

Mauri Products Limited

Directors' report and financial statements

16 September 1995

Registered number 1413180



Mauri Products Limited

Directors' report and financial statements

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Mauri Products Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 16 September 1995.

Principal activity

In the course of the period the principal activity was the manufacture and sale of yeast.

Business review and future developments

The company is a joint venture of Associated British Foods plc and Burns Philp (UK) plc and the activities of the company are controlled by the board of directors.

During the period the main activity of the company remained unchanged. The directors consider that the business has performed satisfactorily in the period and they will continue to seek new markets and products to continue its development.

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 6. Profit on ordinary activities after taxation amounted to £1,866,683. The directors declared an interim dividend on 27 June 1995 amounting to £1,375,001 (£1.00 per share) in respect of the period ended 16 September 1995. No final dividend has been proposed.

After deducting the ordinary dividend, the balance of £491,682 was transferred to reserves.

Fixed assets

Changes in tangible fixed assets are shown in note 10.

The directors do not consider that any difference between the market value of land and buildings and the amounts at which these assets are stated in the financial statements are of any practical significance.

Mauri Products Limited

Directors' report *(continued)*

Directors and directors' interests

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

I Clack
THM Shaw
HW Bailey (resigned 1 October 1995)
JCO Miles
A Turnbull
C Kop
MJ O'Neill (appointed 11 October 1995)

The following directors had the following interests in the share capital of Associated British Foods plc, as recorded in the register of directors' interests.

	Ordinary shares of 5p each at end of period	Ordinary shares of 5p each at beginning of period
HW Bailey	80,000	80,000
THM Shaw	47,855	60,605
JCO Miles	100	100

The other directors notified no interests. According to the register of directors' interests, no rights to subscribe for shares in this company or shares in or debentures of any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

No director had at any time during the period any material interest in a contract with the company, other than service contracts.

United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,055 (1994:£1,310). No contributions were made to political organisations.

Mauri Products Limited

Directors' report *(continued)*

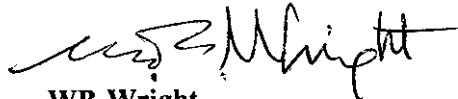
Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. As permitted by section 379A of the Companies Act 1985 the company by elective resolution has chosen to dispense with the obligation to appoint auditors annually. KPMG are therefore deemed to be reappointed.

By order of the board



MR Gore
Joint Secretaries



WB Wright

Weston Centre
Bowater House
68 Knightsbridge
LONDON
SW1X 7LQ

17 October 1995

Mauri Products Limited

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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



The Fountain Precinct
1 Balm Green
Sheffield
S1 3AF

Report of the auditors to the members of Mauri Products Limited

We have audited the financial statements on pages 6 to 19.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 affairs of the company as at 16 September 1995 and of the profit of the company for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

Sheffield

15 November 1995



Mauri Products Limited

Profit and loss account for the period ended 16 September 1995

	<i>Note</i>	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Turnover - continuing operations		<u>12,954,221</u>	<u>11,463,226</u>
Operating profit - continuing operations	3-4	2,609,106	2,117,282
Other interest receivable and similar income	6	104,465	106,304
Interest payable and similar charges	7	-	(245)
Profit on ordinary activities before taxation		<u>2,713,571</u>	<u>2,223,341</u>
Tax on profit on ordinary activities	8	(846,888)	(736,618)
Profit for the financial period		<u>1,866,683</u>	<u>1,486,723</u>
Dividends	9	(1,375,001)	(1,650,001)
Retained profit/(loss) for the financial period		<u>491,682</u>	<u>(163,278)</u>
Retained profit brought forward		<u>4,519,358</u>	<u>4,682,636</u>
Retained profit carried forward		<u>5,011,040</u>	<u>4,519,358</u>

There are no recognised gains or losses other than the profit for the period and the previous period.

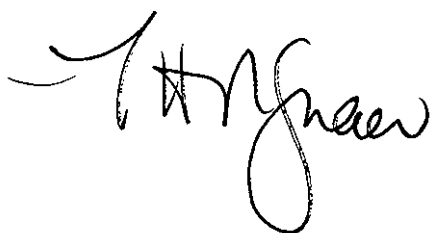
Mauri Products Limited

Balance sheet at 16 September 1995

	Note	16 September 1995		17 September 1994	
		£	£	£	£
Fixed assets					
Tangible assets	10	5,416,748		4,527,015	
Current assets					
Stocks	12	654,610		595,111	
Debtors	13	3,609,115		2,896,722	
Cash at bank and in hand		2,665		75,360	
		<u>4,266,390</u>		<u>3,567,193</u>	
Creditors: amounts falling due within one year	14	<u>(3,297,097)</u>		<u>(2,199,849)</u>	
Net current assets		<u>969,293</u>		<u>1,367,344</u>	
Total assets less current liabilities		<u>6,386,041</u>		<u>5,894,359</u>	
Capital and reserves					
Called up share capital - ordinary	15	1,375,001		1,375,001	
Profit and loss account		5,011,040		4,519,358	
Total shareholders funds		<u>6,386,041</u>		<u>5,894,359</u>	

These financial statements were approved by the board of directors on 17 October 1995 and were signed on its behalf by:

THM Shaw
Director



Mauri Products Limited

Cash flow statement

for the period ended 16 September 1995

	<i>Note</i>	52 week period ended 16 September 1995	52 week period ended 17 September 1994
		£	£
Net cash inflow from operating activities	18	2,592,908	3,169,661
Return on investments and servicing of finance			
Interest received		104,465	106,304
Interest paid		-	(245)
Dividends paid		(1,375,001)	(1,650,001)
		<u> </u>	<u> </u>
Net cash outflow from returns on investment and servicing of finance		(1,270,536)	(1,543,942)
Taxation			
UK corporation tax paid		(374,295)	(681,495)
		<u> </u>	<u> </u>
Tax paid		(374,295)	(681,495)
Investing activities			
Purchase of tangible fixed assets		(1,500,904)	(781,558)
Sale of tangible fixed assets		(5,169)	13,025
		<u> </u>	<u> </u>
Net cash outflow from investing activities		(1,506,073)	(768,533)
Net cash (outflow)/inflow before financing		<u> </u>	<u> </u>
		(557,996)	175,691
Financing activities			
(Decrease)/increase in cash and cash equivalents	19	-	-
		<u> </u>	<u> </u>
		(557,996)	175,691
		<u> </u>	<u> </u>

Mauri Products Limited

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 16 September 1995.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Fixed assets and depreciation

Depreciation, calculated on cost, is provided on a straight line basis over the anticipated life of the asset. No depreciation is provided on freehold land. The anticipated life of other assets is generally deemed to be not longer than:

Freehold buildings	-	50 years
Plant and equipment	-	12 years
Vehicles	-	5 years

Research and development

Expenditure in respect of research and development is written off against profits in the period in which it is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. In the case of finished goods manufactured by the company the term 'cost' includes ingredients, production wages and an appropriate proportion of attributable production overheads.

Mauri Products Limited

Notes(continued)

2 Accounting policies (continued)

Deferred taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pension costs

The company is a member of the UK defined benefit scheme of Associated British Foods plc, the assets of which are held in trustee administered funds. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

3 Operating profit

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Turnover	12,954,221	11,463,226
Cost of sales	(8,372,856)	(7,583,565)
Gross profit	4,581,365	3,879,661
Distribution costs	(1,384,430)	(1,266,903)
Administrative expenses	(587,829)	(495,476)
Operating profit	2,609,106	2,117,282

Mauri Products Limited

Notes(continued)

3 Operating profit (continued)

The above amounts derive entirely from continuing operations:

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
<i>Operating profit is stated after charging</i>		
Staff costs	1,445,741	1,225,489
Depreciation and other amounts written off fixed tangible assets:		
Owned	581,614	563,681
Loss on sale of tangible fixed assets	34,726	28,270
Auditors' remuneration:		
Audit fee	7,334	9,100
Other services	6,204	7,150
	<u> </u>	<u> </u>

4 Directors and employees

The average number of persons employed by the company during the period was as follows:

	Number of employees	
	52 week period ended 16 September 1995	52 week period ended 17 September 1994
Production and administration	<u>65</u>	<u>61</u>

Mauri Products Limited

Notes(continued)

4 Directors and employees (continued)

The aggregate staff costs of these persons were as follows:

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Wages and salaries	1,305,338	1,107,818
Social security costs	122,443	103,383
Other pension costs (see note 5)	17,960	14,288
	<u>1,445,741</u>	<u>1,225,489</u>
	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Directors' emoluments	<u>Nil</u>	<u>Nil</u>

The emoluments, excluding pension contributions, of the chairman were £Nil (1994:£Nil) and those of the highest paid director were £Nil (1994:£Nil).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following range:

	Number of directors	
	52 week period ended 16 September 1995	52 week period ended 17 September 1994
£0 - £ 5,000	<u>6</u>	<u>6</u>

Mauri Products Limited

Notes (continued)

5 Pensions

The pension costs of the Associated British Foods plc group of companies are assessed in accordance with the advice of a qualified actuary on the basis of final pensionable earnings. Particulars of the last actuarial valuation of the scheme are contained in the financial statements of Associated British Foods plc.

The company pays a regular amount to Associated British Foods plc which makes contributions to the group scheme on its behalf. Any benefits or costs arising as a result of a scheme surplus or deficit are retained or borne by Associated British Foods plc. From the perspective of the company the scheme operates similarly to a defined contribution scheme; the particular requirements of SSAP 24 concerning accounting for a defined benefit scheme, which would require the surplus or deficit to be recognised in the company, do not apply. In the opinion of the directors this treatment is appropriate in order to reflect the substance of the company's pension arrangements.

6 Other interest receivable and similar income

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Receivable from group undertakings	88,622	106,304
Bank interest receivable	339	-
Other	15,504	-
	<hr/>	<hr/>
	104,465	106,304

7 Interest payable and similar charges

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
On bank loans, overdrafts and other loans wholly repayable within five years	-	245
	<hr/>	<hr/>

Mauri Products Limited

Notes (continued)

8 Taxation on profit on ordinary activities

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
UK corporation tax on the profit for the period on ordinary activities at 33% (1994:33%)	845,178	736,000
Adjustments in respect of previous years		
Corporation tax	1,710	618
	<u>846,888</u>	<u>736,618</u>

The full potential amounts of deferred tax would be as follows:

	Accelerated capital allowances £	Total £
At 16 September 1995	<u>827,000</u>	<u>827,000</u>
At 17 September 1994	<u>701,000</u>	<u>701,000</u>

No provision for deferred taxation has been made in these financial statements as, in the opinion of the directors, on the basis of the company's forecast capital expenditure, a liability is unlikely to crystallise in the foreseeable future.

9 Dividends

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Ordinary dividends paid	<u>1,375,001</u>	<u>1,650,001</u>

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Notes (continued)

10 Tangible fixed assets	Land and buildings £	Plant and machinery £	Payments on account £	Total £
<i>Cost</i>				
At beginning of period	1,177,885	6,999,853	596,805	8,774,543
Additions	26,369	581,565	892,970	1,500,904
Transfers	20,798	383,274	(404,072)	-
Disposals	-	(60,714)	-	(60,714)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	1,225,052	7,903,978	1,085,703	10,214,733
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	168,582	4,078,946	-	4,247,528
Charge for period	20,736	560,878	-	581,614
On disposals	-	(31,157)	-	(31,157)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	189,318	4,608,667	-	4,797,985
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 16 September 1995	<u>1,035,734</u>	<u>3,295,311</u>	<u>1,085,703</u>	<u>5,416,748</u>
At 17 September 1994	<u>1,009,303</u>	<u>2,920,907</u>	<u>596,805</u>	<u>4,527,015</u>

Land and buildings comprise freehold property, including land at a cost of £180,150 (1994:£180,150) which is not depreciated.

11 Capital commitments

There are commitments for capital expenditure by the company of approximately £604,000 (1994:£249,000) for which no provision has been made in these financial statements. The directors have approved further capital expenditure of approximately £65,000 (1994:£75,000) for which there are no commitments.

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Notes (continued)

12	Stocks	16 September 1995	17 September 1994
		£	£
	Raw materials and consumables	528,844	475,783
	Finished goods and goods for resale	125,766	119,328
		<hr/>	<hr/>
		654,610	595,111
		<hr/>	<hr/>
13	Debtors	16 September 1995	17 September 1994
		Due within one year	Due within one year
		£	£
	Trade debtors	1,505,451	1,124,482
	Amounts owed by:		
	Parent and fellow subsidiary undertakings	1,857,195	1,598,782
	VAT recoverable	170,909	130,696
	Other debtors	22,864	9,148
	Prepayments and accrued income	52,696	33,614
		<hr/>	<hr/>
		3,609,115	2,896,722
		<hr/>	<hr/>

Mauri Products Limited

Notes (continued)

14 Creditors

Amounts falling due within one year	16 September	17 September
	1995	1994
	£	£
Bank loans and overdrafts	485,301	-
Trade creditors	612,490	464,681
Amounts owed to parent and fellow subsidiary undertakings	736,423	737,998
Corporation tax	1,324,885	852,292
Other taxes and social security	31,095	28,754
Accruals and deferred income	106,903	116,124
	<u>3,297,097</u>	<u>2,199,849</u>

15 Called up share capital

	16 September 1995		17 September 1994	
	Number	£	Number	£
<i>Authorised</i>				
Ordinary shares of £1 each				
Class A	1,499,999	1,499,999	1,499,999	1,499,999
Class B	1,499,999	1,499,999	1,499,999	1,499,999
Class C	2	2	2	2
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each				
Class A	687,500	687,500	687,500	687,500
Class B	687,500	687,500	687,500	687,500
Class C	1	1	1	1
	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>

Mauri Products Limited

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	16 September 1995 £	17 September 1994 £
Opening shareholders' funds	5,894,359	6,057,637
Profit for the financial year	1,866,683	1,486,723
Dividends	(1,375,001)	(1,650,001)
	<hr/>	<hr/>
Closing shareholders' funds	6,386,041	5,894,359
	<hr/>	<hr/>

17 Contingent liabilities

The company, together with Associated British Foods plc and certain fellow UK subsidiary undertakings, is party to a set-off arrangement in respect of its bank accounts with certain of the group's bankers.

18 Reconciliation of operating profit to net cash inflow from operating activities

	52 week period ended 16 September 1995 £	52 week period ended 17 September 1994 £
Operating profit	2,609,106	2,117,282
Depreciation charge	581,614	563,681
Loss on sale of tangible fixed assets	34,726	28,270
Increase in stocks	(59,499)	(72,766)
(Increase)/decrease in debtors	(712,393)	426,683
Increase in creditors	139,354	106,511
	<hr/>	<hr/>
Net cash inflow from operating activities	2,592,908	3,169,661
	<hr/>	<hr/>

Mauri Products Limited

Notes (continued)

19 Analysis of changes in cash and cash equivalents

	Cash £	Overdraft £	Net £
Balance at 18 September 1993	500	(100,831)	(100,331)
Net cash inflow	74,860	100,831	175,691
	<hr/>	<hr/>	<hr/>
Balance at 17 September 1994	75,360	-	75,360
Net cash outflow	(72,695)	(485,301)	(557,996)
	<hr/>	<hr/>	<hr/>
Balance at 16 September 1995	<u>2,665</u>	<u>(485,301)</u>	<u>482,636</u>

20 Holding company

The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England.

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England. The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, Bowater House, 68 Knightsbridge, London, SW1X 7LR.