

NUSTLE UK LTD

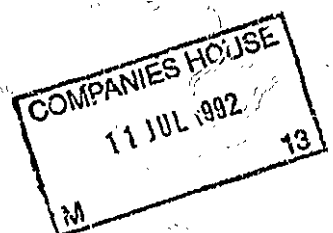
(formerly Rowntree Ltd)

REPORT AND ACCOUNTS

31 DECEMBER 1991

Registered Nos 51491 (Cardiff)

NF 000340 (Belfast)



NESTLÉ UK LTD
(formerly Rowntree Ltd)

Report of the Directors for the period 29th December 1990 to 31st December 1991.

BUSINESS REVIEW

The Company acted as a holding company for most of the confectionery interests of the Nestlé UK group during the period.

A major reorganisation of the Nestlé group in the U.K. took place at the end of 1991. As a consequence, on 1st January 1992 the Company acquired the whole of the undertakings and businesses of The Nestlé Company Ltd (subject to that company retaining certain assets and the right to sell directly to third parties during 1992), Rowntree Mackintosh Ltd, Gray Dunn & Company Ltd and Multisnack Ltd. As part of the reorganisation the Company also acquired the interests of The Nestlé Company Ltd in Clintec Nutrition Ltd, Raw Products Ltd and will also acquire The Nestlé Company Ltd's interest in Cereal Partners U.K.

The Company is now the principal trading company of the Nestlé group in the U.K.

The name of the Company was changed from Rowntree Limited to Nestlé UK Ltd on 22nd November 1991.

The registered office of the Company was transferred to St. George's House, Croydon, on 5th December 1991.

In March 1992 the Company sold Holgates Nutritional Foods Ltd to Peter Saunders Enterprises Ltd.

In June 1992 the Company sold its factory at Humberstone Road, Grimsby to the Bluecrest Foods Ltd. Under the terms of the sale agreement the Company will continue to carry out certain operations at the site into 1993.

DIVIDEND

The Directors do not recommend payment of a dividend.

RESERVES

Profit of £62,195,000 is to be carried forward to reserves.

RESEARCH & DEVELOPMENT

These activities are carried out on a Group basis.

ENVIRONMENT

The Company seeks to develop business practices and behaviour which meet the highest standards of responsibility towards the environment. The Company sees conservation and development as mutually reinforcing each other in pursuit of sustainable growth. The business provides high-quality products which benefit the consumer while remaining good value for money. The Company seeks to go beyond mere compliance with the law, which it willingly embraces, to achieve, in particular, savings of energy and resources, and the reduction of waste and effluent in all its forms. The Company wishes to be a good neighbour in all those communities within which it operates and encourages its employees to be active ambassadors of good environmental practice.

DIRECTORS

The Directors during the period were Messrs. P.H. Blackburn, Chairman & Managing Director, T. Gardiner (resigned 9th December 1991), T.M. Holmes (resigned 19th November 1991), G. Millar (resigned 9th December 1991) and J.R. Strachan (appointed 9th December 1991). Mr A D Koutaissoff was appointed a Director on 1st January 1992.

NESTLE UK LTD (formerly Rowntree Ltd)

AUDITORS

The Auditors, KPMG Peat Marwick, will continue in office. The Company has dispensed with the obligation to appoint auditors annually, in accordance with Section 386 of the Companies Act 1985.

ELECTIVE REGIME

The Company has elected to dispense with the laying of accounts and reports before a General Meeting and with the holding of Annual General Meetings in accordance with Sections 252 and 366(A) respectively of the Companies Act 1985.

BY ORDER OF THE BOARD



R P J Sonneborn
Secretary

St. George's House,
Croydon,
Surrey.

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF
NESTLE UK LTD (formerly Rowntree Ltd)

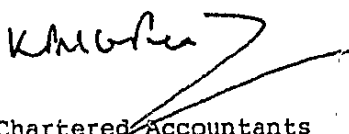
We have audited the accounts on pages 4 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December, 1991 and of the profit for the period 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.

1 The Embankment
Neville Street
Leeds LS1 4DW

30 June 1992


Chartered Accountants
Registered Auditor

PROFIT AND LOSS ACCOUNT FOR THE
PERIOD ENDED 31 DECEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Administrative (expenses)/income		(81)	1,326
Income from shares in group undertakings		51,821	700,000
		<u>51,740</u>	<u>701,326</u>
Interest	2	26,731	49,001
Exchange loss on repayment of loan		(482)	-
Exceptional items	3	(7,338)	1,857
		<u>70,651</u>	<u>752,184</u>
Profit on ordinary activities before taxation			
		<u>70,651</u>	<u>752,184</u>
Taxation on ordinary activities	4	(8,456)	(18,005)
		<u>62,195</u>	<u>734,179</u>
Profit on ordinary activities after taxation			
		<u>62,195</u>	<u>734,179</u>
Dividends		-	850,000
		<u>62,195</u>	<u>(115,821)</u>
Retained profit for the year			
		<u>62,195</u>	<u>(115,821)</u>
Balance brought forward		51,730	167,551
		<u>113,925</u>	<u>51,730</u>
Balance carried forward			
		<u>113,925</u>	<u>51,730</u>

The notes on pages 6 to 9 form part of these accounts.

NESTLÉ UK LTD (formerly Rowntree Ltd)

BALANCE SHEET AT 31 DECEMBER 1991

		<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
FIXED ASSETS			
Investments in subsidiary undertakings	5	7,075	8,093
Other investments	6	23,715	23,715
		<u>30,790</u>	<u>31,808</u>
CURRENT ASSETS			
Debtors	7	367,480	322,482
Cash at bank and in hand		190,389	186,634
		<u>557,869</u>	<u>509,116</u>
CREDITORS - amounts falling due within one year	8	<u>(13,087)</u>	<u>(32,002)</u>
NET CURRENT ASSETS		<u>544,782</u>	<u>477,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		575,572	508,922
Creditors - amounts falling due after one year	9	(46,374)	(41,056)
Deferred taxation	10	(64)	(927)
		<u>529,134</u>	<u>466,939</u>
CAPITAL AND RESERVES			
Called up share capital	11	120,372	120,372
Share premium account	12	71,046	71,046
Capital reserve	12	223,791	223,791
Profit and loss account	12	113,925	51,730
		<u>529,134</u>	<u>466,939</u>

The notes on pages 6 to 9 form part of these accounts.

Approved by the board on 30th June 1992

J. R. H. H. H.
Director

NOTES TO THE ACCOUNTS - 31 DECEMBER 1991

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

Deferred taxation is accounted for in respect of timing differences between the results as computed for taxation purposes and the results as stated in the financial information to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future. However no deferred taxation asset is recognised for carried forward tax losses to the extent that it exceeds liabilities.

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

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Interest payable:		
Bank borrowings and short term loans	(1,222)	(1,398)
Interest receivable:		
- debentures	2,998	3,591
- bank balances and money market deposits	24,955	46,808
	<u>26,731</u>	<u>49,001</u>

3. EXCEPTIONAL ITEMS

	<u>£'000</u>	<u>£'000</u>
Loan to subsidiary undertaking written off	3,232	-
Provision against investments	865	-
Provision against loss on sale of Holgates Nutritional Foods Ltd	3,241	-
Exchange gain on translation of bank loan	-	1,857
	<u>7,338</u>	<u>1,857</u>

4. TAXATION ON ORDINARY ACTIVITIES

	<u>£'000</u>	<u>£'000</u>
Based on profits for the year		
UK Corporation Tax at 33.25% (1990 34.25%)	9,702	16,169
Deferred Tax (note 10)	(863)	1,836
Amounts relating to prior periods	(383)	-
	<u>8,456</u>	<u>18,005</u>

NESTLÉ UK LTD (formerly Rowntree Ltd)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1991 (Continued)

5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

£'000

Shares in Group undertakings

Balance at 29 December 1990

8,093

Provisions against investment

(1,018)

Balance at 31 December 1991

7,075

The company had at 31 December 1991 the following principal subsidiary undertakings which are all wholly owned and registered in England.

Activities

Rowntree Mackintosh Limited

Confectionery

Rowntree Mackintosh Ingredients Limited

Confectionery

Rowntree Mackintosh International Limited

Finance and Administration

Multisnack Limited

Vending

Holgate Nutritional Foods Limited

Nutritional Confectionery

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

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

6. 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.

7. DEBTORS

	<u>1991</u> <u>£,000</u>	<u>1990</u> <u>£,000</u>
Amounts owed by Group undertakings	367,258	319,419
Other debtors	222	3,063
	<u>367,480</u>	<u>322,482</u>

NESTLÉ UK LTD (formerly Rowntree Ltd)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1991 (Continued)

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1991</u> <u>£,000</u>	<u>1990</u> <u>£,000</u>
Bank loan (unsecured)	-	16,776
Overdrafts and short term loans	-	51
Amounts owed to Group undertakings	116	-
Other creditors	1,387	388
Corporation Tax	11,584	14,787
	<u>13,087</u>	<u>32,002</u>

9. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Loans from Group Undertakings	46,374	41,056
	<u>46,374</u>	<u>41,056</u>

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

10. DEFERRED TAXATION

£'000

Short term timing differences (fully provided):

Balance at 29 December 1990	927
Profit and Loss Account	(863)
Balance at 31 December 1991	<u>64</u>

11. CALLED UP SHARE CAPITAL

	Authorised		Allotted and fully paid	
	1991	1990	1991	1990
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Ordinary shares of 50p each	<u>160,000</u>	<u>160,000</u>	<u>120,372</u>	<u>120,372</u>

NESTLÉ UK LTD (formerly Rowntree Ltd)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1991 (Continued)

	<u>£'000</u>
12. RESERVES	
Share Premium	71,046
At 29 December 1990 and 31 December 1991	<u>71,046</u>
Capital Reserve	223,791
At 29 December 1990 and 31 December 1991	<u>223,791</u>
Profit and Loss Account	51,730
At 29 December 1990	62,195
Transfer from profit and loss account	<u>113,925</u>
At 31 December 1991	<u>113,925</u>

13. DIRECTORS' EMOLUMENTS

None of the directors receives emoluments from the company as they are 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.

14. DIRECTORS' INTERESTS

None of the directors had any interests in the Statutory Register at 31st December 1991.

15. ULTIMATE HOLDING COMPANY

Nestlé Holdings (UK) PLC, which is registered in England, is the holding company for the UK Group and prepares Group accounts which are delivered to the Registrar of Companies from England and Wales.

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