

# Mauri Products Limited

Directors' report and financial statements

14 September 1996

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 14 September 1996.

### Principal activity

The principal activity of the company is 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 activities of the company remained unchanged and the directors anticipate that any future developments would be related to these activities.

### Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 5. Profit on ordinary activities after taxation amounted to £2,260,020. The directors declared an interim dividend on 27 June 1996 amounting to £1,608,751 (£1.17 per share) in respect of the period ended 14 September 1996. No final dividend has been proposed.

After deducting the ordinary dividend, the balance of £651,269 was transferred to reserves.

### Fixed assets

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.

### Directors and directors' interests

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

I Clack	(resigned 31 October 1995)
THM Shaw	
HW Bailey	(resigned 1 October 1995)
JCO Miles	
A Turnbull	
C Kop	
MJ O'Neill	(appointed 11 October 1995)
GW Schaeffer	(appointed 1 November 1995)

# Mauri Products Limited

## Directors' report *(continued)*

### Directors and directors' interests *(continued)*

After the end of the period GW Schaeffer resigned as a director and J Lynch was appointed a director in his stead.

The following directors had the following beneficial 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 or date of appointment
THM Shaw	95,710	47,855
JCO Miles	200	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.

### Payments to suppliers

It is the policy of the company to agree terms of payment when the order for goods and services are placed and to adhere to these arrangements when making payment.

### United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £2,112 (1995:£1,055). No contributions were made to political organisations.

By order of the board

  
MR Gore  
Joint Secretaries

  
WB Wright

Weston Centre  
Bowater House  
68 Knightsbridge  
LONDON  
SW1X 7LQ

15 October 1996

# Mauri Products Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 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 4 to 18.

### **Respective responsibilities of directors and auditors**

As described on page 3 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 14 September 1996 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*

12 November 1996

# Mauri Products Limited

## Profit and loss account for the period ended 14 September 1996

	<i>Note</i>	52 week period ended 14 September 1996 £	52 week period ended 16 September 1995 £
<b>Turnover - continuing operations</b>		<b>14,681,472</b>	<b>12,954,221</b>
<b>Operating profit - continuing operations</b>	3-4	<b>3,184,006</b>	<b>2,609,106</b>
Other interest receivable and similar income	6	86,696	104,465
Interest payable and similar charges	7	(525)	-
<b>Profit on ordinary activities before taxation</b>		<b>3,270,177</b>	<b>2,713,571</b>
Tax on profit on ordinary activities	8	(1,010,157)	(846,888)
<b>Profit for the financial period</b>		<b>2,260,020</b>	<b>1,866,683</b>
Dividends	9	(1,608,751)	(1,375,001)
<b>Retained profit for the financial period</b>		<b>651,269</b>	<b>491,682</b>
Retained profit brought forward		5,011,040	4,519,358
<b>Retained profit carried forward</b>		<b>5,662,309</b>	<b>5,011,040</b>

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

# Mauri Products Limited

## Balance sheet at 14 September 1996

	Note	14 September 1996		16 September 1995	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	6,108,417		5,416,748	
<b>Current assets</b>					
Stocks	12	719,318		654,610	
Debtors	13	3,629,184		3,609,115	
Cash at bank and in hand		138,381		2,665	
		<u>4,486,883</u>		<u>4,266,390</u>	
<b>Creditors: amounts falling due within one year</b>	14	<b>(3,557,990)</b>		<b>(3,297,097)</b>	
<b>Net current assets</b>		<b>928,893</b>		<b>969,293</b>	
<b>Total assets less current liabilities</b>		<b>7,037,310</b>		<b>6,386,041</b>	
<b>Capital and reserves</b>					
Called up share capital - ordinary	15	1,375,001		1,375,001	
Profit and loss account		5,662,309		5,011,040	
<b>Total shareholders' funds</b>		<b>7,037,310</b>		<b>6,386,041</b>	

These financial statements were approved by the board of directors on 15 October 1996 and were signed on its behalf by:



**THM Shaw**  
Director



# Mauri Products Limited

## Cash flow statement for the period ended 14 September 1996

	<i>Note</i>	52 week period ended 14 September 1996 £            £	52 week period ended 16 September 1995 £            £
Net cash inflow from operating activities	18	4,055,270	2,592,908
<b>Return on investments and servicing of finance</b>			
Interest received		86,696	104,465
Interest paid		(525)	-
Dividends paid		(1,608,751)	(1,375,001)
		<hr/>	<hr/>
Net cash outflow from returns on investment and servicing of finance		(1,522,580)	(1,270,536)
<b>Taxation</b>			
UK corporation tax paid		(825,838)	(374,295)
		<hr/>	<hr/>
Tax paid		(825,838)	(374,295)
<b>Investing activities</b>			
Purchase of tangible fixed assets		(1,402,271)	(1,500,904)
Sale of tangible fixed assets		4,900	(5,169)
		<hr/>	<hr/>
Net cash outflow from investing activities		(1,397,371)	(1,506,073)
Net cash outflow before financing		<hr/> 309,481	<hr/> (557,996)
<b>Financing activities</b>			
Decrease in cash and cash equivalents	19	309,481	(557,996)
		<hr/> 309,481	<hr/> (557,996)

# 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 14 September 1996.

### 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 to residual value 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 14 September 1996 £	52 week period ended 16 September 1995 £
Turnover	14,681,472	12,954,221
Cost of sales	(9,376,554)	(8,372,856)
<b>Gross profit</b>	<b>5,304,918</b>	<b>4,581,365</b>
Distribution costs	(1,606,241)	(1,384,430)
Administrative expenses	(514,671)	(587,829)
<b>Operating profit</b>	<b>3,184,006</b>	<b>2,609,106</b>

# Mauri Products Limited

## Notes(continued)

### 3 Operating profit (continued)

The above amounts derive entirely from continuing operations:

	52 week period ended 14 September 1996 £	52 week period ended 16 September 1995 £
<i>Operating profit is stated after charging</i>		
Staff costs	1,430,990	1,445,741
Depreciation and other amounts written off fixed tangible assets:		
Owned	720,349	581,614
Loss on sale of tangible fixed assets	1,593	34,726
Auditors' remuneration:		
Audit fee	7,548	7,334
Other services	4,803	6,204
	<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 14 September 1996	52 week period ended 16 September 1995
Production and administration	<u>67</u>	<u>65</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 14 September 1996 £	52 week period ended 16 September 1995 £
Wages and salaries	1,291,479	1,305,338
Social security costs	119,551	122,443
Other pension costs (see note 5)	19,960	17,960
	<u>1,430,990</u>	<u>1,445,741</u>
	52 week period ended 14 September 1996 £	52 week period ended 16 September 1995 £
Directors' emoluments	<u>Nil</u>	<u>Nil</u>

The emoluments, excluding pension contributions, of the chairman were £Nil (1995:£Nil) and those of the highest paid director were £Nil (1995:£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 14 September 1996	52 week period ended 16 September 1995
£0 - £ 5,000	<u>8</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 14 September 1996 £	52 week period ended 16 September 1995 £
Receivable from group undertakings	86,696	88,622
Bank interest receivable	-	339
Other	-	15,504
	<hr/>	<hr/>
	86,696	104,465
	<hr/>	<hr/>

### 7 Interest payable and similar charges

	52 week period ended 14 September 1996 £	52 week period ended 16 September 1995 £
Other	525	-
	<hr/>	<hr/>

# Mauri Products Limited

## Notes (continued)

### 8 Taxation on profit on ordinary activities

	52 week period ended 14 September 1996 £	52 week period ended 16 September 1995 £
UK corporation tax on the profit for the period on ordinary activities at 33% (1995:33%)	1,014,204	845,178
Adjustments in respect of previous years		
Corporation tax	(4,047)	1,710
	<u>1,010,157</u>	<u>846,888</u>

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

	Accelerated capital allowances £	Total £
At 14 September 1996	<u>900,000</u>	<u>900,000</u>
At 16 September 1995	<u>827,000</u>	<u>827,000</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 14 September 1996 £	52 week period ended 16 September 1995 £
Ordinary dividends paid	<u>1,608,751</u>	<u>1,375,001</u>

# Mauri Products Limited

## Notes (continued)

### 10 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Payments on account £	Total £
<i>Cost</i>				
At beginning of period	1,225,052	7,903,978	1,085,703	10,214,733
Additions	110,849	530,435	777,227	1,418,511
Transfers	309,144	696,021	(1,005,165)	-
Disposals	-	(25,534)	-	(25,534)
At end of period	<u>1,645,045</u>	<u>9,104,900</u>	<u>857,765</u>	<u>11,607,710</u>
<i>Depreciation</i>				
At beginning of period	189,318	4,608,667	-	4,797,985
Charge for period	21,598	698,751	-	720,349
On disposals	-	(19,041)	-	(19,041)
At end of period	<u>210,916</u>	<u>5,288,377</u>	<u>-</u>	<u>5,499,293</u>
<i>Net book value</i>				
At 14 September 1996	<u>1,434,129</u>	<u>3,816,523</u>	<u>857,765</u>	<u>6,108,417</u>
At 16 September 1995	<u>1,035,734</u>	<u>3,295,311</u>	<u>1,085,703</u>	<u>5,416,748</u>

Land and buildings comprise freehold property, including land at a cost of £399,701 (1995:£180,150) which is not depreciated.

### 11 Capital commitments

There are commitments for capital expenditure by the company of approximately £205,000 (1995:£604,000) for which no provision has been made in these financial statements. The directors have approved further capital expenditure of approximately £167,000 (1995:£65,000) for which there are no commitments.



# Mauri Products Limited

## Notes (continued)

12	<b>Stocks</b>	<b>14 September 1996 £</b>	<b>16 September 1995 £</b>
	Raw materials and consumables	<b>562,707</b>	528,844
	Finished goods and goods for resale	<b>156,611</b>	125,766
		<hr/>	<hr/>
		<b>719,318</b>	654,610
		<hr/>	<hr/>
13	<b>Debtors</b>	<b>14 September 1996 Due within one year £</b>	<b>16 September 1995 Due within one year £</b>
	Trade debtors	<b>1,606,352</b>	1,505,451
	Amounts owed by:		
	Parent and fellow subsidiary undertakings	<b>1,908,495</b>	1,857,195
	VAT recoverable	<b>74,682</b>	170,909
	Other debtors	<b>27,272</b>	22,864
	Prepayments and accrued income	<b>12,383</b>	52,696
		<hr/>	<hr/>
		<b>3,629,184</b>	3,609,115
		<hr/>	<hr/>

# Mauri Products Limited

## Notes (continued)

14	<b>Creditors</b>		
	<b>Amounts falling due within one year</b>	<b>14 September 1996</b>	<b>16 September 1995</b>
		£	£
	Bank loans and overdrafts	311,536	485,301
	Trade creditors	731,940	612,490
	Amounts owed to parent and fellow subsidiary undertakings	791,552	736,423
	Corporation tax	1,509,204	1,324,885
	Other taxes and social security	6,648	31,095
	Accruals and deferred income	207,110	106,903
		<u>3,557,990</u>	<u>3,297,097</u>

15	<b>Called up share capital</b>				
		<b>14 September 1996</b>		<b>16 September 1995</b>	
		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

	14 September 1996 £	16 September 1995 £
Opening shareholders' funds	6,386,041	5,894,359
Profit for the financial period	2,260,020	1,866,683
Dividends	(1,608,751)	(1,375,001)
	<hr/>	<hr/>
Closing shareholders' funds	<u>7,037,310</u>	<u>6,386,041</u>

### 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 14 September 1996 £	52 week period ended 16 September 1995 £
Operating profit	3,184,006	2,609,106
Depreciation charge	720,349	581,614
Loss on sale of tangible fixed assets	1,593	34,726
Increase in stocks	(64,708)	(59,499)
Increase in debtors	(20,069)	(712,393)
Increase in creditors	234,099	139,354
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>4,055,270</u>	<u>2,592,908</u>

# Mauri Products Limited

## Notes (continued)

### 19 Analysis of changes in cash and cash equivalents

	Cash £	Overdraft £	Net £
Balance at 17 September 1994	75,360	-	75,360
Net cash outflow	(72,695)	(485,301)	(557,996)
Balance at 16 September 1995	2,665	(485,301)	(482,636)
Net cash inflow	135,716	173,765	309,481
Balance at 14 September 1996	138,381	(311,536)	173,155

### 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.