

WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

17 SEPTEMBER 2005

(Registered Number: 101266)



WEREHAM GRAVEL COMPANY LIMITED

Directors' Report and Financial Statements

CONTENTS	Page
Directors' Report	1 - 2
Statement of Directors' Responsibilities	3
Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 9

WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 week period ended 17 September 2005.

1 Principal Activities

In the course of the period the principal activities were that of site reclamation. This activity will continue for the foreseeable future.

2 Business Review and Future Developments

During the period the main activities of the company remained unchanged, and the directors anticipate that any future development will be related to these activities.

3 Results and Reserves

The profit and loss account for the period is set out on page 5. The company recorded a loss on ordinary activities after taxation amounting to £3,691 (2004: loss of £2,480). The directors did not declare a dividend in respect of the period ended 17 September 2005 (2004: NIL).

The loss of £3,691 was transferred to reserves.

4 Property Values

The directors are of the opinion that the market value of interests in land and buildings at the end of the period exceeded the amounts included in the balance sheet, but they are unable to quantify the excess.

5 Directors

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

H J DAVENPORT
M I CARR

6 Interests of Directors in Shares and Debentures

Notifications of interests or rights to subscribe for the shares in this company or shares or debentures of other group companies by the directors was not required because at the end of the period each was also a director of a company of which this company is a wholly owned subsidiary.

No director had at any time during the period any material interest in a contract with the company, other than service contracts.

The directors interests in shares of Associated British Foods plc are disclosed in the accounts of British Sugar plc, the company's immediate holding company, which are publicly available from the address in note 13.


WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT continued ...

7 Political and Charitable Contributions

The company made no political or charitable contributions during the period. (2004: NIL).

By Order of the Board



R S Mendelsohn
Secretary

Registered Office:-

Weston Centre
10 Grosvenor Street
London
W1K 4QY

9 November 2005

WEREHAM GRAVEL COMPANY LIMITED

Statement of Directors' responsibilities in respect of the preparation of financial statements

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 of the company 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 safeguard the assets of the company and have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Wereham Gravel Company Limited

We have audited the financial statements on pages 5 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

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 1985. 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 at 17 September 2005 and of its loss 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
London

9 November 2005

WEREHAM GRAVEL COMPANY LIMITED

Profit and Loss Account

(£)

Notes

	52 week period to 17 September 2005	53 week period to 18 September 2004
Turnover	-	-
Cost of Sales	-	-
Gross Profit	-	-
Administrative expenses	(4,471)	(8,477)
Other operating income	6,928	4,935
Operating Profit / (Loss)	2,457	(3,542)
3 Interest Payable and similar charges	(7,730)	-
4 Loss on Ordinary Activities before taxation	(5,273)	(3,542)
5 Tax on Loss on Ordinary Activities	1,582	1,062
Loss on Ordinary Activities after Taxation	(3,691)	(2,480)
Retained Profit brought forward	112,310	114,790
Retained Profit carried forward	108,619	112,310

The notes on pages 7 to 9 form part of these financial statements.

The company has made no acquisitions or discontinued any operations, within the meaning of Financial Reporting Standard 3, during either 2005 or 2004. Turnover and profit on ordinary activities, therefore, derive entirely from continuing operations.

The company has no recognised gains or losses other than as stated above accordingly no Corporate Statement of total recognised gains and losses has been presented.

WEREHAM GRAVEL COMPANY LIMITED

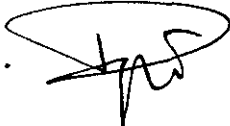
Balance Sheet

(£)

Notes

	<u>17 September 2005</u>	<u>18 September 2004</u>
Fixed Assets		
6 Tangible Assets	263,906	263,906
Current Assets		
7 Debtors	3,847	1,256
8 Creditors; Amounts falling due within one year	(158,634)	(152,352)
Net Current Liabilities	(154,787)	(151,096)
Total Assets less Current Liabilities and Net Assets	109,119	112,810
Capital and Reserves		
10 Called up share capital	500	500
Profit and loss account	108,619	112,310
11 Equity Shareholders' funds	109,119	112,810

The notes on pages 7 to 9 form part of these financial statements. The financial statements were approved by the Board on 9 November 2005 and signed on its behalf by:

U. 7. 

H J DAVENPORT
Director

WEREHAM GRAVEL COMPANY LIMITED

Notes to 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 2005.

2 Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below:

Basis of Accounting

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom which have been applied consistently. Notwithstanding net current liabilities of £154,787, the financial statements have been prepared on a going concern basis. The company has received assurance from its immediate parent company, British Sugar plc, that it will, for the foreseeable future, make available such financial support as is necessary for the company to meet its liabilities, in the normal course of its activities, as they fall due for payment.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking whose results are included in the financial statements of a parent undertaking. A group cash flow statement is included in the financial statements of Associated British Foods plc, which are available from the address in note 13.

Depreciation

It is not the policy of the Directors to provide for depreciation on freehold land.

Taxation

The tax charge or credit is based on the profit or loss for the period.

3 Interest Payable and similar charges

The balance consists of intercompany interest on a loan with British Sugar plc, the company's immediate holding company. The loan was created on 19 September 2004. Interest is calculated based on LIBOR + 25bps. LIBOR is to be taken as the 6 month LIBOR Inter-bank Offer Rate in the currency of the funds borrowed, as quoted by Reuters, and re-set thereafter twice yearly on 25 February and 25 August.

The term is based on any amount borrowed by British Sugar plc or Wereham Gravel Company Ltd under the terms of the agreement shall be repaid, together with any accrued interest on such date as shall be specified by the lending company by not less than five days written notice.

4 Loss on Ordinary Activities before Taxation

The Directors received no emoluments during the period in respect of services provided to the company (2004: NIL).

The company had no employees during the period (2004: NIL).

Audit fees for the period ended 17 September 2005 have been borne by the immediate parent company, British Sugar plc.

WEREHAM GRAVEL COMPANY LIMITED

Notes to the Financial Statements

5 Taxation (£)

	52 week period to <u>17 September 2005</u>	53 week period to <u>18 September 2004</u>
UK Corporation tax at 30%	-	-

Factors affecting the tax charge for the current period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 30% (2004: 30%). The differences are explained below:

	<u>2005</u>	<u>2004</u>
Loss on ordinary activities before tax	<u>5,273</u>	<u>3,542</u>
Loss on ordinary activities before tax at the standard rate of corporation tax	<u>(1,582)</u>	<u>(1,062)</u>
Effects of: Group Relief	<u>1,582</u>	<u>1,062</u>
Total current tax charge	<u>-</u>	<u>-</u>

The corporation tax charge for the current period or the prior period does not differ from the standard rate of corporation tax for the UK of 30% (2004: 30%).

6 Tangible Fixed Assets (£)

	<u>17 September 2005</u>	<u>18 September 2004</u>
Freehold land		
Cost and net book value	<u>263,906</u>	<u>263,906</u>

7 Debtors (£)

	<u>17 September 2005</u>	<u>18 September 2004</u>
Prepayments and accrued income	<u>3,314</u>	<u>1,256</u>
Amounts owed by Group undertakings	<u>533</u>	<u>-</u>
	<u>3,847</u>	<u>1,256</u>

WEREHAM GRAVEL COMPANY LIMITED

Notes to the Financial Statements

8 Creditors:

Amounts falling due within one year
(£)

	<u>17 September 2005</u>	<u>18 September 2004</u>
Amounts owed to group undertakings	158,634	152,352
	<u>158,634</u>	<u>152,352</u>

9 Contingent Liabilities

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

10 Called up Share Capital (£)

	<u>17 September 2005</u>	<u>18 September 2004</u>
Authorised, allotted, issued and fully paid:		
500 ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

11 Reconciliation of movements in shareholders' funds (£)

	<u>17 September 2005</u>	<u>18 September 2004</u>
Opening shareholders' funds	112,810	115,290
Loss for the financial period	(3,691)	(2,480)
Closing shareholders' funds	<u>109,119</u>	<u>112,810</u>

12 Related Party Transactions

The company, being a 100 per cent subsidiary of ABF Investments plc, has taken advantage of the Financial Reporting Standard 8 exemption not to disclose related party transactions with other entities in the same group.

13 Holding Company

The company's immediate holding company is British Sugar plc, a company registered and incorporated in England. The accounts of this company are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London W1K 4QY.

The company's 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, 10 Grosvenor Street, London W1K 4QY.