

Mauri Products Limited

**Directors' report and financial
statements**

Registered number 1413180

31 August 2008

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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 31 August 2008.

Principal activities

The principal activity of the company is the manufacture and sale of yeast.

Business review

This period is a 52 week period, the comparative is a 50 week period following the change of year end.

The Directors are reporting a 7.6 % increase in turnover, on a comparable period, to £17.17m.

Increased raw material, chemicals, energy and waste disposal costs have more than offset increased volumes, revenues and operating efficiencies, resulting in an operating profit of £2,954m. The company is again facing significant increased costs for its supply of molasses, primarily driven by the changes being made to the EU sugar regime. There is very little molasses available to manufacturers in Europe, and the EU are in the process of allowing imports of sugar in order to help with the shortfall.

With further expected increases in Raw Material costs, and no foreseeable improvements in energy or chemical costs; the Directors anticipate a similar result for the year ahead.

Proposed dividend

The directors declared a final dividend of £1,000,000 (2007: £3,000,000) in respect of the period ended 31 August 2008.

Directors

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

J Lynch
C Simmonds
D Cullen
M Bonzo
SD Moon

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Payments to suppliers

The company does not adopt any specific code or standard, however it is the policy of the company to agree terms of payment when the order for goods and services is placed and to adhere to these arrangements when making payment.

The number of days of purchases outstanding at the period end was 49 days (2007: 50 days).

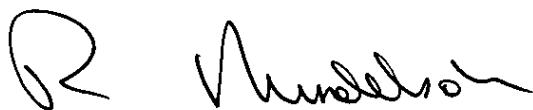
United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,143 (2007: £877). No contributions were made to political organisations (2007: £nil).

Auditors

Pursuant to a shareholders resolution the company is not obliged to appoint auditors annually and therefore KPMG Audit Plc will continue in office.

By order of the board



RS Mendelsohn
Secretary

Weston Centre
10 Grosvenor Street
LONDON
W1K 4QY

24 June 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

1 The Embankment
Neville Street
Leeds
LS1 4DW

Independent auditors' report to the members of Mauri Products Limited

We have audited the financial statements of Mauri Products Limited for the period ended 31 August 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Mauri Products Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

24 June 2009

Profit and loss account
for the period ended 31 August 2008

	<i>Note</i>	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
Turnover	3	17,170	15,348
Operating profit	4-6	2,954	3,013
Other interest receivable and similar income	7	496	381
Profit on ordinary activities before taxation		3,450	3,394
Tax on profit on ordinary activities	8	(1,110)	(948)
Profit for the financial period		2,340	2,446

There were no gains or losses other than those recognised in the profit and loss account above.

A statement of movement on reserves is contained in note 17.

The above activities relate to continuing operations.

The historical cost profit equates to the profit shown above.

Balance sheet
at 31 August 2008

	<i>Note</i>	2008 £000	2007 £000
Fixed assets			
Tangible assets	9	9,775	7,968
Current assets			
Stocks	11	1,309	477
Debtors	12	9,606	10,139
Cash at bank and in hand		121	175
		11,036	10,791
Creditors: amounts falling due within one year	13	(4,087)	(3,603)
Net current assets		6,949	7,188
Total assets less current liabilities		16,724	15,156
Provisions for liabilities and charges	14	(1,220)	(992)
Net assets		15,504	14,164
Capital and reserves			
Called up share capital	15	1,375	1,375
Profit and loss account	16	14,129	12,789
Total equity shareholders' funds		15,504	14,164

These financial statements were approved by the board of directors on 24 June 2009 and were signed on its behalf by:



Colin Simmonds
Director

Notes

(forming part of the financial statements)

1 Accounting reference date

These financial statements have been prepared for the 52 week period ended 31 August 2008.

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 UK accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Plant and machinery	-	5 to 12 years
Computers	-	3 years

No depreciation is provided on freehold land.

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.

Post-retirement benefits

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

2 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

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.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

3 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Turnover and operating profit are attributable to one activity, the manufacture and sale of yeast.

The geographical analysis of turnover by destination is as follows:

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
United Kingdom	16,984	15,294
Europe	179	7
Rest of the World	7	47
	<hr/> 17,170 <hr/>	<hr/> 15,348 <hr/>

Notes (continued)

4 Operating profit

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
Turnover	17,170	15,348
Cost of sales	(10,536)	(9,065)
Gross profit	6,634	6,283
Distribution costs	(2,186)	(1,834)
Administrative expenses	(1,494)	(1,436)
Operating profit	2,954	3,013
<i>Operating profit is stated after charging/(crediting)</i>		
Staff costs (note 5)	1,876	1,883
Depreciation and other amounts written off fixed tangible assets:		
Owned	1,046	908
Auditors' remuneration:		
Audit services pursuant to legislation	11	10

5 Staff numbers and costs

The average number of persons employed by the company during the period was as follows:

	Number of employees 2008 Number	2007 Number
Production and administration	51	51

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
Wages and salaries	1,548	1,537
Social security costs	140	136
Other pension costs	188	210
	<u>1,876</u>	<u>1,883</u>

Pensions

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. There are no contributions outstanding at the period end.

6 Directors remuneration

None of the directors received any emoluments in respect of services to the company (2007: *£nil*).

7 Other interest receivable and similar income

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
Receivable from group undertakings	<u>496</u>	<u>381</u>

Notes (continued)

8 Taxation on profit on ordinary activities

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
UK corporation tax at 28% (2007: 30%)	882	915
Total current tax	882	915
Deferred tax (note 14)	120	33
Deferred tax prior year adjustment re IBA	108	-
	<u>1,110</u>	<u>948</u>

The tax assessed for the period is lower (2007: lower) than the standard rate of corporation tax in the UK (28% (2007:30%)). The differences are explained below:

	52 week period ending 31 August 2008 £000	50 week period ending 31 August 2007 £000
Profit on ordinary activities before tax	3,450	3,394
Profit on ordinary activities at standard rate or corporation tax in the UK of 29.08% (2007: 30%)	1,003	1,018
Timing differences	(121)	(103)
Total current tax	<u>882</u>	<u>915</u>

Notes (continued)

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Payments On account and assets in course of construction	Total
	£000	£000	£000	£000
Cost				
At beginning of period	1,993	15,407	1,898	19,298
Additions	126	2,159	569	2,854
Disposals	(4)	(1,118)	-	(1,122)
At end of period	2,115	16,448	2,467	21,030
Depreciation				
At beginning of period	623	10,707	-	11,330
Charge for period	52	994	-	1,046
Disposals	(4)	(1,117)	-	(1,121)
At end of period	671	10,584	-	11,255
Net book value				
At 31 August 2008	1,444	5,864	2,467	9,775
At 31 August 2007	1,370	4,700	1,898	7,968

Land and buildings comprise freehold property, including land at a cost of £399,701 (2007: £399,701) which is not depreciated.

10 Capital commitments

There are commitments for capital expenditure by the company of approximately £224,000 (2007: £649,000) for which no provision has been made in these financial statements.

Notes (continued)

11 Stocks

	2008 £000	2007 £000
Raw materials and consumables	1,139	371
Finished goods and goods for resale	170	106
	<u>1,309</u>	<u>477</u>

12 Debtors

	2008 £000	2007 £000
Trade debtors	1,774	1,652
Amounts owed by fellow group companies	7,406	8,258
VAT recoverable	375	176
Prepayments and accrued income	51	53
	<u>9,606</u>	<u>10,139</u>

13 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	1,908	2,359
Amounts owed to fellow group companies	626	-
Corporation tax	1,072	1,105
Accruals and deferred income	481	139
	<u>4,087</u>	<u>3,603</u>

Notes (continued)

14 Provisions for liabilities and charges

	Deferred tax £000
At beginning of the period	992
Charged in the period	228
At end of period	<u>1,220</u>

The elements of deferred taxation are as follows:

	2008 £000	2007 £000
Difference between accumulated depreciation and capital allowances	1,220	992
Deferred tax liability	<u>1,220</u>	<u>992</u>

15 Called up share capital

	2008		2007	
	Number	£	Number	£
<i>Authorised</i>				
Ordinary shares of £1 each				
Class A	1,499,999	1,499,999	1,499,999	1,499,999
Class B	1,499,999	1,499,999	1,499,999	1,499,999
Class C	2	2	2	2
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each				
Class A	687,500	687,500	687,500	687,500
Class B	687,500	687,500	687,500	687,500
Class C	1	1	1	1
	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>	<u>1,375,001</u>

The holders of Class A and B shares can appoint 4 and 3 directors respectively. Class C shareholders have no right of appointment.

Notes (continued)

16 Profit and loss account

	2008 £000
At beginning of period	12,789
Retained profit for the financial period	2,340
Dividend paid	(1,000)
	<hr/>
At end of period	14,129
	<hr/>

17 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Profit for the financial period	2,340	2,446
Dividend paid	(1,000)	(3,000)
	<hr/>	<hr/>
Net increase/(decrease) to shareholders funds during the period	1,340	(554)
Opening shareholders funds	14,164	14,718
	<hr/>	<hr/>
	15,504	14,164
	<hr/>	<hr/>

Notes (continued)

18 Ultimate parent company and parent undertaking of larger group of which the company is a member

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 Associated British Foods 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 Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London W1K 4QY. The consolidated accounts of Associated British Foods plc are available for download on the group's website at www.abf.co.uk.