

**Mauri Products Limited**

**Directors' report and financial  
statements**

**Registered number 1413180**

**29 August 2009**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 29 August 2009

### **Principal activities**

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

### **Business review**

The Directors are reporting an 8.8% increase in turnover on the previous period to £18.68 million

A lack of availability of molasses in the market and the movement of the British Pound against the US Dollar has sharply increased the price of primary raw materials. These increased costs have exceeded the impact of revenue increases and operating efficiencies. This has resulted in an operating profit of £627,000.

Raw material prices have now stabilised and the Directors anticipate an improved result for the forthcoming year.

### **Proposed dividend**

The directors declared an interim dividend of £2,250,000 (2008: £1,000,000) in respect of the year ended 29 August 2009.

### **Directors**

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

J Lynch	(resigned 23 March 2009)
C Simmonds	
D Cullen	(resigned 15 September 2009)
M Bonzo	
SD Moon	
J McKenna	(appointed 23 February 2009)

### **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 year end was 43 days (2008: 49 days).

## **Directors' report** *(continued)*

### **United Kingdom charitable and political contributions**

Contributions to charitable organisations during the period totalled £498 (2008 £1,143) No contributions were made to political organisations (2008 £nil)

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore remain in office

By order of the board



**RS Schofield**  
*Secretary*



Weston Centre  
10 Grosvenor Street  
LONDON  
W1K 4QY

17 May 2010

## **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 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 LLP**

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

**Independent auditors' report to the members of Mauri Products Limited**

We have audited the financial statements of Mauri Products Limited for the year ended 29 August 2009 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 August 2009 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Malcolm C Harding*

**Malcolm C Harding (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 The Embankment  
Leeds  
LS1 4DW  
Leeds

17 May 2010

**Profit and loss account**  
*for the year ended 29 August 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Turnover</b>	<b>3</b>	<b>18,677</b>	<b>17,170</b>
<b>Operating profit</b>	<b>4-6</b>	<b>627</b>	<b>2,954</b>
Other interest receivable and similar income	7	168	496
<b>Profit on ordinary activities before taxation</b>		<b>795</b>	<b>3,450</b>
Tax on profit on ordinary activities	8	(285)	(1,110)
<b>Profit for the financial period</b>		<b>510</b>	<b>2,340</b>

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 29 August 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Fixed assets</b>			
Tangible assets	9	10,399	9,775
<b>Current assets</b>			
Stocks	11	1,976	1,309
Debtors	12	5,127	9,606
Cash at bank and in hand		171	121
		<u>7,274</u>	<u>11,036</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,597)</u>	<u>(4,087)</u>
<b>Net current assets</b>		<u>4,677</u>	<u>6,949</u>
<b>Total assets less current liabilities</b>		<u>15,076</u>	<u>16,724</u>
Provisions for liabilities and charges	14	(1,312)	(1,220)
<b>Net assets</b>		<u>13,764</u>	<u>15,504</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,375	1,375
Profit and loss account	16	12,389	14,129
<b>Total equity shareholders' funds</b>		<u>13,764</u>	<u>15,504</u>

These financial statements were approved by the board of directors on 17 May 2010 and were signed on its behalf by:



**S D Moon**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting reference date

These financial statements have been prepared for the year ended 29 August 2009.

### 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.

	2009 £000	2008 £000
United Kingdom	18,168	16,984
Europe	441	179
Rest of the World	68	7
	<hr/> 18,677 <hr/>	<hr/> 17,170 <hr/>

## Notes (continued)

### 4 Operating profit

	2009 £000	2008 £000
Turnover	18,677	17,170
Cost of sales	(14,236)	(10,536)
	<hr/>	<hr/>
Gross profit	4,441	6,634
Distribution costs	(1,659)	(2,186)
Administrative expenses	(2,155)	(1,494)
	<hr/>	<hr/>
Operating profit	627	2,954
	<hr/>	<hr/>
<i>Operating profit is stated after charging</i>		
Staff costs (note 5)	1,841	1,876
Depreciation and other amounts written off fixed tangible assets		
Owned	1,066	1,046
Auditors' remuneration		
Audit services pursuant to legislation	12	11
	<hr/>	<hr/>

### 5 Staff numbers and costs

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

	Number of employees	
	2009 Number	2008 Number
Production and administration	53	51
	<hr/>	<hr/>

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	1,572	1,548
Social security costs	153	140
Other pension costs	116	188
	<u>1,841</u>	<u>1,876</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 (2008 £nil)

### 7 Other interest receivable and similar income

	2009 £000	2008 £000
Receivable from group undertakings	<u>168</u>	<u>496</u>

## Notes (continued)

### 8 Taxation on profit on ordinary activities

	2009 £000	2008 £000
UK corporation tax	193	882
Total current tax	193	882
Deferred tax (note 14)	92	120
Deferred tax prior year adjustment re IBA	-	108
	<b>285</b>	<b>1,110</b>

The tax assessed for the period is lower (2008 lower) than the standard rate of corporation tax in the UK (28% (2008 28%)). The differences are explained below

	2009 £000	2008 £000
Profit on ordinary activities before tax	795	3,450
Profit on ordinary activities at standard rate or corporation tax in the UK of 28% (2008 29.08%)	223	1,003
Timing differences	(92)	(121)
Permanent differences	62	-
Total current tax	<b>193</b>	<b>882</b>

## Notes (continued)

### 9 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Payments On account and assets in course of construction £000	Total £000
<b>Cost</b>				
At beginning of period	2,115	16,448	2,467	21,030
Additions	-	834	861	1,695
Disposals	-	(997)	-	(997)
At end of period	2,115	16,285	3,328	21,728
<b>Depreciation</b>				
At beginning of period	671	10,584	-	11,255
Charge for period	69	997	-	1,066
Disposals	-	(992)	-	(992)
At end of period	740	10,589	-	11,329
<b>Net book value</b>				
At 29 August 2009	1,375	5,696	3,328	10,399
At 31 August 2008	1,444	5,864	2,467	9,775

Land and buildings comprise freehold property, including land at a cost of £399,701 (2008 £399,701) which is not depreciated

### 10 Capital commitments

There are commitments for capital expenditure by the company of approximately £1,386,000 (2008 £224,000) for which no provision has been made in these financial statements

**Notes (continued)**

**11 Stocks**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	1,854	1,139
Finished goods and goods for resale	122	170
	<u>1,976</u>	<u>1,309</u>

**12 Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	1,922	1,774
Amounts owed by fellow group companies	2,871	7,406
VAT recoverable	89	375
Prepayments and accrued income	245	51
	<u>5,127</u>	<u>9,606</u>

**13 Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,341	1,908
Amounts owed to fellow group companies	671	626
Corporation tax	319	1,072
Accruals and deferred income	266	481
	<u>2,597</u>	<u>4,087</u>

## Notes (continued)

### 14 Provisions for liabilities and charges

	Deferred tax £000
At beginning of the period	1,220
Charged in the period	92
	<hr/>
At end of period	1,312
	<hr/>

The elements of deferred taxation are as follows

	2009 £000	2008 £000
Difference between accumulated depreciation and capital allowances	1,312	1,220
	<hr/>	<hr/>
Deferred tax liability	1,312	1,220
	<hr/>	<hr/>

### 15 Called up share capital

	2009 Number	£	2008 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
	<hr/>	<hr/>	<hr/>	<hr/>
	3,000,000	3,000,000	3,000,000	3,000,000
	<hr/>	<hr/>	<hr/>	<hr/>
<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
	<hr/>	<hr/>	<hr/>	<hr/>
	1,375,001	1,375,001	1,375,001	1,375,001
	<hr/>	<hr/>	<hr/>	<hr/>

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

	2009 £000
At beginning of period	14,129
Retained profit for the financial period	510
Dividend paid	(2,250)
	<hr/>
At end of period	12,389
	<hr/>

### 17 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the financial period	510	2,340
Dividend paid	(2,250)	(1,000)
	<hr/>	<hr/>
Net (decrease)/increase to shareholders funds during the period	(1,740)	1,340
Opening shareholders funds	15,504	14,164
	<hr/>	<hr/>
	13,764	15,504
	<hr/>	<hr/>

### 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](http://www.abf.co.uk).