

San Carlo Food Group UK Limited
Directors' report and financial statements
for the year ended 31 December 2003

Registered number: 2592804



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Directors' report and financial statements
for the year ended 31 December 2003

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San Carlo Food Group UK Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

Review of the business

The principal activity of the company is the sale of potato crisps.

Results and dividends

The company's loss for the year amounted to £7,000 (2002 profit : £24,000) and has been taken to reserves. The directors do not propose the payment of a dividend.

Directors and their interests

The directors who held office during the year were as follows:

C Zorzetto (resigned 3 March 2003)

A Vitaloni

A Cozzi

None of the directors held any interest in the share capital of the company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 for that period. 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, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

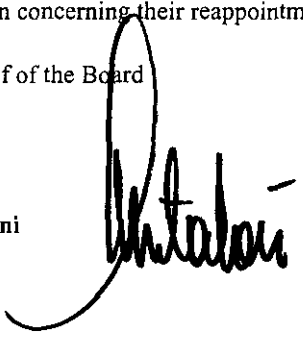
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

A Vitaloni
Director



San Carlo Food Group UK Limited

Independent auditors' report to the members of San Carlo Food Group UK Limited

We have audited the financial statements which comprise the profit and loss account, balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information consists of only the directors' report.

Basis of audit 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 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 of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Edinburgh

27 October 2004

San Carlo Food Group UK Limited

Profit and loss account for the year ended 31 December 2003

		2003	2002
	Notes	£'000	£'000
Turnover	2	1	69
Cost of sales		-	(29)
Gross profit		1	40
Administration expenses		(8)	(4)
(Loss)/profit on ordinary activities before taxation	3	(7)	36
Taxation	5	-	(12)
(Loss)/profit for the year after taxation		(7)	24
Surplus on profit and loss reserves at beginning of year		92	68
Surplus on profit and loss reserve at end of year		85	92

The company has no recognised gains or losses other than the loss for the year. The company's operations ceased during the year.

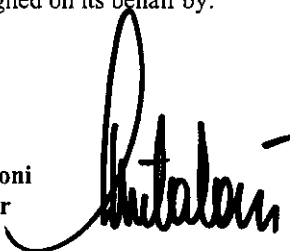
San Carlo Food Group UK Limited

Balance sheet as at 31 December 2003

	Notes	2003 £'000	2002 £'000
Current assets			
Debtors	6	171	170
Creditors: amounts falling due within one year	7	(86)	(78)
Net current assets		85	92
Capital and reserves			
Called-up share capital	8	-	-
Profit and loss account		85	92
Equity shareholder's fund	9	85	92

The financial statements on pages 3 to 8 were approved by the board of directors on 15 October 2004, and were signed on its behalf by:

A Vitaloni
Director



San Carlo Food Group UK Limited

Notes to the financial statements for the year ended 31 December 2003

1 Accounting policies

The following accounting policies have been consistently applied in the preparation of the financial statements.

Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

These accounts have been prepared on a going concern basis as the directors have received confirmation from the ultimate parent undertaking that it will continue to provide the necessary funding to enable the company to meet its liabilities as they fall due.

Cash flow statement

No cash flow statement has been prepared as the company is entitled to the exemption available to small companies.

Deferred taxation

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in future, or a right to pay less tax in the future.

An asset is not recognised if the transfer of economic benefits in the future is uncertain.

Deferred tax assets and liabilities are not discounted.

Related party transactions

In accordance with the exemption permitted by FRS 8 "Related Party Transactions", transactions with fellow wholly owned group companies have not been disclosed.

2 Turnover

Turnover represents the invoiced value of sales of potato crisps and snacks, excluding Value Added Tax.

3 Staff and employees

The company employed no staff during the current or previous year.

4 Directors' emoluments

None of the directors received any remuneration for services provided to the company during the current or previous year.

San Carlo Food Group UK Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

5 Taxation

The taxation charge for the year comprises:

	2003	2002
	£'000	£'000
Current tax		
UK corporation tax at 30%	-	12

There was no deferred tax charge for the year (2002: £nil).

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	2003	2002
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	(7)	36
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%).	(2)	11
Effects of:		
Expenses not deductible for tax purposes	-	1
Other timing differences	2	-
Current tax charge	-	12

San Carlo Food Group UK Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

6 Debtors

	2003	2002
	£'000	£'000
Amounts owed by group undertaking	171	170

7 Creditors: amounts falling due within one year

	2003	2002
	£'000	£'000
Amounts owed to group undertakings	74	66
Corporation tax	12	12
	86	78

8 Called up share capital

	2003	2002
	£	£
Authorised		
100 Ordinary £1 shares	100	100
Allotted, issued and fully paid		
2 Ordinary £1 shares	2	2

San Carlo Food Group UK Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

9 Reconciliation of movements in shareholder's funds

	2003	2002
	£'000	£'000
(Loss)/profit for the year	(7)	24
Opening shareholder's funds	92	68
Closing shareholder's funds	85	92

10 Parent undertaking and controlling party

The parent undertaking of the smallest group of which the company is a member is Unichips (Holdings) UK Limited which is incorporated in Great Britain and registered in England. Consolidated financial statements, which include the financial results of the company, can be obtained from:

Highlander Snacks Limited
Highlander House
Inchcorse Place
Bathgate
EH48 2EE

The ultimate parent undertaking and controlling party is Unichips Finanziaria SPA which is incorporated in Italy. Consolidated financial statements, which include the financial results of the company, can be obtained from:

Unichips Finanziaria SPA
Via F. Turati, 29-20121 Milano
Milan
Italy