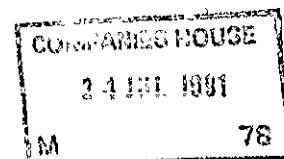


ROWNTREE LIMITED

REPORT AND ACCOUNTS

29 DECEMBER 1990

Registered Nos 51491 (Cardiff)
NF 000340 (Belfast)



ROWNTREE LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their annual report and accounts for the fifty-two weeks ended 29 December 1990.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company for most of the U.K. confectionery interests of Nestlé S.A.

RESULTS AND DIVIDENDS

The profit after taxation and extraordinary items for the year was £734.179m, and a dividend of £850m was paid, leaving distributable reserves of £51.730m to carry forward.

DIRECTORS AND THEIR INTERESTS IN SHARES

The directors of the company were as follows:-

P H Blackburn	
T Gardiner	
T M Holmes	(Appointed 24 September 1990)
G Millar	
A Revell	(Resigned 3 September 1990)
R Sugden	(Resigned 22 March 1990)

The interests of the directors in the loan capital of Nestlé Holdings (U.K.) PLC are as follows:-

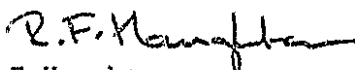
		<u>Loan Notes (£)</u>
T Gardiner	31 December 1989	37,607.25
	29 December 1990	27,341.00
T M Holmes	24 September 1990	26,950.25
	29 December 1990	26,950.25
G Millar	31 December 1989	63,349.75
	29 December 1990	54,649.75

Mr P H Blackburn was a director of Nestlé Holdings (U.K.) PLC and his interests are shown in the accounts of that company.

AUDITORS

Price Waterhouse have indicated that they will not be seeking re-appointment as auditors. A resolution to appoint KPMG Peat Marwick McLintock in their place will be proposed at the forthcoming annual general meeting.

Approved by the Board,


R F Haughton
Secretary
5 July 1991

Registered Office:
York
YO1 1XY

AUDITORS' REPORT TO THE MEMBERS OF
ROWNTREE LIMITED

We have audited the accounts on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 29 December 1990 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

As explained in note 1 the accounts do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No.10.

Price Waterhouse

PRICE WATERHOUSE

Chartered Accountants
9 Bond Court
Leeds
LS1 2SN

5 July 1991

ROWNTREE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE FIFTY TWO WEEKS ENDED 29 DECEMBER 1990

	<u>Note</u>	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Administrative income and gains		1,326	-
Dividends received		700,000	5,000
		<u>701,326</u>	<u>5,000</u>
Interest	2	49,001	25,007
Exchange gain on repayment of loan		-	13,998
Exceptional item - exchange gain on translation of bank loan		<u>1,857</u>	<u>-</u>
Profit on ordinary activities before taxation		752,184	44,005
Taxation on ordinary activities	3	(18,005)	(7,391)
Profit on ordinary activities after taxation		<u>734,179</u>	<u>36,614</u>
Extraordinary items	4	<u>-</u>	<u>108,048</u>
		734,179	144,662
Dividends		850,000	-
		<u>(115,821)</u>	<u>144,662</u>
Balance brought forward		167,551	22,889
Balance carried forward		<u><u>51,730</u></u>	<u><u>167,551</u></u>

ROWNTREE LIMITED

BALANCE SHEET AT 29 DECEMBER 1990

	<u>Note</u>	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
FIXED ASSETS			
Tangible assets	5	-	699
Investments in subsidiary undertakings	6	8,093	8,085
Other investments	7	<u>23,715</u>	<u>23,715</u>
		<u>31,808</u>	<u>32,499</u>
CURRENT ASSETS			
Debtors	8	322,482	402,225
Cash at bank and in hand		<u>186,634</u>	<u>223,717</u>
		509,116	625,942
CREDITORS - amounts falling due within 1 year	9	(32,002)	(11,851)
NET CURRENT ASSETS		<u>477,114</u>	<u>614,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		508,922	646,590
Creditors - amounts falling due after one year	10	(41,056)	(63,830)
Deferred taxation	11	(927)	-
		<u>466,939</u>	<u>582,760</u>
CAPITAL AND RESERVES			
Called up share capital	12	120,372	120,372
Share premium account	13	71,046	71,046
Capital reserve	13	223,791	223,791
Profit and loss account	13	<u>51,730</u>	<u>167,551</u>
		<u>466,939</u>	<u>582,760</u>

Approved by the board on 5 July 1991


G Millar
Director

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and with the exception of the matter noted below, in accordance with applicable accounting standards. The cash resources of the group are co-ordinated centrally by Nestlé Holdings (U.K.) PLC. Accordingly, the directors do not consider it appropriate to include a separate statement of source and application of funds in these accounts as required by Statement of Standard Accounting Practice No.10.

Deferred Taxation

No provision is made for deferred taxation in respect of material timing differences arising from the different treatment of certain items for taxation and accounting purposes, unless there is reasonable evidence that such deferred taxation will be payable in the foreseeable future.

Foreign Currency

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date.

2 INTEREST	1990 £'000	1989 £'000
Interest payable:		
Bank borrowings and short term loans	(1,398)	(3,891)
Interest receivable - group loans	-	9,211
- debentures	3,591	1,724
- bank balances and money market deposits	46,808	17,963
	49,001	25,007
	<u>49,001</u>	<u>25,007</u>
3 TAXATION ON ORDINARY ACTIVITIES	£'000	£'000
Based on profits for the year		
UK Corporation Tax at 34.25% (1989 35%)	16,169	7,700
Deferred Tax (note 11)	1,836	(309)
	18,005	7,391
	<u>18,005</u>	<u>7,391</u>
4 EXTRAORDINARY ITEMS	£'000	£'000
Profit on sale of trademarks (cost £143,000,000)	-	-
Profit on sale of subsidiary undertakings	-	109,900
Restructuring costs	-	(3,400)
Prior year provisions written back	-	1,548
	-	108,048
	<u>-</u>	<u>108,048</u>

ROWNTREE LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990 (Continued)

5 TANGIBLE ASSETS

	<u>Land & buildings £'000</u>
Cost	
At 31 December 1989	771
Disposals	(771)
At 29 December 1990	-
Depreciation	
At 31 December 1989	72
Disposals	(72)
	-
	=
Net book amount at 29 December 1990	-
Net book amount at 31 December 1989	699

6 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	<u>£'000</u>
Shares in Group undertakings	
Balance at 31 December 1989	8,085
Provisions written back	8
Balance at 29 December 1990	8,093

The company had at 29 December 1990 the following principal subsidiaries, which are all wholly owned and registered in England.

	<u>Activities</u>
Rowntree Mackintosh Limited	Confectionery
Rowntree Mackintosh Ingredients Limited	Confectionery
Rowntree Mackintosh International Limited	Finance and administration
Rowntree Distribution Limited	Distribution
Multisnack Limited	Vending
Holgate Nutritional Foods Limited	Nutritional confectionery

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990 (Continued)

6. Investment in subsidiary undertakings - (continued)

Group accounts have not been prepared because the company is itself a wholly owned subsidiary of Nestlé Holdings (U.K.) PLC, which is registered in England.

In the opinion of the directors the value of the company's investments in subsidiary undertakings is not less than the amounts included in the balance sheet.

7 OTHER INVESTMENTS

Other investments comprise unsecured floating rate debentures issued by Entreprises Maggi SA, a fellow group undertaking, and are guaranteed by Nestlé SA. The debentures are repayable on 31 December 2019 or earlier at the option of the company.

8 DEBTORS

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Amounts owed by Group undertakings	319,419	389,904
Other debtors	<u>3,063</u>	<u>12,321</u>
	<u>322,482</u>	<u>402,225</u>

9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Bank loan (unsecured)	16,776	-
Overdrafts and short term loans	51	-
Amounts owed to Group undertakings	-	1,416
Other creditors	388	684
Corporation tax	<u>14,787</u>	<u>9,751</u>
	<u>32,002</u>	<u>11,851</u>

10 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Loans from group undertakings	41,056	45,196
Bank loans (unsecured)	<u>-</u>	<u>18,634</u>
	<u>41,056</u>	<u>63,830</u>

Loans from group undertakings have no repayment dates and bear no interest.

11. DEFERRED TAXATION

	<u>£'000</u>
Short term timing differences (fully provided):	
Balance at 31 December 1989 (included in other debtors)	(909)
Profit and Loss Account	<u>1,836</u>
Balance at 29 December 1990	<u>927</u> <u>=====</u>

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990 (Continued)

12 CALLED UP SHARE CAPITAL

	Authorised		Allotted and fully paid	
	1990 <u>£'000</u>	1989 <u>£'000</u>	1990 <u>£'000</u>	1989 <u>£'000</u>
Ordinary shares of 50p each	<u>160,000</u>	<u>160,000</u>	<u>120,372</u>	<u>120,372</u>

13 RESERVES

	<u>£'000</u>
Share Premium	
At 31 December 1989 and 29 December 1990	<u>71,046</u>
Capital Reserve	
At 31 December 1989 and 29 December 1990	<u>223,791</u>
Profit and Loss Account	
At 31 December 1989	167,551
Transfer from profit and loss account	<u>(115,821)</u>
At 29 December 1990	<u>51,730</u>

14 DIRECTORS

The emoluments of the directors were as follows:-

	<u>1990 £'000</u>	<u>1989 £'000</u>
UK	-	506
Overseas	-	-
Compensation for loss of office	-	1,622
The Chairman (excluding pension contributions)	-	201

In 1990, none of the directors received emoluments from the company as they were remunerated by other group undertakings in respect of their services to the group. The remuneration is dealt with in the accounts of those undertakings with no charge being made to this company.

Other directors earned gross emoluments, excluding pension contributions, within the bands:

		<u>Directors Number</u>	
<u>£</u>		<u>1990</u>	<u>1989</u>
N11	- 5,000	-	5
10,001	- 15,000	-	1
15,001	- 20,000	-	1
20,001	- 25,000	-	1
30,001	- 35,000	-	1

BOWNTREE LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990 (Continued)

11. ULTIMATE HOLDING COMPANY

Nestlé Holdings (U.K.) PLC, which is registered in England, is the holding company for the UK Group and prepares Group accounts.

The ultimate holding company is Nestlé S A, CH 1800, Vevey, Switzerland, which is incorporated in Switzerland, from which copies of the group accounts can be obtained.