5,289,686
Creditors amounts falling due after more than one year	6	(4,527,080)	(2,163,649)
Net assets		3,044,150	3,126,037
Capital and reserves			
Called up share capital	7	2,500,000	2,500,000
Profit and loss account	8	544,150	626,037
Equity shareholders' funds	9	3,044,150	3,126,037


J Lill
Director
6 September 2007

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

1. ACCOUNTING POLICIES

Basis of accounting

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

A summary of the more important accounting policies 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 financial statements a cash flow statement is presented

Investments

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

Dividends presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer authorised at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2. EMOLUMENTS OF DIRECTORS AND AUDITORS' REMUNERATION

None of the directors received any remuneration from the company during the period (2005/06 £nil). The directors are remunerated by other group companies. The directors received combined emoluments of £523,000 (2005/06 £527,000). It is not practicable to ascertain what proportion of their emoluments relate to the company.

In both the current and prior year, auditors' remuneration of £500 was borne by another group company.

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

3. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2007 £	2006 £
Corporation tax at 30% (2005/06 19%)	(35,400)	(20,520)
Adjustment to prior years Corporation tax	(480)	-
	(35,880)	(20,520)

The corporation tax credit is higher than the standard UK corporation tax rate of 30% (2005/06 lower than 19%) The calculation is shown below

	2007 £	2006 £
Loss on ordinary activities before taxation	117,767	108,548
Taxation on loss on ordinary activities at the standard UK Corporation tax rate of 30% (2005/06 19%)	35,330	20,624
Factors affecting the credit		
Adjustment to prior years corporation tax credit	480	-
Other	70	(104)
Corporation tax credit for the year	35,880	20,520

4 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

5 DEBTORS

	2007 £	2006 £
Amounts falling due within one year.		
Amounts due from group undertakings	7,486,909	7,465,909
Other debtors	1	62
Corporation tax	35,400	20,520
	7,522,310	7,486,491
Amounts falling due after more than one year.		
Amounts due from group undertakings	42,551	42,551

FARNSWORTH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

6 CREDITORS

	2007 £	2006 £
Amounts falling due within one year:		
Bank overdraft	-	2,377,135
	-	2,377,135
Amounts falling due after more than one year.		
Amounts due to group undertaking	4,527,080	2,163,649

7 CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
10,000,000 ordinary shares at £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
2,500,000 ordinary shares at £1 each	2,500,000	2,500,000

8. PROFIT AND LOSS ACCOUNT

	£
At start of the year	626,037
Loss for the year	(81,887)
At end of the year	544,150

9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the year	(81,887)	(88,028)
Movement in equity shareholders' funds	(81,887)	(88,028)
Opening equity shareholders' funds	3,126,037	3,214,065
Closing equity shareholders' funds	3,044,150	3,126,037

10. 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 2007 the company's contingent liabilities under the guarantee amounted to £nil (2005/06 £nil)

11 ULTIMATE PARENT UNDERTAKING

The parent undertaking of the smallest and largest group of undertakings for which group financial statements 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 Annual report can be obtained from 2180 Century Way, Thorpe Park, Leeds, LS15 8ZB or from the company's website at www.northernfoods.com. 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.