

Weston Foods Limited

**Directors' report and financial
statements**

Registered number 346959

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

The company is a holding company and the principal activities of the main subsidiary company are the manufacturing and sale of food.

Business review and future developments

During the period the company's investment in Burtons Gold Medal Biscuits Limited was sold. This resulted in a profit of £40,959,428.

Results and reserves

The profit and loss account for the year is set out on page 4. The profit on ordinary activities after taxation amounted to £84,959,428 (2000: £nil). After distributing the total ordinary dividend of £44,000,000 (2000: £nil) the balance of £40,959,428 (2000: £nil) was transferred to reserves.

Directors and directors' interests


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

JG Bason
PJ Jackson
PA Russell
P Telford (resigned 31 August 2001)
RS Schofield (appointed 31 August 2001)

Notification of an interest in, or a right to subscribe for, the shares of this company and shares in or debentures of other group companies by JG Bason, PJ Jackson and PA Russell 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 undertaking. RS Schofield notified no interests.

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

By order of the board



RS Schofield
Secretary

28 JANUARY 2002

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LQ

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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 have general responsibilities 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

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Report of the auditors to the members of Weston Foods Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

Basis of 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 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
Chartered Accountants
Registered Auditor

20 February 2002

Profit and loss account

for the period ended 15 September 2001

<i>Note</i>	52 week period ended 15 September 2001 £	52 week period ended 16 September 2000 £
Income from shares in group undertakings	44,000,000	-
Exceptional item:		
Profit on disposal of investments	40,959,428	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation	84,959,428	-
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
Profit on ordinary activities after taxation	84,959,428	-
Dividends payable	(44,000,000)	-
	<hr/>	<hr/>
Retained profit for the financial period	40,959,428	-

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

There is no 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.

Balance sheet

at 15 September 2001

	Note	15 September 2001		16 September 2000	
		£	£	£	£
Fixed assets					
Investments	4		-		77,814
Current assets					
Debtors	5	52,918,317		4,042,645	
Current liabilities					
Creditors	6	(2,838,430)		-	
Net current assets			50,079,887		4,042,645
Provisions for liabilities and charges	7		(5,000,000)		-
Total assets less current liabilities			45,079,887		4,120,459
Capital and reserves					
Called up share capital	8		1,803,595		1,803,595
Capital redemption reserve			746,405		746,405
Profit and loss account			42,529,887		1,570,459
Total shareholders' funds			45,079,887		4,120,459

These financial statements were approved by the board of directors on ~~28 January~~ 2002 and were signed on its behalf by:



PA Russell

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 on 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.

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 ABF Investments plc.

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties as 90% or more of the voting rights of the company are controlled within the group and the company was included in the consolidated financial statements of the group which are publicly available.

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

3 Directors' emoluments

The directors have received no emoluments in respect of their services as directors of the company in the current or the previous period.

4 Fixed asset investments

	Unlisted subsidiary undertakings £
<i>Shares</i>	
<i>Cost</i>	
At the beginning of the period	77,814
Investments sold	(77,814)
	<hr/>
At the end of the period	-
	<hr/>

Notes (continued)

5 Debtors: amounts falling due within one year

	15 September 2001 £	16 September 2000 £
Amounts owed by holding company	52,918,317	4,042,645

6 Creditors: amounts falling due within one year

	15 September 2001 £	16 September 2000 £
Accruals and deferred income	2,838,430	-

7 Provisions for liabilities and charges

	£
At 16 September 2000	-
Profit and loss account – charged	5,000,000
At 15 September 2001	5,000,000

The provision relates to possible warranty costs following the sale of Burtons Gold Medal Biscuits Limited.

8 Called up share capital

	Number	£
<i>Authorised</i>		
At 16 September 2000 and 15 September 2001		
Ordinary shares of 50p each	3,992,810	1,996,405
6% cumulative preference shares of £1 each	3,595	3,595
	3,996,405	2,000,000
<i>Allotted, called up and fully paid</i>		
At 16 September 2000 and 15 September 2001		
Ordinary shares of 50p each	3,600,000	1,800,000
6% cumulative preference shares of £1 each	3,595	3,595
	3,603,595	1,803,595

Notes (continued)

8 Called up share capital (continued)

The preference shares carry the right to a cumulative preference dividend of 6% per annum on the paid up capital and a preference over the ordinary shares as to a repayment of capital. In the event of a winding up, they are entitled to receive no more than the amount paid up, together with a 5 pence premium per share, plus any arrears of dividends (whether earned or declared or not) up to the date of the return of capital.

The dividends on these preference shares for the 52 weeks ended 15 September 2001 have been waived.

9 Reconciliation of movement in shareholders' funds

	Share capital	Capital redemption reserve	Profit and loss	Shareholders' funds
	£	£	£	£
At start of period	1,803,595	746,405	1,570,459	4,120,459
Profit on ordinary activities after taxation	-	-	84,959,428	84,959,428
Dividends	-	-	(44,000,000)	(44,000,000)
At end of period	1,803,595	746,405	42,529,887	45,079,887

10 Holding company

The ultimate holding company and controlling party as defined by FRS 8, is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

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 and Wales. 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.