

Mauri Products Limited

**Directors' report and financial
statements**

Registered number 1413180

31 August 2013

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Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 August 2013

Principal activities

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

Business review

The Directors are reporting a 7.9% increase in turnover on the previous period to £20.4 million (2012: 18.9 million)

The operating environment of the company continues to be tough. The company benefited from bulk purchasing of molasses during the year, meaning molasses prices were consistent with the prior year. Increases on energy and effluent costs as well as distribution costs were a challenge, however prices continued to be stable during the period and downward pressure from the competition has eased.

The Directors anticipate another tough year ahead with molasses prices expected to increase, however the company should benefit from continued sales into new markets and further investment on site.

Principle risks and uncertainties

The company's risk management process seeks to enable early identification, evaluation and effective management of the key risks facing the business. The key risks currently include changing input costs alongside competitive pricing in the market as well as compliance with food safety, environmental and competition rules.

Proposed dividend

The directors declared a dividend of £Nil (2012: £Nil) in respect of the period ended 31 August 2013.

Directors

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

C Simmonds
A Pollard
T Strain

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.

Going concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report above.

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 ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position, the company's 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.

Directors' report *(continued)*

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 61 days *(2012 62 days)*

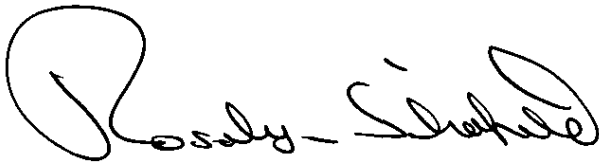
United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,100 *(2012 £1,488)* No contributions were made to political organisations *(2012 £nil)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office. However, KPMG Audit Plc, has instigated an orderly transfer of its business to its parent company, KPMG LLP. Therefore, during the 2013/14 year the board of Mauri Products Limited will appoint KPMG LLP as auditor

By order of the board



RS Schofield
Secretary

Weston Centre
10 Grosvenor Street
LONDON
W1K 4QY

15 May 2014

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 (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 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 31 August 2013 set out on pages 6 to 17. 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 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 31 August 2013 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 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 Harding (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Leeds
LS1 4DW
Leeds

15 May 2014

Profit and loss account
for the period ended 31 August 2013

	<i>Note</i>	2013 £000	2012 £000
Turnover	3	<u>20,377</u>	<u>18,954</u>
Operating loss	4-6	(288)	(696)
Other interest receivable and similar income	8	<u>16</u>	<u>50</u>
Loss on ordinary activities before taxation		(272)	(646)
Tax on loss on ordinary activities	9	<u>169</u>	<u>242</u>
Loss for the financial period	17	<u>(103)</u>	<u>(404)</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 8 to 16 form part of these financial statements

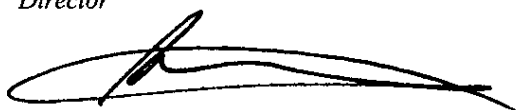
Balance sheet
at 31 August 2013

	<i>Note</i>	2013	2012
		£000	£000
Fixed assets			
Tangible assets	<i>10</i>	10,829	11,232
Current assets			
Stocks	<i>12</i>	1,515	576
Debtors	<i>13</i>	5,295	6,337
Cash at bank and in hand		578	173
		<u>7,388</u>	<u>7,086</u>
Creditors amounts falling due within one year	<i>14</i>	<u>(3,813)</u>	<u>(3,616)</u>
Net current assets		3,575	3,470
Total assets less current liabilities		<u>14,404</u>	<u>14,702</u>
Provisions for liabilities and charges	<i>15</i>	(962)	(1,157)
Net assets		<u>13,442</u>	<u>13,545</u>
Capital and reserves			
Called up share capital	<i>16</i>	1,375	1,375
Profit and loss account	<i>17</i>	12,067	12,170
Total equity shareholders' funds		<u>13,442</u>	<u>13,545</u>

The notes on pages 8 to 16 form part of these financial statements

These financial statements were approved by the board of directors on 15 May 2014 and were signed on its behalf by

Andrew Pollard
 Director



Notes

(forming part of the financial statements)

1 Accounting reference date

These financial statements have been prepared for the period ended 31 August 2013

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	-	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.

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.

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

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 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:

	2013 £000	2012 £000
United Kingdom	18,880	17,447
Europe	1,378	1,383
Rest of the World	119	124
	20,377	18,954
	20,377	18,954

Notes (continued)

4 Operating profit

	2013 £000	2012 £000
Turnover	20,377	18,954
Cost of sales	(15,446)	(14,824)
Gross profit	4,931	4,130
Distribution costs	(2,610)	(2,303)
Administrative expenses	(2,609)	(2,523)
Operating Loss	(288)	(696)
<i>Operating profit is stated after charging</i>		
Staff costs (note 5)	2,480	2,232
Depreciation and other amounts written off fixed tangible assets		
Owned	1,650	1,452
Operating lease rentals in respect of		
Plant and Machinery	19	20
Buildings	36	36
Auditor's remuneration		
Audit services pursuant to legislation	15	15

5 Staff numbers and costs

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

	Number of employees	
	2013 Number	2012 Number
Production and administration	54	52

The aggregate payroll costs of these persons were as follows

	2013 £000	2012 £000
Wages and salaries	2,024	1,838
Social security costs	194	181
Other pension costs	262	213
	2,480	2,232

Notes (continued)

6 Pensions

The group's final salary pension costs 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 is a member of the Associated British Foods plc pension 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 £167,000 (2012: £159,000).

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 to the scheme and amounted to £95,000 (2012: £54,000).

The last actuarial valuation of the Associated British Foods Pension Scheme was carried out as at 5 April 2011. At the valuation date the total market value of the assets of the schemes was £2,559m and represented 101% of the benefits that had accrued to members after allowing for expected future increases in earnings.

By agreement with the trustees, the Company agreed to eliminate the deficit identified at the time of the triennial actuarial valuation of the scheme in 2008 with five annual payments of £30m. The fourth of these payments was made in March 2012, and although the fund was in surplus at the time of the most recent valuation, the Company has agreed to make the final payment in March 2013.

Full IAS 19 disclosures can be found within the financial statements of Associated British Foods plc, which 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 also available for download on 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 these entities. The company did not pay any remuneration to directors in respect of their services (2012: £nil).

8 Other interest receivable and similar income

	2013 £000	2012 £000
Receivable from group undertakings	16	50

Notes (continued)

9 Taxation on profit on ordinary activities

	2013	2012
	£000	£000
UK corporation tax – current year	34	(161)
UK corporation tax – prior year adjustment	(8)	-
	<hr/>	<hr/>
Total current tax	26	(161)
	<hr/>	<hr/>
Origination and reversal of timing difference	(100)	-
Deferred Tax Prior Year Adjustment	47	20
Effect of write-off of Industrial Buildings Allowances	-	21
Effect of decrease in tax rate	(142)	(122)
	<hr/>	<hr/>
Total deferred tax (note 15)	(195)	(81)
	<hr/>	<hr/>
Total tax credit in the year	(169)	(242)
	<hr/> <hr/>	<hr/> <hr/>

The UK corporation tax rate was reduced from 24% to 23% with effect from 1 April 2013, with further reductions to 21% and 20% due to take effect on 1 April 2014 and 1 April 2015 respectively. The legislation to effect these rate changes had been enacted before the 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, closing deferred tax balances have been calculated using a rate of 20%. The differences are explained below.

	2013	2012
	£000	£000
Loss on ordinary activities before tax	(272)	(646)
	<hr/>	<hr/>
Loss on ordinary activities at standard rate or corporation tax in the UK of 23.5% (2012: 25.1%)	(64)	(162)
Timing differences	98	1
Adjustments in respect of prior periods	(8)	-
	<hr/>	<hr/>
Total current tax	26	(161)
	<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
<i>Cost</i>				
At beginning of period	2,145	21,296	2,084	25,525
Additions	-	26	1,313	1,339
Disposals	-	(620)	(82)	(702)
Transfers	-	2,529	(2,529)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,145	23,231	786	26,162
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	972	13,321	-	14,293
Charge for period	79	1,571	-	1,650
Disposals	-	(610)	-	(610)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	1,051	14,282	-	15,333
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2013	1,094	8,949	786	10,829
	<hr/>	<hr/>	<hr/>	<hr/>
At 25 August 2012	1,173	7,975	2,084	11,232
	<hr/>	<hr/>	<hr/>	<hr/>

Land and buildings comprise freehold property, including land at a cost of £399,701 (2012 £399,701) which is not depreciated

11 Capital commitments

There are commitments for capital expenditure by the company of approximately £50,000 (2012 £155,000) for which no provision has been made in these financial statements

Notes (continued)

12 Stocks

	2013 £000	2012 £000
Raw materials and consumables	1,303	410
Finished goods and goods for resale	212	166
	1,515	576
	1,515	576

13 Debtors

	2013 £000	2012 £000
Trade debtors	2,283	2,401
Amounts owed by group companies	2,318	3,250
Corporation Tax	-	161
VAT recoverable	154	212
Prepayments and accrued income	540	313
	5,295	6,337
	5,295	6,337

14 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	2,745	2,356
Amounts owed to group companies	899	891
Corporation tax	26	-
Accruals and deferred income	143	369
	3,813	3,616
	3,813	3,616

Notes (continued)

15 Provisions for liabilities and charges

		Deferred tax £000
At beginning of the period		1,157
Credited in the period		(195)
At end of period		<u>962</u>
The elements of deferred taxation are as follows		
	2013 £000	2012 £000
Difference between accumulated depreciation and capital allowances	<u>962</u>	<u>1,157</u>
Deferred tax liability	<u>962</u>	<u>1,157</u>

16 Called up share capital

	2013		2012	
	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
	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>

All classes of shares rank pari passu except that the holders of Class A and B shares can appoint 4 and 3 directors respectively and class C shareholders have no right of appointment

17 Profit and loss account

	2012 £000
At beginning of period	12,170
Retained loss for the financial period	(103)
At end of period	<u>12,067</u>

18 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Loss for the financial period	(103)	(404)
Dividend paid	-	-
	(103)	(404)
Net decrease to shareholders funds during the period	13,545	13,949
Opening shareholders funds	13,442	13,545
	13,442	13,545

19 Lease Commitments

At 31 August 2013 the minimum lease payments under operating leases are as follows

	2013 £000	2012 £000
Within one year	38	49
Between one and five years	17	37
After 5 years	-	-
	38	49
	38	49

20 Related Parties

In accordance with Financial Reporting Standard Number 8, Related Party Disclosures, the company is exempt from disclosing transactions with entities that are part of Wittington Investments Limited, or investees of Wittington Investments Limited qualifying as related parties as it is a wholly owned subsidiary of a parent publishing consolidated accounts which include the company's results and transactions

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