

The Ryvita Company Limited

**Directors' report and financial
statements**

Registered number 245345

15 September 2001



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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 15 September 2001.

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.

Research and development

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

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 5. The profit on ordinary activities after taxation amounted to £3,841,000 (2000: loss £1,789,000). The directors propose the payment of a final dividend of £3,000,000.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings of the company exceeds the book values of these assets at 15 September 2001, but they are unable to quantify the excess.

Policy and practice on payment of creditors

The company does not have a formal code that it follows with regard to payments to suppliers.

It agrees payment terms with its suppliers at the time it enters into binding purchasing contracts for the supply of goods and services. Its suppliers are, in that way, made aware of these terms. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

At the period end, there were 63 days (2000: 34 days) purchases in trade creditors.

Directors and directors' interests

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

GH Weston	(Chairman) (Resigned 15 December 2000)
Guy H Weston	
ZA Withers	
GJ Weston	(Managing director)
PG Seurre	

Subsequent to the end of the period, Z.A. Withers resigned as a director of the company on 15 October 2001 and D.C.M. Brown was appointed as a director on 7 May 2002.

Notification of an interest in the shares of 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.

Directors' report (continued)

Directors and directors' interests (continued)

The other directors who held office at the end of the financial year had the following interests in the ordinary shares of Associated British Foods plc, according to the register of directors' interests.

	Ordinary shares of 5 15/22p each at end of period	Ordinary shares of 5 15/22p each at beginning of period
Guy H Weston	3,177,565	3,177,565
GJ Weston	2,911,975	2,911,975
ZA Withers	310	310

PG Seurre notified no interests.

Guy H Weston notified at the end of the period that he had a non-beneficial interest as a trustee of a trust which held 683,073 ordinary shares of 50p in Wittington Investments Ltd, a beneficial interest as a trustee of a trust which held 5,863 ordinary shares of 50p in Wittington Investments Ltd and also a non-beneficial interest as a trustee of a trust which held 3,073,920 ordinary shares of 5 15/22p in Associated British Foods plc at the beginning of the period and 2,705,049 ordinary shares of 5 15/22p in Associated British Foods plc at the end of the period.

The following directors had the following outstanding options to acquire ordinary shares in Associated British Foods plc.

	Number		Exercise price	Date from which exercisable	Expiry date
	At end of period shares of 5 15/22p each	At beginning of period shares of 5 15/22p each			
Guy H Weston	15,000	15,000	561.5p	28 April 2003	27 April 2008
ZA Withers	10,000	10,000	561.5p	28 April 2003	27 April 2008
GJ Weston	10,000	10,000	561.5p	28 April 2003	27 April 2008
GJ Weston	20,000	0	484.0p	17 January 2004	16 January 2011

Employees

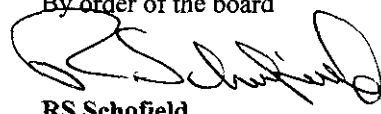
The company is committed to the further development of employee information and consultation. This is achieved both in conjunction with trade union representatives and through briefing sessions with wider groups of employees.

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

Donations to UK charities amounted to £1,000 (2000: £1,884). The company made no political contributions during the year.

By order of the board


RS Schofield
Secretary

Weston Centre
Bowater House
68 Knightsbridge
LONDON
SW1X 7LQ
2002

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 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 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

Arlington Business Park
Theale
Reading, RG7 4SD
United Kingdom

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

We have audited the financial statements on pages 5 to 18.

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.

Qualified opinion arising from disagreement about accounting treatment

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 15 September 2001 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

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 July

2002

Profit and loss account
for the year ended 15 September 2001

		52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 before exceptional items £000	Exceptional items £000	52 week period ended 16 September 2000 after exceptional items £000
	Note				
Turnover - continuing operations	2	30,248	28,630	-	28,630
Operating profit/(loss)- continuing operations	3	5,881	3,025	(3,535)	(510)
Other interest receivable and similar income	6	16	11	-	11
Profit on ordinary activities before taxation		5,897	3,036	(3,535)	(499)
Tax on profit/(loss) on ordinary activities	7	(2,056)	(1,290)	-	(1,290)
Profit/(loss) on ordinary activities		3,841	1,746	(3,535)	(1,789)
Dividend	8	(3,000)			-
Retained profit/(loss) for the financial period		841			(1,789)
Retained profit brought forward		35,558			37,347
Retained profit carried forward		36,399			35,558

A statement of movements on reserves is given in note 16.

There are no recognised gains or losses other than the results for the periods, which have been calculated on a historical cost basis.

Balance sheet

At 15 September 2001

	Note	15 September 2001		16 September 2000	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		12,960		14,883
Investments	11		12		12
			<hr/>		<hr/>
			12,972		14,895
Current assets					
Stocks	12	2,135		1,913	
Debtors	13	31,019		24,013	
Cash at bank and in hand		408		189	
		<hr/>		<hr/>	
		33,562		26,115	
Creditors: amounts falling due within one year	14	(8,672)		(3,989)	
		<hr/>		<hr/>	
Net current assets			24,890		22,126
			<hr/>		<hr/>
Net assets			37,862		37,021
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	196		196	
Share premium account	16	1,263		1,263	
Other reserves	16	4		4	
Profit and loss account	16	36,399		35,558	
		<hr/>		<hr/>	
Shareholders' funds	17		37,862		37,021
			<hr/>		<hr/>
Total capital and reserves analysed between:					
Equity			37,806		36,965
Non-equity			56		56
			<hr/>		<hr/>
			37,862		37,021
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 4/7/2002 and were signed on its behalf by:



Garth J Weston
Director

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 15 September 2001.

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 (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. A group cash flow statement is included in the financial statements of Associated British Foods plc.

The company is controlled by Associated British Foods plc and is exempt from disclosing transactions with it and other group companies under Financial Reporting Standard 8 as it is a wholly owned subsidiary undertaking included within the consolidated Financial Statements which are publicly available.

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 and originate in the UK.

The analysis of turnover 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

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.

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 as incurred.

Notes (continued)

3 Operating profit

	52 week period ended 15 September 2001 Total £000	52 week period ended 16 September 2000 before exceptional items £000	Exceptional Items £000	52 week period ended 16 September 2000 £000
Turnover	30,248	28,630	-	28,630
Cost of sales	(17,312)	(18,368)	(3,535)	(21,903)
Gross profit	12,936	10,262	(3,535)	6,727
Distribution costs	(5,562)	(5,830)	-	(5,830)
Administrative expenses	(1,493)	(1,424)	-	(1,424)
Other operating income	-	17	-	17
Operating profit/(loss)	5,881	3,025	(3,535)	(510)

The above amounts derive entirely from continuing operations.

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
<i>Operating profit is stated after charging:</i>		
Depreciation and other amounts written off owned fixed tangible assets	2,697	6,905
(Profit) on sale of fixed assets	(2)	(21)
Hire of plant and machinery	17	13
Rentals payable under property leases	100	100
Auditors' remuneration:		
Audit	16	17
Other services	2	2
Research and development expenditure	138	100

The exceptional item in 2000 relates to the write-off of redundant plant and machinery during that year and has been included with the depreciation charge for that year.

Notes (continued)

4 Remuneration of directors

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
Directors' emoluments	294	194

The aggregate emoluments of the highest paid director were £114,000 (2000: £78,000). He is a member of a defined benefit scheme, under which his accrued pension to which he would be entitled from normal retirement date if he were to leave at the period end was £6,314 (2000: £5,000).

	52 week period ended 15 September 2001	52 week period ended 16 September 2000
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	3	3

Notes (continued)

5 Staff numbers and costs

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 15 September 2001	53 week period ended 16 September 2000
Management	23	15
Administration	45	48
Production	223	255
	<hr/> 291	<hr/> 318

The aggregate staff costs of these persons were as follows:

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
Wages and salaries	5,445	5,641
Social security costs	410	420
Other pension costs	426	411
	<hr/> 6,281	<hr/> 6,472

6 Other interest receivable and similar income

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
Income from short term deposits	<hr/> 16	<hr/> 11

Notes *(continued)*

7 Tax on profit on ordinary activities

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
UK Corporation tax at 30% (2000:30%) on the profit on ordinary activities for the period	2,056	1,290

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
At 15 September 2001	2,099
At 16 September 2000	2,384

Notes (continued)

8 Dividends

	52 week period ended 15 September 2001 £000	52 week period ended 16 September 2000 £000
Equity shares:		
Final dividend proposed	3,000	-

The dividend was paid in respect of 'A' ordinary shares only.

9 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Payments on account £000	Total £000
Cost					
At 16 September 2000	3,582	50,513	1,955	59	56,109
Additions	66	500	47	197	810
Transfers from other group companies	-	30	-	-	30
Transfer between categories	(62)	62	-	-	-
Disposals	-	(289)	(7)	-	(296)
At 15 September 2001	3,586	50,816	1,995	256	56,653
Depreciation					
At 16 September 2000	1,328	38,381	1,517	-	41,226
Transfers from other group companies	-	30	-	-	30
Charge for period	70	2,401	226	-	2,697
On disposals	-	(253)	(7)	-	(260)
At 15 September 2001	1,398	40,559	1,736	-	43,693
Net book value					
At 15 September 2001	2,188	10,257	259	256	12,960
At 16 September 2000	2,254	12,132	438	59	14,883

Freehold land of £12,000 (2000: £12,000) is not depreciated.

Notes (continued)

10 Capital commitments

There are commitments for capital expenditure by the company of approximately £122,000 (2000:£32,000) for which no provision has been made in these financial statements.

11 Fixed asset investments

	Shares at cost in unlisted subsidiary undertaking £000
At 15 September 2001	12
At 16 September 2000	12

The company in which the company's interest is more than 10% is 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%

The financial statements present information about The Ryvita Company Limited as an individual undertaking and not about its group.

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.

Notes (continued)

12 Stocks

	15 September 2001 £000	16 September 2000 £000
Raw materials and consumables	1,238	1,146
Finished goods and goods for resale	897	767
	<u>2,135</u>	<u>1,913</u>

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

13 Debtors

	15 September 2001 £000	16 September 2000 £000
Trade debtors	3,914	4,050
Amounts owed by parent and fellow subsidiary undertakings	26,777	19,617
Other taxation and social security	251	229
Other debtors	13	14
Prepayments and accrued income	64	103
	<u>31,019</u>	<u>24,013</u>

No repayment date has been arranged of the amount owed by the parent undertaking of £26,512,000.

14 Creditors: amounts falling due within one year

	15 September 2001 £000	16 September 2000 £000
Trade creditors	2,882	1,505
Amounts owed to group undertakings:		
Parent and fellow subsidiary undertakings	12	209
Other creditors including taxation and social security	1,583	1,346
Accruals and deferred income	1,195	929
Dividends proposed	3,000	-
	<u>8,672</u>	<u>3,989</u>

Notes (continued)

15 Called up share capital

	15 September 2001 and 16 September 2000	
	Number	£
<i>Authorised</i>		
Ordinary shares of 5p each	6,000	300
'A' Ordinary Shares of £1 each	143,750	143,750
7% (net) cumulative preference shares of £1 each - non equity	55,950	55,950
	<hr/>	<hr/>
	205,700	200,000
	<hr/>	<hr/>
<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 - non equity	55,950	55,950
	<hr/>	<hr/>
	201,650	195,950
	<hr/>	<hr/>

The dividends on the 7% (net) cumulative preference shares of £1 each have been waived.

The preference shares confer the right, on winding up, to the payment of the capital amount together with the fixed dividend accrued up to the date of commencement of the winding up in priority to all other shares.

16 Reserves

	Share premium account £000	Other reserves £000	Profit and loss account £000
At beginning of period	1,263	4	35,558
Retained profit for the period	-	-	841
	<hr/>	<hr/>	<hr/>
At end of period	1,263	4	36,399
	<hr/>	<hr/>	<hr/>

Notes (continued)

17 Reconciliation of movements in shareholders' funds

	15 September 2001 £000	16 September 2000 £000
Opening shareholders' funds	37,021	38,810
Profit/(loss) for the financial year	841	(1,789)
Closing shareholders' funds	<u>37,862</u>	<u>37,021</u>

18 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 £30,000 (2000:£30,000) have been given by the company's bankers in respect of Customs Duties.

19 Commitments

Operating leases

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

	Land and buildings 15 September 2001 £000	16 September 2000 £000
Over five years	<u>100</u>	<u>100</u>

Notes (continued)

20 Ultimate holding company

The ultimate parent undertaking and controlling party as defined by FRS8 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 7LQ.

21 Pensions

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, although the scheme is defined benefit in nature. In addition, the company is unable to identify its share of the underlying assets and liabilities of the scheme. Therefore for the purposes of SSAP24 and FRS17 the annual cost is taken as equal to the employer contributions paid.

The pension charge for the period paid by the company to Associated British Foods plc was £426,000 (2000: £411,000).