

Jacksons of Piccadilly Limited

**Directors' report and financial
statements**

Registered number 416245

16 September 2000



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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 16 September 2000.

Principal activities

In the course of the period the principal activities were the purchase and sale of tea and coffee.

Business review and future developments

During November 1999 the company transferred its fixed assets, stocks and cash to R Twining & Co Limited. The Jacksons of Piccadilly Limited name continues to be used as a brand.

The company remained conscious of its responsibilities in respect of the environment. Consequently the company actively pursued environmentally friendly policies particularly in relation to packaging, energy conservation and disposal of waste products.

Trading results and transfer to reserves

The profit and loss account for the period is set out on page 5. The profit on ordinary activities after payment of taxation amounted to £65,932 (1999 loss: £13,115). The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

BJ Evans
JE Leeder (managing director)

Directors' report *(continued)*

Directors and directors' interests *(continued)*

Notification of any interest in shares in this company and shares in or debentures of other group companies by BJ Evans and JE Leeder 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

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 period.

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

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


Secretary

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LR

17 October 2000

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 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 auditors to the members of Jacksons of Piccadilly Limited

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 16 September 2000 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

22 December 2000

Profit and loss account
for the period ended 16 September 2000

	<i>Note</i>	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Turnover			
Discontinued operations	3	1,044,724	7,021,618
Operating profit on ordinary activities before taxation			
Discontinued operations	3	98,344	582,949
Tax on profit on ordinary activities	6	(32,412)	(596,064)
Retained profit/(loss) for the financial period		65,932	(13,115)
Retained profit brought forward		240,668	253,783
Retained profit carried forward		306,600	240,668

A statement of movement of reserves is given in note 13.

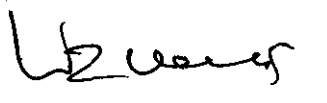
There are no recognised gains or losses other than the profit for the period and the previous period.

There is no material difference between the company's results as reported and on a historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

Balance sheet
At 16 September 2000

	Note	16 September 2000		18 September 1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		-		595,657
Current assets					
Stocks	9	-		1,700,833	
Debtors	10	648,686		1,068,970	
Cash at bank and in hand		-		746	
		<u>648,686</u>		<u>2,770,549</u>	
Creditors: amounts falling due within one year	11	<u>(342,082)</u>		<u>(3,125,534)</u>	
Net current liabilities			306,604		(354,985)
Net assets			<u>306,604</u>		<u>240,672</u>
Capital and reserves					
Called up share capital	12		4		4
Profit and loss account	13		306,600		240,668
Total equity shareholders' funds	14		<u>306,604</u>		<u>240,672</u>

These financial statements were approved by the board of directors on 17 October 2000 and were signed on its behalf by:



BJ Evans
 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 16 September 2000.

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

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 provision of goods during the period.

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. Leaseholds are written off over the period of the lease. The anticipated life of other assets is deemed to be no longer than:

Plant, machinery, fixtures and fittings	-	5 to 12 years
Vehicles	-	5 years

Leases

All 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.

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 finished goods manufactured by the company the term 'cost' includes ingredients, production wages and an appropriate proportion of attributable production overheads.

Notes (continued)

Accounting policies (continued)

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 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.

3 Operating profit

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
<i>These amounts derive entirely from continuing operations:</i>		
Turnover	1,044,724	7,021,618
Cost of sales	(907,950)	(6,002,207)
Gross profit	136,774	1,019,411
Distribution costs	(19,689)	(119,331)
Administrative expenses	(13,775)	(317,131)
Other operating income	(4,966)	-
Operating profit	98,344	582,949
<i>The operating profit is stated after charging:</i>		
Depreciation of tangible fixed assets	15,507	101,688
Rentals payable under property leases	82,850	222,276
Auditors remuneration - audit fees	14,644	19,104
Turnover comprises:		
Home trade	1,009,941	6,467,437
Export	34,783	554,181
	1,044,724	7,021,618

Notes (*continued*)

4 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 16 September 2000	53 week period ended 18 September 1999
Production	34	33
Administration	-	5
	<hr/> 34	<hr/> 38

The aggregate payroll costs of these persons were as follows:

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Wages and salaries	80,376	547,876
Social security costs	5,400	39,022
Other pension costs	5,907	37,877
	<hr/> 91,683	<hr/> 624,775

5 Remuneration of directors

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
Directors' emoluments	-	33,967

Notes (continued)

6 Taxation on profit on ordinary activities

	52 week period ended 16 September 2000 £	53 week period ended 18 September 1999 £
UK Corporation tax		
Current tax on income for the period @ 30% (1999: 31%)	32,412	-
Group relief payment	-	596,064
	<u>32,412</u>	<u>596,064</u>

The corporation tax liability for the period ended 18 September 1999 was reduced by £182,036 as a result of group relief for a fellow subsidiary. No group relief election has been made for this period end.

As explained in the accounting policies (note 2) no provision is made for deferred tax. The full potential amounts of deferred tax would be as follows:

	Accelerated capital allowances £	Other timing differences £	Total £
At 16 September 2000	-	-	-
At 18 September 1999	<u>85,906</u>	<u>(1,723)</u>	<u>84,148</u>

Notes (continued)

7 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£	£
Cost				
At beginning of period	73,423	954,746	545,290	1,573,459
Additions	-	8,133	3,391	11,524
Disposals	(73,423)	(962,879)	(548,681)	(1,584,983)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of period	35,634	550,692	391,476	977,802
Charge for period	270	9,373	5,864	15,507
On disposals	(35,904)	(560,065)	(397,340)	(993,309)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 16 September 2000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 18 September 1999	37,789	404,054	153,814	595,657
	<hr/>	<hr/>	<hr/>	<hr/>

All land and buildings are short leasehold.

8 Capital commitments

There are no commitments or approvals for capital expenditure for this period or for 1999.

9 Stocks

	16 September 2000 £	18 September 1999 £
Raw materials and consumables	-	1,247,905
Finished goods and goods for resale	-	452,928
	<hr/>	<hr/>
	-	1,700,833
	<hr/>	<hr/>

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

Notes (continued)

10 Debtors

	16 September 2000 £	18 September 1999 £
Trade debtors	-	967,022
Amounts owed by parent and fellow subsidiary undertakings	648,686	1,229
Other debtors	-	53,365
Prepayments and accrued income	-	47,354
	<u>648,686</u>	<u>1,068,970</u>

11 Creditors: amounts falling due within one year

	16 September 2000 £	18 September 1999 £
Overdraft	10,472	499
Trade creditors	-	236,469
Amounts owed to parent and fellow subsidiary undertakings	299,198	2,779,019
Taxation and social security	-	533
Corporation tax	32,412	-
Accruals and deferred income	-	109,014
	<u>342,082</u>	<u>3,125,534</u>

12 Called up share capital

	16 September 2000 £	18 September 1999 £
Authorised		
Equity: Ordinary shares of £1 each	50	50
Non-equity: 5% non cumulative preference shares of £1 each	50	50
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	3	3
Non-equity: 5% non cumulative preference shares of £1 each	1	1
	<u>4</u>	<u>4</u>

Notes (continued)

13 Reserves

	Profit and loss account £
At beginning of period	240,668
Retained profit for the period	65,932
	<hr/>
At end of period	306,600
	<hr/>

14 Reconciliation of movements in shareholders' funds

	16 September 2000 £	18 September 1999 £
Opening shareholders' funds	240,672	253,787
Profit for the financial period	65,932	(13,115)
	<hr/>	<hr/>
Closing shareholders' funds	306,604	240,672
	<hr/>	<hr/>

15 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.

16 Lease commitments

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

	16 September 2000		18 September 1999	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Operating leases which expire:</i>				
Over five years	-	-	133,000	-
In two to five years	-	-	62,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	195,000	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

17 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.

18 Pension costs

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.

Pension charge for the period was £ 5,907 (1999: 37,877).