

**Mauri Products Limited**

**Directors' report and financial  
statements**

Registered number 1413180

16 September 2000



**COMPANIES HOUSE**

**0232  
03/05/01**

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## Directors' report

The directors present their annual report and the audited financial statements for the period ended 16 September 2000.

### Principal activities

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

### Business review

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.

### Proposed dividend

The directors declared a final dividend of £2,750,002 (1999: £2,062,502) in respect of the period ended 16 September 2000.

### 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 is of any practical significance.

### Directors and directors' interests

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

THM Shaw (resigned 31 May 2000)  
JCO Miles  
MJ O'Neill  
J Lynch  
J McKenna  
D Lamberth  
JG Bason (appointed 1 June 2000)

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 5 <sup>15</sup> / <sub>22</sub> p each at beginning and end of period
JCO Miles	176
J Lynch	602
JG Bason	1,500

## Directors' report *(continued)*

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

The other directors notified no interests. The following directors had the following outstanding options to acquire ordinary shares in Associated British Foods plc

	At beginning and end of period shares of 5 <sup>15</sup> / <sub>22</sub> each number	Exercise price	Date from which exercisable	Expiry date
JCO Miles	15,000	561.5p	28.4.2003	28.4.2008
MJ O'Neill	40,000	561.5p	28.4.2003	28.4.2008
JG Bason	100,000	467.0p	11.5.2004	10.5.2009

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

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.

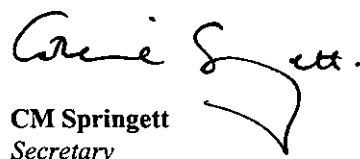
### United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,067 (1999: £2,282). No contributions were made to political organisations.

### Auditors

Pursuant to a shareholders resolution the company is not obliged to appoint auditors annually and therefore KPMG Audit Plc will continue in office.

By order of the board

  
CM Springett  
Secretary

Weston Centre  
Bowater House  
68 Knightsbridge  
LONDON  
SW1X 7LQ

## **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 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.



KPMG Audit Plc

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### 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 the company's affairs as at 16 September 2000 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

**Profit and loss account**  
*for the period ended 16 September 2000*


	<i>Note</i>	<b>52 week period ended 16 September 2000 £</b>	<b>53 week period ended 18 September 1999 £</b>
<b>Turnover</b>			
Continuing operations	3	<b>16,812,039</b>	16,418,654
		=====	=====
<b>Operating profit</b>			
Continuing operations	4-6	<b>5,285,885</b>	4,812,490
Other interest receivable and similar income	7	<b>150,138</b>	235,519
		-----	-----
<b>Profit on ordinary activities before taxation</b>		<b>5,436,023</b>	5,048,009
Tax on profit on ordinary activities	8	<b>(1,464,325)</b>	(1,447,226)
		-----	-----
<b>Profit for the financial period</b>		<b>3,971,698</b>	3,600,783
Dividends	9	<b>(2,750,002)</b>	(2,062,502)
		-----	-----
<b>Retained profit for the financial period</b>		<b>1,221,696</b>	1,538,281
Retained profit brought forward		<b>9,988,252</b>	8,449,971
		-----	-----
<b>Retained profit carried forward</b>		<b>11,209,948</b>	9,988,252
		=====	=====

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

**Balance sheet**  
 at 16 September 2000

	<i>Note</i>	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		8,800,200		7,277,297
<b>Current assets</b>					
Stocks	12	601,768		604,185	
Debtors	13	5,125,768		6,252,664	
Cash at bank and in hand		223,077		165,386	
		<u>5,950,613</u>		<u>7,022,235</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,165,864)</u>		<u>(2,936,279)</u>	
<b>Net current assets</b>			<u>3,784,749</u>		<u>4,085,956</u>
<b>Net assets</b>			<u>12,584,949</u>		<u>11,363,253</u>
<b>Capital and reserves</b>					
Called up share capital - ordinary	15		1,375,001		1,375,001
Profit and loss account			11,209,948		9,988,252
<b>Total equity shareholders' funds</b>			<u>12,584,949</u>		<u>11,363,253</u>

These financial statements were approved by the board of directors on 17/10/2000 and were signed on its behalf by:

  
**JG Bason**  
 Director



**Cash flow statement**  
*for the period ended 16 September 2000*

	<i>Note</i>	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Net cash inflow from operating activities	18	6,923,164	5,811,384
Return on investments and servicing of finance	18	150,138	235,519
Taxation		(1,763,659)	(1,982,499)
Capital expenditure and financial investment	18	(2,501,950)	(1,947,279)
Equity dividends paid		(2,750,002)	(2,062,502)
Net cash inflow before use of liquid resources and financing		57,691	54,623
Financing		-	-
Increase in cash	18	57,691	54,623

## 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 16 September 2000.

### 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 accounting standards and under the historical cost accounting rules.

#### *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.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post-retirement benefits*

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 to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the contributing companies.

#### *Research and development expenditure*

Expenditure on research and development is written off against profits in the year in which it is incurred.

**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**

The charge for taxation is based on the profit for the year 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.

**Turnover**

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

**3 Turnover**

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

The geographical analysis of turnover is as follows:

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
United Kingdom	15,136,310	14,649,406
Europe	1,675,729	1,769,248
	<hr/>	<hr/>
	<b>16,812,039</b>	<b>16,418,654</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes (continued)**

**4 Operating profit**

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
<b>Turnover</b>	<b>16,812,039</b>	16,418,654
Cost of sales	<b>(8,492,772)</b>	(8,756,578)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>8,319,267</b>	7,662,076
Distribution costs	<b>(2,459,336)</b>	(2,252,509)
Administrative expenses	<b>(574,046)</b>	(597,077)
	<hr/>	<hr/>
<b>Operating profit</b>	<b>5,285,885</b>	4,812,490
	<hr/> <hr/>	<hr/> <hr/>
<i>Operating profit is stated after charging</i>		
Staff costs	<b>1,768,250</b>	1,625,793
Depreciation and other amounts written off fixed tangible assets:		
Owned	<b>923,169</b>	873,182
Loss on sale of tangible fixed assets	<b>55,878</b>	-
Auditors' remuneration:		
Audit	<b>11,050</b>	9,750
Other services	-	6,107

**5 Staff numbers and costs**

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

	Number of employees	
	52 week period ended 16 September 2000	53 week period ended 18 September 1999
Production and administration	<b>75</b>	74
	<hr/>	<hr/>

**Notes (continued)**

**5 Staff numbers and costs (continued)**

The aggregate payroll costs of these persons were as follows:

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Wages and salaries	1,565,253	1,463,806
Social security costs	133,689	128,606
Other pension costs	69,308	33,381
	<u>1,768,250</u>	<u>1,625,793</u>

**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 benefit 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 Directors remuneration**

None of the directors received any emoluments in respect his services to the company (1999: £nil).

**7 Other interest receivable and similar income**

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Receivable from group undertakings	150,138	235,519
	<u>150,138</u>	<u>235,519</u>

**Notes (continued)**

**8 Taxation on profit on ordinary activities**

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
UK corporation tax at 31% (1999:30.5 %)	1,469,054	1,446,272
Adjustments in respect of previous years Corporation tax	(4,729)	954
	<u>1,464,325</u>	<u>1,447,226</u>

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

	Accelerated capital allowances £
At 16 September 2000	1,026,498
At 18 September 1999	<u>865,000</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 16 September 2000 £	53 week period ended 18 September 1999 £
Ordinary dividends paid	<u>2,750,002</u>	<u>2,062,502</u>

**Notes (continued)**

**10 Tangible fixed assets**

	Land and buildings	Plant and machinery	Payments on account and assets in course of con- struction	Total
	£	£	£	£
<b>Cost</b>				
At beginning of year	1,706,586	12,127,910	1,295,848	15,130,344
Additions	-	657,198	1,911,451	2,568,649
Disposals	-	(416,881)	-	(416,881)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,706,586	12,368,227	3,207,299	17,282,112
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	289,709	7,563,338	-	7,853,047
Charge for year	28,716	894,453	-	923,169
On disposal	-	(294,304)	-	(294,304)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	318,425	8,163,487	-	8,481,912
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 16 September 2000	<b>1,388,161</b>	<b>4,204,740</b>	<b>3,207,299</b>	<b>8,800,200</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 18 September 1999	1,416,877	4,564,572	1,295,848	7,277,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Land and buildings comprise freehold property, including land at a cost of £399,701 (1999: £399,701) which is not depreciated.

**11 Capital commitments**

There are commitments for capital expenditure by the company of approximately £625,376 (1999: £2,050,000) for which no provision has been made in these financial statements.

**Notes (continued)**

**12 Stocks**

	16 September 2000 £	18 September 1999 £
Raw materials and consumables	488,430	468,083
Finished goods and goods for resale	113,338	136,102
	<u>601,768</u>	<u>604,185</u>

**13 Debtors**

	16 September 2000 £	18 September 1999 £
Trade debtors	2,444,605	2,221,163
Amounts owed by group and fellow subsidiary undertakings	2,504,867	3,755,498
VAT recoverable	145,558	241,978
Other debtors	29,089	34,025
Prepayments and accrued income	1,649	-
	<u>5,125,768</u>	<u>6,252,664</u>

**14 Creditors: amounts falling due within one year**

	16 September 2000 £	18 September 1999 £
Trade creditors	597,817	481,189
Amounts owed to group and fellow subsidiary undertakings	38,547	587,589
Corporation tax	1,099,054	1,398,388
Accruals and deferred income	430,446	469,113
	<u>2,165,864</u>	<u>2,936,279</u>



**Notes (continued)**

**15 Called up share capital**

	16 September 2000		18 September 1999	
	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/>	<hr/>	<hr/>	<hr/>
	3,000,000	3,000,000	3,000,000	3,000,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<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/>	<hr/>	<hr/>	<hr/>
	1,375,001	1,375,001	1,375,001	1,375,001
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**16 Reconciliation of movements in shareholders' funds**

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Opening shareholders' funds	11,363,253	9,824,972
Profit for the financial period	3,971,698	3,600,783
Dividends	(2,750,002)	(2,062,502)
	<hr/>	<hr/>
Closing shareholders' funds	12,584,949	11,363,253
	<hr/> <hr/>	<hr/> <hr/>

**17 Contingent liabilities**

The company, together with Associated British Foods plc and certain fellow UK subsidiary undertakings, is party to set-off arrangements in respect of its bank accounts with certain of the group's bankers.

**Notes (continued)**

**18 Notes to cash flow statements**

(i) Reconciliation of movements in shareholders' funds

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Operating profit	5,285,885	4,812,490
Depreciation	923,169	873,182
Loss on disposal of tangible fixed assets	55,878	-
Decrease in stocks	2,417	170,299
Decrease/(increase) in debtors	1,126,896	(198,060)
(Decrease)/increase in creditors	(471,081)	153,473
	<hr/>	<hr/>
Net cash inflow from operating activities	6,923,164	5,811,384
	<hr/> <hr/>	<hr/> <hr/>

(ii) Analysis of cash flows for headings netted in the cash flow statement and other information

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Returns on investments and servicing of finance		
Interest received	150,138	235,519
	<hr/>	<hr/>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,568,649)	(1,947,279)
Proceeds from sales of tangible fixed assets	66,699	-
	<hr/>	<hr/>
	(2,501,950)	(1,947,279)
	<hr/> <hr/>	<hr/> <hr/>

(iii) Analysis of changes in cash and cash equivalents

	Cash £
Balance at 12 September 1998	110,763
Net cash inflow	54,623
	<hr/>
Balance at 18 September 1999	165,386
Net cash inflow	57,691
	<hr/>
Balance at 16 September 2000	223,077
	<hr/> <hr/>

## Notes (continued)

### 19 Related party transactions

The issued share capital of the company is owned by Associated British Foods plc and Burns, Philp and Company Limited as to 687,501 and 687,500 shares respectively. The directors consider that the company is a subsidiary undertaking of Associated British Foods plc and that the ultimate parent undertaking is Wittington Investments Limited.

During the year the company had yeast sales to, and raw material purchases from, Associated British Foods plc subsidiary companies of £5,454,000 (1999: £5,580,000) and £1,935,000 (1999: £1,752,000) respectively and paid charges, excluding recharged costs, to such companies of £Nil (1999: £50,000).

Amounts owed to and by Associated British Foods plc group companies are shown in notes 13 and 14 above.

No amounts are owed to or by Burns, Philp and Company Limited group companies, nor were there any material transactions with those companies.

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

The directors consider that the company is a subsidiary undertaking of 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 7LQ.