

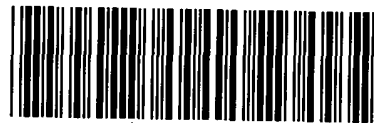
Mauri Products Limited

**Directors' report and financial
statements**

Registered number 1413180

29 August 2015

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Strategic Report

Development and performance during the year

In the 52 week period ended 29 August 2015, turnover was £21.6 million (2014: £20.8 million), an increase of 4% driven by increased sales into the bioethanol sector. The operating loss for the period was £0.3m (2014: £1.3m) and the loss before tax was £0.4m (2013: £1.4m).

The company operates in a very competitive bakery sector where it was necessary to reduce prices further to retain existing business. Operating profit benefited from higher sales into more profitable markets such as alcohol and bioethanol. During the year margins improved through tighter control of energy and effluent costs, through investment in more energy efficient plant, and as a result of a reduction in the depreciation charge. A loss on disposal of assets in the course of construction relating to a project that was discontinued also contributed to the reduction in operating loss.

Financial position

The financial position at the period end is set out in the balance sheet on page 10. Net assets of £6.0m (2014: £6.3m) included a cash balance of £0.6m (2014: £0.1m). The directors consider this financial position to be satisfactory.

Principal risks and uncertainties

There remains considerable uncertainty regarding the deregulation of the EU sugar industry in 2017 and the effect that this will have on molasses prices. The directors will take steps to mitigate this risk by improving substrate flexibility.

As a high consumer of energy, the company closely monitors the energy market and enters into forward contracts, when appropriate, to hedge its energy costs.

Foreign currency exchange risk is managed through the company's policy of hedging its sales and purchases in foreign currency by the use of forward currency contracts.

The company strives to ensure environmental compliance with relevant legislation and that environmental best practice is in place across the site. The company takes pride in its environmental record and endeavours to make improvements wherever possible.

Despite an upturn in the economy, bad debts are still considered to be a medium risk. The company maintains strong relationships with each of its customers, has established detailed credit control parameters and continues to monitor outstanding receivables closely.

Financial Key Performance Indicators (KPIs)

The following KPIs, based on the year end position, are used by management to monitor businesses performance:

	2015	2014
	£	£
Return on capital	(5%)	(16%)
Inventory days	27	27
Debtor days	38	49
Creditor days	62	46

By order of the board
Andrew Pollard
Director



Weston Centre
10 Grosvenor Street
LONDON
W1K 4QY

15 December 2015

Directors' Report

The directors present their annual report and the audited financial statements for the 52 week period ended 29 August 2015.

Principal activities

The principal activity of the company is the manufacture and sale of yeast.

Proposed dividend

The directors declared a dividend of £Nil (2014: £6m) in respect of the period ended 29 August 2015.

Directors

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

C Simmonds
A Pollard
I Smith
P Senge (appointed 3/12/15; resigned 9/10/15)
N Holmes (appointed 9/10/15)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,520 (2014: £1,205). No contributions were made to political organisations (2014: £nil).

Auditors

KPMG LLP will resign as auditor of the company with effect from 16 December 2015 and a notice of resignation will be deposited with the Registrar of Companies with effect from that date. In accordance with section 485 of the Companies Act 2006, Ernst & Young LLP will be appointed as auditors of the Company for the year ending 27 August 2016, with effect from 16 December 2015.

By order of the board



Andrew Pollard
Director

Weston Centre
10 Grosvenor Street
LONDON
W1K 4QY

15 December 2015

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Mauri Products Limited

We have audited the financial statements of Mauri Products Limited for the period ended 29 August 2015 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 August 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Mauri Products Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

15 December 2015

Profit and loss account
for the period ended 29 August 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	3	21,586	20,792
		<u> </u>	<u> </u>
Operating loss	4-6	(313)	(1,328)
Other interest payable and similar expense	8	(47)	(24)
		<u> </u>	<u> </u>
Loss on ordinary activities before taxation		(360)	(1,352)
Tax on loss on ordinary activities	9	102	172
		<u> </u>	<u> </u>
Loss for the financial period	17	(258)	(1,180)
		<u> </u>	<u> </u>

There were no gains or losses other than those recognised in the profit and loss account above.

A statement of movement on reserves is contained in note 17.

The above activities relate to continuing operations.

The historical cost profit equates to the profit shown above.

The notes on pages 11 to 19 form part of these financial statements.

Balance sheet
at 29 August 2015

	<i>Note</i>	2015	2014
		£000	£000
Fixed assets			
Tangible assets	<i>10</i>	10,181	9,781
Current assets			
Stocks	<i>12</i>	1,249	1,243
Debtors	<i>13</i>	3,253	3,479
Cash at bank and in hand		615	102
		<u>5,117</u>	<u>4,824</u>
Creditors: amounts falling due within one year	<i>14</i>	<u>(8,449)</u>	<u>(7,426)</u>
Net current liabilities		(3,332)	(2,602)
Total assets less current liabilities		<u>6,849</u>	<u>7,179</u>
Provisions for liabilities and charges	<i>15</i>	(845)	(917)
Net assets		<u>6,004</u>	<u>6,262</u>
Capital and reserves			
Called up share capital	<i>16</i>	1,375	1,375
Profit and loss account	<i>17</i>	4,629	4,887
Total equity shareholders' funds		<u>6,004</u>	<u>6,262</u>

The notes on pages 11 to 19 form part of these financial statements.

These financial statements were approved by the board of directors on 15 December 2015 and were signed on its behalf by:



Andrew Pollard
 Director

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the last Saturday in August. Accordingly, these financial statements have been prepared for the 52 week period ended 29 August 2015.

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 in accordance with applicable UK accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Going Concern

At 29 August 2015 the company had net current liabilities of £3,332,000 which included £4,350,000 payable to the parent company. The parent company has indicated that it will not seek repayment of this loan for at least 12 months from the date of these accounts.

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors, having completed cash flow projections and reviewed the company's banking facilities, have no reason to believe that a material uncertainty exists that may cast significant doubt about the continued availability of its current banking arrangements or the ability of the company to continue as a going concern.

On the basis of their assessment of the company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Plant and machinery	-	3 to 13 years
Computers	-	3 years

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using 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.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

The company is also a member of the Associated British Foods plc pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Because the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17, the scheme has been accounted for as if it were a defined contribution scheme. The pension charge for the period represents the contributions payable by the Company to the scheme.

Stocks

Stocks are stated 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.

Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. The benefit of any lease incentives is recognised in the income statement on a straight-line basis over the life of the lease. The company has no finance leases.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

3 Turnover

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

Turnover and operating profit are attributable to one activity, the manufacture and sale of yeast.

The geographical analysis of turnover by destination is as follows:

	2015 £000	2014 £000
United Kingdom	20,300	19,140
Europe	1,126	1,507
Rest of the World	160	145
	<hr/>	<hr/>
	21,586	20,792
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

4 Operating loss

	2015	2014
	£000	£000
Turnover	21,586	20,792
Cost of sales	(16,597)	(16,817)
	<hr/>	<hr/>
Gross profit	4,989	3,975
Distribution costs	(2,202)	(2,449)
Administrative expenses	(3,100)	(2,854)
	<hr/>	<hr/>
Operating loss	(313)	(1,328)
	<hr/> <hr/>	<hr/> <hr/>
<i>Operating loss is stated after charging</i>		
Staff costs (note 5)	2,782	2,617
Depreciation and other amounts written off fixed tangible assets:		
Owned	1,398	1,467
Operating lease rentals in respect of:		
Plant and machinery	40	28
Buildings	352	317
Auditor's remuneration:		
Audit services pursuant to legislation	15	15
	<hr/> <hr/>	<hr/> <hr/>

5 Staff numbers and costs

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

	Number of employees	
	2015	2014
	Number	Number
Production and administration	60	57
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were:

	2015	2014
	£000	£000
Wages and salaries	2,211	2,071
Social security costs	224	207
Other pension costs	347	339
	<hr/>	<hr/>
	2,782	2,617
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

6 Pensions

The company is a member of the Associated British Foods plc pension scheme (the scheme) providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 the scheme has been accounted for by the company as if the scheme is a defined contribution scheme. The pension charge for the period represents the contributions payable by the company to the scheme and amounted to £201,000 (2014: £210,000).

On 30 September 2002 the scheme was closed to new members, with defined contribution arrangements introduced for new members. For the defined contribution scheme, the pension costs are the contributions payable by the company which amounted to £146,000 (2014: £129,000).

The most recent actuarial valuation of the defined benefit scheme was carried out as at 5 April 2014 and revealed a surplus of £79m. At the valuation date the total market value of the assets of the scheme was £3,085m representing 103% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The Scheme was valued at 12 September 2015 on the basis of IAS19: Employee Benefits ("IAS19") by an independent qualified actuary for inclusion in the Associated British Foods plc group financial statements. The valuation of the Scheme at that date showed a surplus of £120m (2014: surplus £87m). There are no material differences in the valuation methodologies under IAS 19 and FRS 17. Full IAS 19 disclosures can be found within the annual report and accounts of the group, which are available for download from the group's website at www.abf.co.uk.

7 Directors' remuneration

The directors' emoluments are paid by other group companies for their roles as directors of this entity. The company did not pay any remuneration to directors in respect of their services (2014: *£nil*).

8 Other interest payable

	2015 £000	2014 £000
Payable to from group undertakings	(47)	(24)
	(47)	(24)

Notes *(continued)*

9 Taxation on profit on ordinary activities

	2015	2014
	£000	£000
UK corporation tax – current year	-	(127)
UK corporation tax – prior year adjustment	(30)	-
	<hr/>	<hr/>
Total current tax	(30)	(127)
	<hr/>	<hr/>
Origination and reversal of timing difference	(74)	(151)
Effect of change in tax rate	2	15
Adjustment in respect of previous years	-	91
	<hr/>	<hr/>
Total deferred tax (note 15)	(72)	(45)
	<hr/>	<hr/>
Total tax credit in the year	(102)	(172)
	<hr/> <hr/>	<hr/> <hr/>

The UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015. The legislation to effect these rate changes had been enacted before the prior year balance sheet date. As deferred tax is measured at the rates that are expected to apply in the periods when the underlying timing differences reverse, opening and closing deferred tax balances have been calculated using a rate of 20%.

Since the balance sheet date legislation has been substantively enacted to reduce the rate further to 19% from 1 April 2017 and 18% from 1 April 2020. The effect of these new rates on deferred tax balances will accordingly be reflected in the accounts for the 2015/16 financial year.

	2015	2014
	£000	£000
Loss on ordinary activities before tax	(360)	(1,352)
	<hr/>	<hr/>
Loss on ordinary activities at standard rate or corporation tax in the UK of 20.5% <i>(2014: 22.2%)</i>	(74)	(300)
Depreciation in excess of capital allowances	74	151
Adjustments in respect of prior periods	(30)	22
	<hr/>	<hr/>
Total current tax	(30)	(127)
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

10 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Payments on account and assets in course of construction £000	Total £000
Cost				
At beginning of period	2,145	23,846	590	26,581
Additions	-	120	1,803	1,923
Disposals	-	(199)	(102)	(301)
Transfers	184	867	(1,051)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,329	24,634	1,240	28,203
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of period	1,117	15,683	-	16,800
Charge for period	57	1,341	-	1,398
Disposals	-	(176)	-	(176)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	1,174	16,848	-	18,022
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 29 August 2015	1,155	7,786	1,240	10,181
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 August 2014	1,028	8,163	590	9,781
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Land and buildings comprise freehold property, including land at a cost of £399,701 (2014: £399,701) which is not depreciated.

11 Capital commitments

There are commitments for capital expenditure by the company of approximately £538,000 (2014: £287,000) for which no provision has been made in these financial statements.

Notes (continued)

12 Stocks

	2015 £000	2014 £000
Raw materials and consumables	1,123	980
Finished goods and goods for resale	126	263
	1,249	1,243
	1,249	1,243

13 Debtors

	2015 £000	2014 £000
Trade debtors	2,220	2,770
Amounts owed by group companies	639	270
Corporation Tax	-	93
VAT recoverable	232	138
Prepayments and accrued income	162	208
	3,253	3,479
	3,253	3,479

14 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	2,805	2,263
Amounts owed to group companies	5,476	4,919
Accruals and deferred income	168	244
	8,449	7,426
	8,449	7,426

Notes (continued)

15 Provisions for liabilities and charges

	Deferred tax £000
At beginning of the period	917
Credited in the period	(72)
	845
At end of period	845

The elements of deferred taxation are as follows:

	2015 £000	2014 £000
Difference between accumulated depreciation and capital allowances	845	917
Deferred tax liability	845	917

16 Called up share capital

	2015		2014	
	Number	£	Number	£
<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
	1,375,001	1,375,001	1,375,001	1,375,001
	1,375,001	1,375,001	1,375,001	1,375,001

The A, B and C shares rank pari passu, except that the C shares do not confer the right to receive notice of, or to be present at, or to vote either in person or by proxy at, any general meeting of the company.

17 Profit and loss account

	2015 £000
At beginning of period	4,887
Retained loss for the financial period	(258)
At end of period	4,629

18 Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000
Loss for the financial period	(258)	(1,180)
Dividend paid	-	(6,000)
	(258)	(7,180)
Net decrease to shareholders funds during the period	(258)	(7,180)
Opening shareholders' funds	6,262	13,442
	6,004	6,262

19 Lease commitments

At 29 August 2015 the minimum lease payments under operating leases were:

	2015 £000	2014 £000
Within one year	335	314
Between one and five years	145	395
	480	709

20 Related parties

As a wholly owned subsidiary the company is exempt from disclosing related party transactions under FRS 8 and has therefore not disclosed transactions or balances with other entities within the Associated British Foods plc group.

21 Holding company

The ultimate holding company and controlling party as defined by FRS 8 is Wittington Investments Limited, which is incorporated in Great Britain and registered in England and Wales.

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 Associated British Foods 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 Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London W1K 4QY. The consolidated accounts of Associated British Foods plc are available for download on the group's website at www.abf.co.uk.