

Mauri Products Limited

**Directors' report and financial
statements**

Registered number 1413180

28 August 2010



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 August 2010

Principal activities

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

Business review

The Directors are reporting a 4.7% increase in turnover on the previous period to £19.55 million

The company benefited from favourable molasses prices during the year as exchange rates stabilised and advantageous contracts were negotiated. This has resulted in an increased gross profit on the prior year. Other raw material prices were stable during the year however and the Directors anticipate increases during the forthcoming year.

The Directors anticipate a tough year ahead with increased pressures on price of the product as well as increased distribution and energy costs as a result of high fuel prices.

Proposed dividend

The directors declared an interim dividend of £486,000 (2009 £2,250,000) in respect of the year ended 28 August 2010.

Directors

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

C Simmonds
M Bonzo
SD Moon (resigned 11 June 2010)
J McKenna

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Payments to suppliers

The company does not adopt any specific code or standard, however it is the policy of the company to agree terms of payment when the order for goods and services is placed and to adhere to these arrangements when making payment.

The number of days of purchases outstanding at the year end was 78 days (2009 43 days).

Directors' report *(continued)*

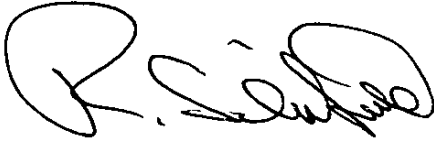
United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £Nil (2009 £498) No contributions were made to political organisations (2009 £nil)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore remain in office

By order of the board



RS Schofield
Secretary

Weston Centre
10 Grosvenor Street
LONDON
W1K 4QY

20 May 2011

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

The directors are responsible for preparing 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.

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 judgments 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 The Embankment
Neville Street
Leeds
LS1 4DW
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 year ended 28 August 2010 set out on pages 6 to 16. 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 3, 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP

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 28 August 2010 and of its profit for the year 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 Directors' Report for the financial year 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 C Harding (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Leeds
LS1 4DW
Leeds

20 May 2011

Profit and loss account
for the year ended 28 August 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover	3	19,552	18,677
Operating profit	4-6	2,095	627
Other interest receivable and similar income	7	44	168
Profit on ordinary activities before taxation		2,139	795
Tax on profit on ordinary activities	8	(646)	(285)
Profit for the financial period		1,493	510

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

Balance sheet
at 28 August 2010

	<i>Note</i>	2010	2009
		£000	£000
Fixed assets			
Tangible assets	9	11,146	10,399
Current assets			
Stocks	11	605	1,976
Debtors	12	8,655	5,127
Cash at bank and in hand		184	171
		<u>9,444</u>	<u>7,274</u>
Creditors: amounts falling due within one year	13	<u>(4,488)</u>	<u>(2,597)</u>
Net current assets		4,956	4,677
Total assets less current liabilities		16,102	15,076
Provisions for liabilities and charges	14	(1,331)	(1,312)
Net assets		14,771	13,764
Capital and reserves			
Called up share capital	15	1,375	1,375
Profit and loss account	16	13,396	12,389
Total equity shareholders' funds		14,771	13,764

These financial statements were approved by the board of directors on 18 May 2011 and were signed on its behalf by



John McKenna
 Director

Notes

(forming part of the financial statements)

1 Accounting reference date

These financial statements have been prepared for the year ended 28 August 2010

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

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	-	5 to 12 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 participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

2 Accounting policies (continued)

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

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

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

	2010 £000	2009 £000
United Kingdom	18,316	18,168
Europe	1,140	441
Rest of the World	96	68
	<hr/>	<hr/>
	19,552	18,677
	<hr/>	<hr/>

Notes *(continued)*

4 Operating profit

	2010 £000	2009 £000
Turnover	19,552	18,677
Cost of sales	(13,288)	(14,236)
	<hr/>	<hr/>
Gross profit	6,264	4,441
Distribution costs	(1,639)	(1,659)
Administrative expenses	(2,530)	(2,155)
	<hr/>	<hr/>
Operating profit	2,095	627
	<hr/> <hr/>	<hr/> <hr/>
<i>Operating profit is stated after charging</i>		
Staff costs (note 5)	2,008	1,841
Depreciation and other amounts written off fixed tangible assets		
Owned	1,219	1,066
Auditors' remuneration		
Audit services pursuant to legislation	15	12
	<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	
	2010	2009
	Number	Number
Production and administration	52	53
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	2010 £000	2009 £000
Wages and salaries	1,675	1,572
Social security costs	155	153
Other pension costs	178	116
	2,008	1,841
	2,008	1,841

Pensions

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. There are no contributions outstanding at the period end.

6 Directors remuneration

None of the directors received any emoluments in respect of services to the company (2009 *£nil*)

7 Other interest receivable and similar income

	2010 £000	2009 £000
Receivable from group undertakings	44	168
	44	168
	44	168

Notes (continued)

8 Taxation on profit on ordinary activities

	2010 £000	2009 £000
UK corporation tax	627	193
Total current tax	<u>627</u>	<u>193</u>
Deferred tax		
Timing differences	68	92
Effect of decrease in tax rate	(49)	-
Total deferred tax (note 14)	<u>19</u>	<u>92</u>
	<u><u>646</u></u>	<u><u>285</u></u>

The tax assessed for the period is higher (2009 lower) than the standard rate of corporation tax in the UK 28% (2009 28%). The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before tax	2,139	795
Profit on ordinary activities at standard rate or corporation tax in the UK of 28% (2009 28%)	<u>599</u>	<u>223</u>
Timing differences	(68)	(92)
Permanent differences	96	62
Total current tax	<u><u>627</u></u>	<u><u>193</u></u>

Notes (continued)

9 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	2,115	16,285	3,328	21,728
Additions	-	102	1,864	1,966
Disposals	-	(693)	-	(693)
Transfers	-	2,670	(2,670)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,115	18,364	2,522	23,001
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of period	740	10,589	-	11,329
Charge for period	75	1,144	-	1,219
Disposals	-	(693)	-	(693)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	815	11,040	-	11,855
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 28 August 2010	1,300	7,324	2,522	11,146
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 29 August 2009	1,375	5,696	3,328	10,399
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Land and buildings comprise freehold property, including land at a cost of £399,701 (2009 £399,701) which is not depreciated

10 Capital commitments

There are commitments for capital expenditure by the company of approximately £245,000 (2009 £1,386,000) for which no provision has been made in these financial statements

Notes (continued)

11 Stocks

	2010 £000	2009 £000
Raw materials and consumables	498	1,854
Finished goods and goods for resale	107	122
	605	1,976
	605	1,976

12 Debtors

	2010 £000	2009 £000
Trade debtors	1,762	1,922
Amounts owed by fellow group companies	6,576	2,871
VAT recoverable	151	89
Prepayments and accrued income	166	245
	8,655	5,127
	8,655	5,127

13 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	2,158	1,341
Amounts owed to fellow group companies	844	671
Corporation tax	828	319
Accruals and deferred income	658	266
	4,488	2,597
	4,488	2,597

Notes (continued)

14 Provisions for liabilities and charges

		Deferred tax £000
At beginning of the period		1,312
Charged in the period		19
		<hr style="border-top: 1px solid black;"/>
At end of period		1,331
		<hr style="border-top: 3px double black;"/>
The elements of deferred taxation are as follows		
	2010 £000	2009 £000
Difference between accumulated depreciation and capital allowances	1,331	1,312
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Deferred tax liability	1,331	1,312
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

15 Called up share capital

	2010		2009	
	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
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	3,000,000	3,000,000	3,000,000	3,000,000
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<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
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	1,375,001	1,375,001	1,375,001	1,375,001
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The holders of Class A and B shares can appoint 4 and 3 directors respectively Class C shareholders have no right of appointment

Notes (continued)

16 Profit and loss account

	2009
	£000
At beginning of period	12,389
Retained profit for the financial period	1,493
Dividend paid	(486)
	<hr/>
At end of period	13,396
	<hr/> <hr/>

17 Reconciliation of movements in shareholders' funds

	2010	2009
	£000	£000
Profit for the financial period	1,493	510
Dividend paid	(486)	(2,250)
	<hr/>	<hr/>
Net increase/ (decrease) to shareholders funds during the period	1,007	(1,740)
Opening shareholders funds	13,764	15,504
	<hr/>	<hr/>
	14,771	13,764
	<hr/> <hr/>	<hr/> <hr/>

18 Ultimate parent company and parent undertaking of larger group of which the company is a member

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