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Manor Bakeries Limited

Report and Financial Statements

28 April 2001

Registered Number: 285602



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MANOR BAKERIES LIMITED

Annual report and financial statements for the fifty two weeks ended 28 April 2001

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MANOR BAKERIES LIMITED**Report of the directors for the fifty two weeks ended 28 April 2001**

The directors present their report together with the audited financial statements for the fifty two weeks ended 28 April 2001.

Results and dividends

The profit and loss account is set out on page 5 and shows the results for the year.

Interim dividends of £3,500,000 and £5,500,000 (2000 - £17,366,018) were paid during the year. The directors do not propose a final dividend for the year.

Principal activities, trading review and future developments

The principal activities of the company throughout the year continued to be the production and sale of bakery products.

The directors are satisfied with the results for the year and do not envisage any major change in the conduct of the business over the next twelve months.

Charitable and political contributions

During the year the company made charitable donations of £2,000. The company made no political contributions.

Research and development

Applied research and development work continues to be directed towards the introduction of new and improved products, the application of new technology to reduce unit and operating costs and to improve service to customers.

Directors

R N Marchant a director of the previous ultimate parent company Tomkins PLC, resigned as a director of the company on 31 August 2000

The other directors, and their interests in the ordinary shares of RHM Group One Limited, are:

	Fully paid shares	
	28 April 2001	29 April 2000
A J R Brown	39,598	-
B J Grant	19,622	-
M B Woodmore (appointed 22 August 2000)	36,155	-
I W Ruddick (appointed 31 August 2000)*	41,320	-
D W Hall (resigned 6 September 2000)	-	-
G S Plews (resigned 6 September 2000)	-	-
M J Schurch (appointed on 1 August 2001)	34,606	-

* I W Ruddick held 41,320 shares on date of appointment.

The directors' interests as disclosed in last year's financial statements related to their interests in the former ultimate parent company, Tomkins PLC.

No director has any material interest in any contract or arrangement subsisting during the year with the company.

MANOR BAKERIES LIMITEDReport of the directors for the fifty two weeks ended 28 April 2001 (*Continued*)**Employees**

The company recognises the importance of encouraging all employees to contribute to the achievements of the company. It has a comprehensive set of employment practices designed to achieve that objective. In particular the company's equal opportunities policy is designed to create an environment in which all employees are encouraged to develop their individual potential whatever their sex, race, religion, colour, age or disability. The same opportunities for training, career development and promotion are available to all employees including those with disabilities, in so far as that disability does not prevent them from performing their job or any suitable alternative available job. Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned.

Consultation with employees or their representatives takes place at all levels; there is an RHM European Employment Forum (which satisfies the requirements of the European Works Council Directive) and other communication processes appropriate to the company's businesses. These are designed to ensure that employees' views are taken into account when decisions are made that are likely to affect their interests.

The company attaches great importance to the quality of its communication with all employees. Employees are provided with information about the performance of the company through a variety of briefing mechanisms appropriate to their circumstances.

Payment policy

The company's policy is to determine terms and conditions of payment with suppliers when negotiating each transaction, ensure that suppliers are made aware of the agreed terms and how disputes are to be settled and to abide by the terms of payment.

The number of days credit taken by the company for trade purchases at 28 April 2001 was 45 days (2000 - 42 days).

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; and
- 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 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.

MANOR BAKERIES LIMITED

Report of the directors for the fifty two weeks ended 28 April 2001 (*Continued*)

Statutory dispensation

The company has in force, under Section 379A of the Companies Act 1985, an election dispensing with the laying of accounts and reports before the company in General Meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually.

Approved by the Board on 11th February 2002
and signed by order of the board by

M. B. Woodmore

M B Woodmore
Secretary

MANOR BAKERIES LIMITED

Report of the auditors

To the members of Manor Bakeries Limited

We have audited the financial statements of Manor Bakeries Limited on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 is not disclosed.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

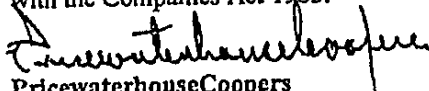
Basis of audit opinion

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 28 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Reading

11 February 2002

MANOR BAKERIES LIMITED

Profit and loss account for the fifty two weeks ended 28 April 2001

	Note	2001 £'000	2000 £'000
Turnover	2	268,853	260,394
Cost of sales		(162,539)	(157,529)
Gross profit		106,314	102,865
Distribution costs		(73,799)	(63,905)
Administrative expenses		(16,342)	(14,305)
Other operating income		-	133
Operating profit before interest	3	16,173	24,788
Interest receivable		20	-
Interest payable and similar charges	6	(2,125)	(1)
Profit on ordinary activities before taxation		14,068	24,787
Taxation on profit on ordinary activities	7	(3,626)	(7,421)
Profit on ordinary activities after taxation		10,442	17,366
Dividends		(9,000)	(17,366)
Retained profit		1,442	-
Reserves brought forward		9,089	9,069
Transfer from revaluation reserve	19	64	20
Reserves carried forward		10,595	9,089

All amounts relate to continuing activities.

There are no recognised gains or losses in either year, other than the profit on ordinary activities after taxation.

The notes on pages 8 to 18 form part of these financial statements.

MANOR BAKERIES LIMITED

Note of historical cost profits and losses and Reconciliation of movements in shareholders' funds for the fifty two weeks ended 28 April 2001

	Note	2001 £'000	2000 £'000
Note of historical cost profits and losses			
Reported profit on ordinary activities before taxation		14,068	24,787
Difference between actual and historical cost depreciation	19	64	20
		<u>14,132</u>	<u>24,807</u>
Historical cost profit on ordinary activities before taxation			
		<u>14,132</u>	<u>24,807</u>
Historical cost profit for the year retained after taxation and dividends			
		<u>1,506</u>	<u>20</u>
Reconciliation of movements in shareholders' funds			
Profit for the year		10,442	17,366
Dividends		(9,000)	(17,366)
		<u>1,442</u>	<u>-</u>
Net addition to shareholders' funds			
		<u>1,442</u>	<u>-</u>
Opening shareholders' funds			
		<u>59,500</u>	<u>59,500</u>
Closing shareholders' funds			
		<u>60,942</u>	<u>59,500</u>

The notes on pages 8 to 18 form part of these financial statements.

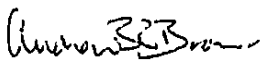

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MANOR BAKERIES LIMITED

Balance sheet at 28 April 2001

	Note	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Fixed assets					
Tangible assets	9		61,947		64,591
Investments	10		6		50
			<u>61,953</u>		<u>64,641</u>
Current assets					
Stocks	11	7,756		8,279	
Debtors: amounts falling due within one year	12	34,893		31,531	
Debtors: amounts falling due after one year	13	130,000		-	
Cash		3,235		-	
		<u>175,884</u>		<u>39,810</u>	
Creditors: amounts falling due within one year	14	(45,870)		(36,660)	
Net current assets			<u>130,014</u>		<u>3,150</u>
Total assets less current liabilities			<u>191,967</u>		<u>67,791</u>
Creditors: amounts falling due after more than one year	15	(126,006)		(2,408)	
Provision for liabilities and charges	17	(5,019)		(5,883)	
			<u>(131,025)</u>		<u>(8,291)</u>
			<u>60,942</u>		<u>59,500</u>
Capital and reserves					
Called up share capital	18		50,000		50,000
Share premium account			5		5
Revaluation reserve	19		342		406
Profit and loss account			10,595		9,089
Shareholders' funds - Equity			<u>60,942</u>		<u>59,500</u>

The financial statements were approved by the Board on 11th February 2002 and signed on its behalf by

A J R Brown )
 B J Grant )
 Directors

The notes on pages 8 to 18 form part of these financial statements.

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

Accounting period

The financial statements are for the fifty two weeks ended 28 April 2001. In 2000 the financial statements were for the fifty two weeks ended 29 April 2000.

Turnover

The turnover shown in the Profit and Loss Account comprises sales made in the ordinary course of business to external customers for goods supplied and despatched and services provided, exclusive of sales related taxes.

Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is calculated so as to write off the cost or valuation of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Plant and machinery and vehicles:	Two to twenty years
Short leasehold land and buildings:	Length of lease
Freehold and long leasehold land and buildings:	Ten to fifty years

The company has taken advantage of the transitional provisions of FRS15 Tangible Fixed Assets and retained the book amounts of certain freehold properties which were revalued prior to the implementation of that standard.

Investments

Shares in subsidiaries are stated at cost less provisions for impairment. Other investments are stated at the lower of cost and net realisable value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (*Continued*)1 Principal accounting policies (*Continued*)*Finance lease agreements*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the risks and rewards of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Taxation

The tax charge is based upon the results for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes. Deferred tax is calculated under the liability method at current taxation rates to the extent that it is considered probable that liabilities will crystallise.

In accordance with the requirements of the ultimate parent undertaking, the company makes or receives payment in respect of group relief at 100% of the value of the relief given.

Foreign currencies

Transactions in foreign currency are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at composite rates where forward cover exists. Exchange differences are taken to the Profit and Loss Account.

Research and development

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

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and credited to the Profit and Loss Account in equal instalments over the anticipated lives of the assets to which the grants relate. Other grants are credited to the Profit and Loss Account when they are received.

Pension costs

The group (headed by RHM Group One Limited) operates defined benefits schemes funded by both employer's and employee's contributions. The cost of providing future benefits is estimated by an independent, qualified actuary and spread, at a substantially level percentage of total pensionable salaries, over the expected service lives of current employees. Variations in pension costs are spread over the expected service lives of current employees.

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (*Continued*)

2 Turnover and operating profit

Turnover and operating profit are attributable to the principal activity of the company and originate solely within the United Kingdom.

Turnover by geographical destination	2001 £'000	2000 £'000
United Kingdom	259,357	250,752
Rest of Europe	6,844	6,906
Rest of the World	2,652	2,736
	<u>268,853</u>	<u>260,394</u>

3 Operating Profit

Operating profit is stated after charging/(crediting):

	2001 £'000	2000 £'000
Depreciation		
- Owned assets	12,280	11,626
- Finance leases	-	1
Loss/(profit) on disposal of fixed assets - owned	115	(448)
Government grants - capital	(30)	(30)
Auditors - audit fees and expenses	70	53
Auditors - fees for non-audit services	3	4
Operating lease costs		
- Land and buildings	1,992	1,753
- Plant and equipment	394	185
Research and development expenditure	319	285
Net profit on foreign currency translation	(27)	(23)
Exceptional items		
- Rationalisation and redundancy	1,746	-
- Provision for onerous leases	17	(37)
	<u></u>	<u></u>

4 Employees

	2001 £'000	2000 £'000
Staff costs, including directors, consist of:		
Wages and salaries	70,126	65,598
Social security costs	5,633	5,460
Other pension costs (see note 20)	4,080	3,990
	<u>79,839</u>	<u>75,048</u>

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (Continued)

4 Employees (Continued)

The average number of employees, including directors, during the year was:

	2001 Number	2000 Number
Production	2,511	2,541
Selling and distribution	813	837
Administration	166	158
	<u>3,490</u>	<u>3,536</u>

5 Directors

Remuneration

The aggregate remuneration of the directors of the company was as follows:

	2001 £'000	2000 £'000
Emoluments for services to the company	291	413
	<u>291</u>	<u>413</u>
Total emoluments	<u>291</u>	<u>413</u>

Pensions

Six directors who served during both years were members of the defined benefit plan.

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2001 £'000	2000 £'000
Emoluments	148	132

The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 28 April 2001 was £40,000 (29 April 2000 - £78,000).

No director has a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other directors, requires disclosure.

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (*Continued*)

6 Interest payable and similar charges

	2001	2000
	£'000	£'000
Bank interest	6	1
Interest payable to group undertakings	2,119	-
	<u>2,125</u>	<u>1</u>

7 Taxation on profit on ordinary activities

	2001	2000
	£'000	£'000
UK corporation tax on income for the year at 30%	4,412	6,384
Deferred tax (credit)/charge at 30% (see note 17)	(786)	1,037
	<u>3,626</u>	<u>7,421</u>

8 Intellectual property

On 28 February 2001, Manor Bakeries Limited assigned its intellectual property rights to its subsidiary company MB (IP) Limited for a value £32,326,000. The price paid was based on the open market value. On the same day, MB (IP) Limited granted an exclusive licence to Manor Bakeries Limited, at the same open market value, to use those intellectual property rights in perpetuity. This licence is terminable in certain circumstances of default in the agreements referred to in note 16. In accordance with FRS 5, the substance of these transactions is that no new assets or liabilities have been created and therefore no changes in the assets or liabilities of either company have been recorded in relation to these transactions.

9 Tangible fixed assets

	Freehold and leasehold property £'000	Plant, machinery and vehicles £'000	Total £'000
<i>Cost or valuation</i>			
At 30 April 2000	26,364	133,841	160,205
Additions	977	9,276	10,253
Transfers to group undertakings	-	(22)	(22)
Disposals	(231)	(8,504)	(8,735)
	<u>27,110</u>	<u>134,591</u>	<u>161,701</u>
<i>Depreciation</i>			
At 30 April 2000	10,315	85,299	95,614
Provided for the year	1,094	11,186	12,280
Transfers to group undertakings	-	(14)	(14)
Disposals	(79)	(8,047)	(8,126)
	<u>11,330</u>	<u>88,424</u>	<u>99,754</u>
At 28 April 2001	<u>15,780</u>	<u>46,167</u>	<u>61,947</u>
<i>Net book value</i>			
At 28 April 2001	<u>15,780</u>	<u>46,167</u>	<u>61,947</u>
At 29 April 2000	<u>16,049</u>	<u>48,542</u>	<u>64,591</u>

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (Continued)

9 Tangible fixed assets (continued)

Freehold and leasehold property

The net book value of freehold and leasehold property includes £13,442,000 (2000 - £13,589,000) in respect of freehold land and buildings, £nil (2000 - £157,000) in respect of long leasehold land and buildings and £2,338,000 (2000 - £2,303,000) in respect of short leasehold land and buildings.

Freehold land amounting to £612,000 (2000 - £612,000) is not depreciated. Assets in the course of construction of £4,246,000 (2000 - £5,491,000) are also not depreciated.

Land and buildings include assets of £2,250,000 (2000 - £2,400,000) carried at valuation. The assets were revalued in 1978 on the basis of their open market value for continuation of existing use.

On an historical cost basis, land and buildings would have been included at:

	2001 £'000	2000 £'000
Cost	26,360	25,541
Aggregate depreciation	(10,923)	(9,898)
	<u>15,437</u>	<u>15,643</u>

10 Fixed asset investments

	Subsidiary undertakings £'000	Tomkins PLC shares £'000	Total £'000
At 30 April 2000	5	45	50
Additions	1	-	1
Amounts written off	-	(45)	(45)
	<u>6</u>	<u>-</u>	<u>6</u>
At 28 April 2001	6	-	6

The full value of the Tomkins PLC shares outstanding at the beginning of the year has been written off during the year.

During the year the company subscribed for 1,000 ordinary shares of £1 being 100% of MB (IP) Limited, a company registered in the United Kingdom.

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MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (Continued)

10 Fixed asset investments (Continued)

During the year the company subscribed for and sold 1,000 shares in Manor Bakeries (Moreton) Limited.

Details of the investments in subsidiaries are as follows:

Name of company	Country of registration	Holding	Business
Lyons Cakes Limited	United Kingdom	100%	Non trading
MB (IP) Limited	United Kingdom	100%	Holder of Intellectual Property

11 Stocks

	2001 £'000	2000 £'000
Raw materials	2,324	2,873
Work in progress	130	110
Finished goods and goods held for resale	5,302	5,296
	<u>7,756</u>	<u>8,279</u>

12 Debtors - Amounts falling due within one year

	2001 £'000	2000 £'000
Trade debtors	27,872	24,830
Amounts owing by group undertakings	1,406	3,109
Taxes and social security	2,380	1,554
Prepayments and accrued income	3,235	2,038
	<u>34,893</u>	<u>31,531</u>

13 Debtors - Amounts falling due after more than one year

Amounts owing by group undertakings (see note 16)	130,000	-
	<u>164,893</u>	<u>31,531</u>

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (Continued)

14 Creditors – amounts falling due within one year

	2001 £'000	2000 £'000
Other loan	100	100
Trade creditors	20,445	19,798
Amounts owing to group undertakings (see note 16)	8,076	1,275
Corporation Tax	1,653	4,433
Taxes and social security	1,162	1,378
Other creditors	1,630	1,999
Accruals and deferred income	12,804	7,677
	<u>45,870</u>	<u>36,660</u>

15 Creditors – amounts falling due after more than one year

	2001 £'000	2000 £'000
Other loan	775	875
Amounts owing to group undertakings (see note 16)	125,000	1,271
Accruals and deferred income	231	262
	<u>126,006</u>	<u>2,408</u>

16 Group refinancing

On 28 February 2001, Manor Bakeries Limited entered into agreements with fellow subsidiary companies of RHM Foodbrands + Limited. Under the agreement, Manor Bakeries Limited has borrowed £130,000,000 from RHM Finance Limited. The interest is repayable half yearly on 28th February and 31st August. The loan is repayable as shown in the table below:

	£'000s
Within 1 year	5,000
Between 1 and 2 years	5,000
Between 2 and 3 years	4,921
Between 3 and 4 years	5,195
Between 4 and 5 years	4,613
Amounts more than 5 years	105,271

The total loans made by RHM Finance Limited to fellow subsidiary companies of RHM Foodbrands + Limited was £650m. Manor Bakeries Limited, together with other fellow subsidiaries who borrowed funds, is jointly and severally liable to repay the total borrowings. The loans are guaranteed by other fellow subsidiary companies that did not borrow funds. The loans are charged on the assets and cash flows of the subsidiary companies of RHM Foodbrands + Limited.

Manor Bakeries Limited lent the proceeds of this advance to RHM Limited, a fellow subsidiary company controlled by RHM Group One Limited on a subordinated and interest free basis. Repayment is not anticipated within the next twelve months.

The loan to RHM Limited and loan from RHM Finance Limited are included within amounts owing by and to group undertakings (see notes 13, 14 and 15).

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (Continued)

17 Provisions for liabilities and charges

	2001 £'000	2000 £'000
Deferred tax		
At 30 April 2000	5,375	4,338
(Credit)/charge for the year (see note 7)	(786)	1,037
At 28 April 2001	4,589	5,375
Provision for onerous leases		
At 30 April 2000	508	574
Charge/(credit) for the year	17	(37)
Utilised during year	(95)	(29)
At 28 April 2001	430	508
Total provisions	5,019	5,883

Provision has been made for the cost of various onerous leases which expire between 2002 and 2015.

	2001 £'000	2000 £'000
The deferred tax provision comprises:		
Excess of capital allowances over depreciation charged	5,018	5,723
Other timing differences	(429)	(348)
	4,589	5,375

There is no unprovided deferred tax.

18 Share capital

	Authorised		Allotted, called up and fully paid	
	2001 Number	2001 £'000	2001 Number	2001 £'000
Ordinary shares of £1 each				
At 28 April 2001 and 29 April 2000	50,000,100	50,000	50,000,001	50,000

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MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 (*Continued*)

19 Revaluation Reserve

	2001 £'000	2000 £'000
At 30 April 2000	406	426
Transfer to profit and loss account	(64)	(20)
	<hr/>	<hr/>
At 28 April 2001	342	406
	<hr/>	<hr/>

20 Pensions

The company contributes to the RHM Pension Scheme (the "plan"), which provides benefits based on final pensionable salary for most employees. The assets of the plan are held in separate funds administered by trustees. The pension cost relating to the plan is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The pension cost for the year of £4,080,000 (2000 - £3,990,000) is determined so as to spread the cost of pensions over employees working lives with the company. Details of the last actuarial valuation as at 29 February 2000 are disclosed in the accounts of RHM Group One Limited.

21 Capital Commitments

	2001 £'000	2000 £'000
Authorised but not provided for	3,384	1,704
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22 Commitments under operating leases

As at 28 April 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	2001 Land and Buildings £'000	2001 Other £'000	2000 Land and buildings £'000	2000 Other £'000
Operating leases which expire:				
Within one year	169	29	171	21
In one to five years	256	349	163	99
Over five years	1,496	140	1,762	2
	<hr/>	<hr/>	<hr/>	<hr/>
	1,921	518	2,096	122
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23 Related parties

In accordance with FRS No 8: Related Party Disclosures, the company is exempt from disclosing transactions with entities that are part of a group, or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

MANOR BAKERIES LIMITED

Notes to the financial statements for the fifty two weeks ended 28 April 2001 *(Continued)*

24 Group accounts

The company has not prepared group accounts since it is itself a wholly owned subsidiary.

25 Ultimate parent company

RHM Foodbrands + Limited is the company's parent undertaking and RHM Group One Limited is the company's ultimate parent company. Doughty Hanson & Co has a controlling interest in RHM Group One Limited.

RHM Group One Limited produces group accounts; copies may be obtained from The Secretary, RHM Group One Limited, Chapel House, Liston Road, Marlow, Buckinghamshire, SL7 1TJ, United Kingdom.

26 Cash flow statements

The company has used the exemption under FRS 1: Cash flow statements, not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.