

Mauri Products Limited

**Directors' report and
financial statements**

17 September 1994

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 17 September 1994.

Principal activity

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

Business review and future developments

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

During the period the main activity of the company remained unchanged and the directors anticipate that any future developments would be related to this activity.

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 £1,486,723. The directors declared an interim dividend amounting to £1.20 per share in respect of the period ended 17 September 1994 on 14 June 1994.

After deducting the ordinary dividend, the retained loss of £163,278 was taken to reserves.

Fixed assets

Changes in tangible fixed assets are shown in note 10.

Directors and directors' interests

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

I Clack
THM Shaw
HW Bailey
JCO Miles
A Turnbull
C Kop

The board remained unchanged throughout the period and in the period to date.

Mauri Products Limited

Directors' report (continued)

Directors and directors' interests (continued)

The undermentioned directors notified interests in the numbers of ordinary shares of 5p in Associated British Foods plc set opposite the respective names. With effect from 29 July 1994 the shares are a holding in the former George Weston Holdings Limited now known as Associated British Foods plc.

	Interest at end of period Shares	Interest at beginning of period Shares
HW Bailey	80,000	68,055
THM Shaw	60,605	35,605
JCO Miles	100	1,975

The other directors notified no interests.

According to the register of directors' interests JCO Miles was granted a right to subscribe for 10,000 ordinary shares of 5p each in Associated British Foods plc on 11 November 1993. This right to subscribe for shares was subsequently cancelled on 29 July 1994. Any other outstanding rights to subscribe for shares not exercised were also cancelled on 29 July 1994.

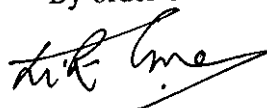
United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,310 (1993:£480). No contributions were made to political organisations.

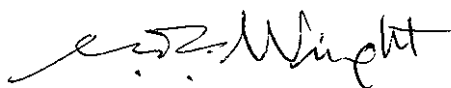
Auditors

As permitted by section 379A of the Companies Act 1985 the company by elective resolution has chosen to dispense with the obligation to appoint auditors annually. Messrs KPMG Peat Marwick are therefore deemed to be reappointed.

By order of the board



MR Gore
Joint Secretaries



WB Wright

Weston Centre
Bowater House
68 Knightsbridge
LONDON
SW1X 7LR

27 October 1994

Mauri Products Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Wilberforce Court
Alfred Gelder Street
Hull
HU1 1YH

Report of the auditors to the members of Mauri Products Limited

We have audited the financial statements on pages 5 to 17.

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 17 September 1994 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.



Chartered Accountants
Registered Auditors

27 October 1994

Mauri Products Limited

Profit and loss account

for the period ended 17 September 1994

	<i>Note</i>	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
Turnover - continuing operations		<u>11,463,226</u>	<u>10,982,573</u>
Operating profit - continuing operations	3-4	2,117,282	2,618,280
Other interest receivable and similar income	6	106,304	143,277
Interest payable and similar charges	7	(245)	(2,962)
Profit on ordinary activities before taxation		<u>2,223,341</u>	<u>2,758,595</u>
Tax on profit on ordinary activities	8	(736,618)	(884,000)
Profit for the financial period		<u>1,486,723</u>	<u>1,874,595</u>
Dividends	9	(1,650,001)	(2,475,002)
Retained loss for the financial period		<u>(163,278)</u>	<u>(600,407)</u>
Retained profit brought forward		<u>4,682,636</u>	<u>5,283,043</u>
Retained profit carried forward		<u>4,519,358</u>	<u>4,682,636</u>

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

There is no material difference between the company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

Mauri Products Limited

Balance sheet
at 17 September 1994

	Note	17 September 1994		18 September 1993	
		£	£	£	£
Fixed assets					
Tangible assets	10	4,527,015		4,350,433	
Current assets					
Stocks	12	595,111		522,345	
Debtors	13	2,896,722		3,323,405	
Cash at bank and in hand		75,360		500	
		<u>3,567,193</u>		<u>3,846,250</u>	
Creditors: amounts falling due within one year	14	<u>(2,199,849)</u>		<u>(2,139,046)</u>	
Net current assets		<u>1,367,344</u>		<u>1,707,204</u>	
Total assets less current liabilities		<u>5,894,359</u>		<u>6,057,637</u>	
Capital and reserves					
Called up share capital - ordinary	15	1,375,001		1,375,001	
Profit and loss account		4,519,358		4,682,636	
		<u>5,894,359</u>		<u>6,057,637</u>	

These financial statements were approved by the board of directors on 27 October 1994 and were signed on its behalf by:

THM Shaw
Director



Mauri Products Limited

Cash flow statement

for the period ended 17 September 1994

	Note	1994		1993	
		£	£	£	£
Net cash inflow from operating activities	18	3,169,661		3,239,457	
Return on investments and servicing of finance					
Interest received		106,304		143,277	
Interest paid		(245)		(2,962)	
Dividends paid		(1,650,001)		(2,475,002)	
		<u> </u>		<u> </u>	
Net cash outflow from returns on investment and servicing of finance		(1,543,942)		(2,334,687)	
Taxation					
UK corporation tax paid		681,495		448,000	
		<u> </u>		<u> </u>	
Tax paid		(681,495)		(448,000)	
Investing activities					
Purchase of tangible fixed assets		(781,558)		(664,879)	
Sale of tangible fixed assets		13,025		6,700	
		<u> </u>		<u> </u>	
Net cash outflow from investing activities		(768,533)		(658,179)	
Increase/(decrease) in cash and cash equivalents	19	<u>175,691</u>		<u>(201,409)</u>	

Mauri Products Limited

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 17 September 1994.

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 in accordance with applicable accounting standards.

Turnover

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

Fixed assets and depreciation

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

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

Research and development

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

Stocks

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

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.

Mauri Products Limited

Notes (continued)

2 Accounting policies (continued)

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 17 September 1994 £	53 week period ended 18 September 1993 £
Turnover	11,463,226	10,982,573
Cost of sales	(7,583,565)	(6,880,256)
Gross profit	3,879,661	4,102,317
Distribution costs	(1,266,903)	(1,056,983)
Administrative expenses	(495,476)	(427,054)
Operating profit	2,117,282	2,618,280
<i>Operating profit is stated after charging</i>		
Staff costs	1,225,489	1,112,672
Depreciation and other amounts written off fixed tangible assets:		
Owned	563,681	606,346
Loss on sale of tangible fixed assets	28,270	5,786
Auditors' remuneration:		
Audit fee	9,100	7,800
Other services	7,150	4,000

Mauri Products Limited

Notes (continued)

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 17 September 1994	53 week period ended 18 September 1993
61	59
<u>61</u>	<u>59</u>

The aggregate staff costs of these persons were as follows:

	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
Wages and salaries	1,107,818	1,003,008
Social security costs	103,383	98,118
Other pension costs (see note 5)	14,288	11,546
	<u>1,225,489</u>	<u>1,112,672</u>

	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
Directors' emoluments	<u>Nil</u>	<u>Nil</u>

The emoluments, excluding pension contributions, of the chairman were £Nil (1993:£Nil) and those of the highest paid director were £Nil (1993:£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 17 September 1994	53 week period ended 18 September 1993
£0 - £ 5,000	<u>6</u>	<u>6</u>

Mauri Products Limited

Notes (continued)

5 Pensions

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

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

6 Other interest receivable and similar income

	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
Receivable from group undertakings	<u>106,304</u>	<u>143,277</u>

7 Interest payable and similar charges

	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
On bank loans, overdrafts and other loans wholly repayable within five years	<u>245</u>	<u>2,962</u>

Mauri Products Limited

Notes (continued)

8 Taxation on profit on ordinary activities

	52 week period ended 17 September 1994 £	53 week period ended 18 September 1993 £
UK corporation tax on the profit for the period on ordinary activities at 33% (1993:33%)	736,000	884,000
Adjustments in respect of previous years Corporation tax	618	-
	<u>736,618</u>	<u>884,000</u>

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

	Accelerated capital allowances £	Total £
At 17 September 1994	<u>701,000</u>	<u>701,000</u>
At 18 September 1993	<u>697,000</u>	<u>697,000</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 17 September 1994 £	53 week period ended 18 September 1993 £
Ordinary dividends paid	<u>1,650,001</u>	<u>2,475,002</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	1,177,885	6,680,991	194,520	8,053,396
Additions	-	211,098	570,460	781,558
Transfers	-	168,175	(168,175)	-
Disposals	-	(60,411)	-	(60,411)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	1,177,885	6,999,853	596,805	8,774,543
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	148,211	3,554,752	-	3,702,963
Charge for period	20,371	543,310	-	563,681
On disposals	-	(19,116)	-	(19,116)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	168,582	4,078,946	-	4,247,528
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 17 September 1994	1,009,303	2,920,907	596,805	4,527,015
	<hr/>	<hr/>	<hr/>	<hr/>
At 18 September 1993	1,029,674	3,126,239	194,520	4,350,433
	<hr/>	<hr/>	<hr/>	<hr/>

Land and buildings comprise freehold property, including land at a cost of £180,150 (1993:£180,150) which is not depreciated.

11 Capital commitments

There are commitments for capital expenditure by the company of approximately £249,000 (1993:£123,000) for which no provision has been made in these financial statements. The directors have approved further capital expenditure of approximately £75,000 (1993:£80,000) for which there are no commitments.

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Notes (continued)

12 Stocks

	17 September 1994 £	18 September 1993 £
Raw materials and consumables	475,783	416,946
Finished goods and goods for resale	119,328	105,399
	<u>595,111</u>	<u>522,345</u>

13 Debtors

	17 September 1994 Due within one year £	18 September 1993 Due within one year £
Trade debtors	1,124,482	1,112,786
Amounts owed by:		
Parent and fellow subsidiary undertakings	1,598,782	2,103,883
VAT recoverable	130,696	85,888
Other debtors	9,148	9,418
Prepayments and accrued income	33,614	11,430
	<u>2,896,722</u>	<u>3,323,405</u>

Mauri Products Limited

Notes (continued)

14 Creditors

Amounts falling due within one year	17 September 1994 £	18 September 1993 £
Bank loans and overdrafts	-	100,831
Trade creditors	464,681	468,119
Amounts owed to parent and fellow subsidiary undertakings	737,998	605,529
Corporation tax	852,292	797,169
Other taxes and social security	28,754	18,462
Accruals and deferred income	116,124	148,936
	<u>2,199,849</u>	<u>2,139,046</u>

15 Called up share capital

	17 September 1994		18 September 1993	
	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

	17 September 1994 £	18 September 1993 £
Opening shareholders' funds	6,057,637	6,658,044
Profit for the financial year	1,486,723	1,874,595
Dividends	<u>(1,650,001)</u>	<u>(2,475,002)</u>
Closing shareholders' funds	<u>5,894,359</u>	<u>6,057,637</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 17 September 1994 £	53 week period ended 18 September 1993 £
Operating profit	2,117,282	2,618,280
Depreciation charge	563,681	606,346
Loss on sale of tangible fixed assets	28,270	5,786
Increase in stocks	(72,766)	(115,796)
Decrease in debtors	426,683	118,283
Increase in creditors	<u>106,511</u>	<u>6,558</u>
Net cash inflow from operating activities	<u>3,169,661</u>	<u>3,239,457</u>

Mauri Products Limited

Notes (continued)

19 Analysis of changes in cash and cash equivalents

	Cash	Overdraft	Net
	£	£	£
Balance at 12 September 1992	101,078	-	101,078
Net cash outflow	(100,578)	(100,831)	(201,409)
Balance at 18 September 1993	500	(100,831)	(100,331)
Net cash inflow	74,860	100,831	175,691
Balance at 17 September 1994	75,360	-	75,360

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.