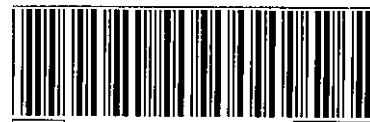


The Ryvita Company Limited

**Directors' report and financial
statements**

17 September 1994

Registered number 245345



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The Ryvita Company Limited

Directors' report and financial statements

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The Ryvita Company Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 17 September 1994.

Principal activities

In the course of the period the principal activities were the manufacture and sale of food.

Business review and future developments

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.

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 6. Profit on ordinary activities after taxation amounted to £2,399,000. This amount was transferred to reserves as the directors did not propose a dividend.

Fixed assets

Changes in tangible fixed assets are shown in note 8. The directors are of the opinion that the market value of interests in land and buildings at the end of the period exceeded that amount included in the balance sheet, but they are unable to quantify the excess.

Research and development

The company has an ongoing commitment in the area of research and development and continues to develop its range of products.

The Ryvita Company Limited

Directors' report *(continued)*

Directors and directors' interests

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

GH Weston	(Chairman)
Guy H Weston	(Managing)
M Butler	
AG Willoughby-Paul	
JN Wickenden	(Resigned 18 January 1994)
SD Smith	

Notification of an interest in the shares in this company and shares in or debentures of other group companies by GH Weston was not required because at the end of the period he was also a director of a company of which this company is a wholly owned subsidiary undertaking.

The following directors had the following interests in the share capital of Associated British Foods plc, as recorded in the register of directors' interest. 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.

	Ordinary shares of 5p each at end of period	Ordinary shares of 5p each at beginning of period
M Butler	9,080	4,080
AG Willoughby-Paul	-	10,000
Guy H Weston	180,763	-

Guy H Weston also notified interests in 925 ordinary shares of 50p in George Weston Holdings Limited at the beginning of the period. These shares were converted into shares in Associated British Foods plc during the period.

SD Smith notified no interests.

According to the register of directors' interests, no rights to subscribe for shares in this company or shares in or debentures of any other group company were granted to any of the directors or their immediate families during the financial year and any rights on options not exercised were cancelled.

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

The Ryvita Company Limited

Directors' report *(continued)*

Employees

The company is committed to the further development of employee information and consultation. This is achieved both in conjunction with trade union representatives and through briefing sessions with wider groups of employees.

It is the policy of the company to offer equal opportunities to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £2,518. No contributions were made to political organisations.

Auditors

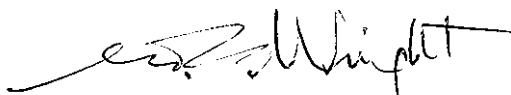
Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

By order of the board



MR Gore
Secretary

Weston Centre
Bowater House
68 Knightsbridge
LONDON
SW1X 7LR



WB Wright
Secretary

25 October 1994

The Ryvita 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors to the members of The Ryvita Company Limited

We have audited the financial statements on pages 6 to 21.

Respective responsibilities of directors and auditors

As described on page 4 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 of 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

As explained in the accounting policies (note 2) no provision has been made for deferred tax. Note 7 specifies the total potential amount of deferred taxation not provided but no assessment has been made of the extent to which it is probable that this might crystallise and therefore, of the amount for which provision should be made in accordance with the requirements of Statement of Standard Accounting Practice No.15 and the Companies Act 1985.

Except for any adjustments that might have been necessary to account for deferred tax as required, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 17 September 1994 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

22 November 1994

Chartered Accountants
Registered Auditors

The Ryvita Company Limited

Profit and loss account for the period ended 17 September 1994

	Note	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
Turnover - continuing operations	2	<u>38,677</u>	<u>42,826</u>
Operating profit - continuing operations	3	6,085	8,539
Other interest receivable and similar income	6	<u>26</u>	<u>38</u>
Profit on ordinary activities before taxation	2-6	6,111	8,577
Tax on profit on ordinary activities	7	<u>(3,712)</u>	<u>(7,064)</u>
Retained profit for the financial period		2,399	1,513
Retained profit brought forward		<u>36,273</u>	<u>34,760</u>
Retained profit carried forward		<u>38,672</u>	<u>36,273</u>

A statement of movements on reserves is given in note 15.

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.

The Ryvita Company Limited

Balance sheet at 17 September 1994

	Note	17 September 1994		18 September 1993	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	8		27,549		19,458
Investments	10		1,220		1,220
			<hr/>		<hr/>
Current assets			28,769		20,678
Stocks	11	3,135		2,877	
Debtors	12	14,508		18,677	
Cash at bank and in hand		477		758	
		<hr/>		<hr/>	
		18,120		22,312	
Creditors: amounts falling due within one year	13	(5,545)		(4,045)	
		<hr/>		<hr/>	
Net current assets			12,575		18,267
			<hr/>		<hr/>
Total assets less current liabilities			41,344		38,945
Creditors: amounts falling due after more than one year	13	(1,209)		(1,209)	
		<hr/>		<hr/>	
Net assets			40,135		37,736
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14	196		196	
Share premium account	15	1,263		1,263	
Other reserves	15	4		4	
Profit and loss account	15	38,672		36,273	
		<hr/>		<hr/>	
Total shareholders' funds			40,135		37,736
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 25 October 1994 and were signed on its behalf by:



Guy H Weston
Director

The Ryvita Company 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 and in accordance with applicable accounting standards except that, for the reasons set out in the deferred tax accounting policy, they do not comply with Statement of Standard Accounting Practice No. 15.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A group cash flow statement is included in the financial statements of Associated British Foods plc.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the manufacture and sale of food to customers during the period.

All turnover and profits before taxation are derived from the company's principal activities, which the directors consider represent one class of business.

The analysis of turnover and profit before taxation by geographical market has not been given because in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the company.

Fixed assets and depreciation

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

Freehold buildings	-	50 years
Plant, machinery, fixtures and fittings	-	5 - 12 years
Vehicles	-	5 - 8 years

The Ryvita Company Limited

Notes (continued)

2 Accounting policies (continued)

Leases

All material leases entered into by the company are operating leases whereby substantially all the risks and rewards of ownership of an asset remain with the lessor. Rental payments are charged against profits on a straight line basis over the life of the lease.

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 after making due provision against obsolete and slow-moving items. In the case of work-in-progress and finished goods manufactured by the company the term 'cost' includes ingredients, production wages and an appropriate proportion of attributable production overheads.

Deferred taxation

No provision has been made for deferred tax as the company is a member of a group which provides for deferred tax only in the group financial statements. The assessment of what deferred tax, if any, will become payable in the foreseeable future has not been made separately for this company.

Foreign currencies

Transactions denominated 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.

The company enters into forward contracts to hedge its currency risks. The full commitment, converted at contracted exchange rates is shown in note 18.

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.

Goodwill

Premiums on the acquisition of business assets represent the excess of consideration over the fair value of separable net assets and are written off against reserves in the period of acquisition.

The Ryvita Company Limited

Notes (continued)

3 Operating profit

	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
Turnover	38,677	42,826
Cost of sales	(26,368)	(27,818)
Gross profit	12,309	15,008
Distribution costs	(5,004)	(4,957)
Administrative expenses	(1,220)	(1,512)
Operating profit	6,085	8,539

The above amounts derive entirely from continuing operations.

	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
<i>Operating profit is stated after charging/(crediting)</i>		
Depreciation and other amounts written off owned fixed tangible assets	2,518	2,160
Profit on sale of fixed assets	(32)	(15)
Hire of plant and machinery	45	7
Rentals payable under property leases	130	149
Auditors' remuneration:		
Audit	20	16
Other services	2	57
Research and development expenditure	147	70

The Ryvita Company Limited

Notes (continued)

4 Directors and employees

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	52 week period ended 17 September 1994	53 week period ended 18 September 1993
Management	20	20
Administration	58	58
Production	400	411
	<hr/>	<hr/>
	478	489
	<hr/>	<hr/>

The aggregate staff costs of these persons were as follows:

	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
Wages and salaries	7,005	7,082
Social security costs	584	605
Other pension costs	293	286
	<hr/>	<hr/>
	7,882	7,973
	<hr/>	<hr/>

The Ryvita Company Limited

Notes (continued)

4 Directors and employees (continued)

	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
Directors' emoluments:		
Emoluments as executives	212	235
Pension contributions	14	13
Compensation for loss of office	46	-
	<u>272</u>	<u>248</u>

The emoluments, excluding pension contributions, of the chairman were £Nil (1993 : £Nil) and those of the highest paid director were £62,487 (1993: £65,116).

In addition, £33,750 was paid to the directors on the cancellation of their share options in ABF Investments plc as a result of the group reorganisation.

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid directors) were within the following ranges:

	Number of directors	
	52 week period ended 17 September 1994	53 week period ended 18 September 1993
£0 - £ 5,000	1	1
£5,001 - £10,000	1	-
£20,001 - £25,000	-	1
£40,001 - £45,000	-	1
£45,001 - £50,000	3	1
£50,001 - £55,000	-	1
£60,001 - £65,000	1	-
£65,001 - £70,000	-	1

The Ryvita Company Limited

Notes (continued)

5 Pensions

The group's 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 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 this 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 £000	53 week period ended 18 September 1993 £000
Income from short term deposits	<u>26</u>	<u>38</u>

The Ryvita Company Limited

Notes (continued)

7 Taxation on profit on ordinary activities

	52 week period ended 17 September 1994 £000	53 week period ended 18 September 1993 £000
Adjustment relating to an earlier period under/(over) provision	28	(165)
Group relief payments for current year	3,684	6,729
Group relief payments for prior year	-	500
	<u>3,712</u>	<u>7,064</u>

Group relief losses are being paid for on a pound for pound basis.

As explained in the accounting policies (note 2) no provision has been made for deferred tax.

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

	Accelerated capital allowances £000	Other timing differences £000	Total £000
At 17 September 1994	<u>3,510</u>	<u>(3)</u>	<u>3,507</u>
At 18 September 1993	<u>2,296</u>	<u>(8)</u>	<u>2,288</u>

The Ryvita Company Limited

Notes (continued)

8 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Payments on account £000	Total £000
<i>Cost</i>					
At beginning of period	3,203	29,781	806	2,393	36,183
Additions	54	4,898	111	5,604	10,667
Transfer between categories	-	2,009	5	(2,014)	-
Transfers between companies	-	1	-	-	1
Disposals	-	(672)	(42)	-	(714)
At end of period	3,257	36,017	880	5,983	46,137
<i>Depreciation</i>					
At beginning of period	850	15,456	419	-	16,725
Charge for period	64	2,344	110	-	2,518
Transfers between companies	-	1	-	-	1
On disposals	-	(621)	(35)	-	(656)
At end of period	914	17,180	494	-	18,588
<i>Net book value</i>					
At 17 September 1994	2,343	18,837	386	5,983	27,549
At 18 September 1993	2,353	14,325	387	2,393	19,458

The Ryvita Company Limited

Notes (continued)

8 Tangible fixed assets (continued)

Analysis of land and buildings at net book value:

	17 September 1994 £000	18 September 1993 £000
Freehold	1,394	1,386
Long leasehold	949	967
	<u>2,343</u>	<u>2,353</u>

Freehold land of £12,000 (1993: £12,000) is not depreciated.

9 Capital commitments

There are commitments for capital expenditure by the company of approximately £1,930,000 (1993: £2,992,000) for which no provision has been made in these financial statements. The directors have approved further capital expenditure of approximately £3,885,000 (1993: £5,782,000) for which there are no commitments.

10 Fixed asset investments

Shares at cost in unlisted subsidiary companies:

	£000
At beginning and end of period	<u>1,220</u>

The companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Ryvita GmbH	Germany	Dormant	Ordinary 100%
Harvester Wholefoods Limited	England and Wales	Dormant	Ordinary 100%

Group financial statements have not been prepared as the company is a wholly owned subsidiary undertaking of Associated British Foods plc. Associated British Foods plc prepares group financial statements which include these companies.

In the opinion of the directors the investments in and amounts due from the company's subsidiary undertakings and other unlisted investments are worth at least the amounts at which they are stated in the balance sheet.

The Ryvita Company Limited

Notes (continued)

11 Stocks

	17 September 1994 £000	18 September 1993 £000
Raw materials and consumables	2,226	2,176
Finished goods and goods for resale	909	701
	<u>3,135</u>	<u>2,877</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

12 Debtors

	17 September 1994 Due within one year £000	18 September 1993 Due within one year £000
Trade debtors	4,158	4,643
Amounts owed by parent and fellow subsidiary undertakings	9,769	11,875
Corporation tax	-	1,625
Other taxation and social security	429	351
Other debtors	47	49
Prepayments and accrued income	105	134
	<u>14,508</u>	<u>18,677</u>

The Ryvita Company Limited

Notes (continued)

13 Creditors

	17 September 1994 £000	18 September 1993 £000
Amounts falling due within one year		
Trade creditors	2,827	2,563
Amounts owed to group undertakings		
Parent and fellow subsidiary undertakings	135	155
Corporation tax	-	7
Other taxes and social security	137	151
Other creditors	1,880	575
Accruals and deferred income	566	594
	<u>5,545</u>	<u>4,045</u>
 Amounts falling due after more than one year		
	17 September 1994 £000	18 September 1993 £000
Amounts owed to subsidiary undertaking	<u>1,209</u>	<u>1,209</u>

No repayment date had been arranged of the amount owed to the subsidiary undertaking of £1,209,000. The directors do not anticipate a repayment in the foreseeable future.

The Ryvita Company Limited

Notes (continued)

14 Called up share capital

	18 September 1993 and 17 September 1994	
	Number	£
<i>Authorised</i>		
Ordinary shares of 5p	6,000	300
'A' Ordinary Shares of £1 each	143,750	143,750
7% (net) cumulative preference shares of £1 each	55,950	55,950
	<u>205,700</u>	<u>200,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 5p each	6,000	300
'A' Ordinary shares of £1 each	139,700	139,700
7% (net) cumulative preference shares of £1 each	55,950	55,950
	<u>201,650</u>	<u>195,950</u>

15 Reserves

	Share premium account £000	Other reserves £000	Profit and loss account £000
At beginning of period	1,263	4	36,273
Retained profit for the period	<u>-</u>	<u>-</u>	<u>2,399</u>
At end of period	<u>1,263</u>	<u>4</u>	<u>38,672</u>

The Ryvita Company Limited

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	17 September 1994 £000	18 September 1993 £000
Opening shareholders' funds	37,736	36,223
Profit for the financial year	2,399	1,513
Closing shareholders' funds	<u>40,135</u>	<u>37,736</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.

Guarantees totalling £31,000 (1993: £11,000) have been given by the company's bankers in respect of the Intervention Board and Customs Duties.

18 Commitments

Operating leases

The company has minimum annual commitments under non-cancellable operating leases which expire as follows:

	Land and buildings	
	17 September 1994 £000	18 September 1993 £000
Over five years	<u>100</u>	<u>100</u>

Other

Agreements have been entered into with the company's bankers to sell and buy foreign currencies under forward contracts at fixed exchange rates. The contracted exchange values are £2,549,000 (1993: £3,440,000) and £1,543,000 (1993: £Nil) respectively.

The company has also entered into forward purchase contracts to buy 28,000 tonnes of 1994 harvest rye and 28,500 tonnes of 1995 harvest rye with anticipated values of £3,360,000 and £3,206,000 respectively.

The Ryvita Company Limited

Notes *(continued)*

19 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 the Registrar of Companies, Crown Way, Maindy, Cardiff, CF4 3UZ.