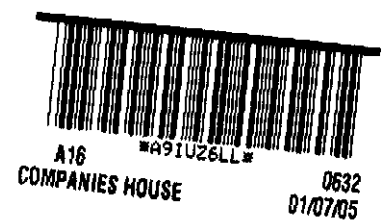


Mauri Products Limited

**Directors' report and financial
statements**

Registered number 1413180

18 September 2004



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Directors' report

The directors present their annual report and the audited financial statements for the 53 week period ended 18 September 2004.

Principal activities

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

Business review

The company is a joint venture of Associated British Foods plc and Burns Philp (UK) plc and the activities of the company are controlled by the board of directors.

During the period the main activities of the company remained unchanged and the directors anticipate that any future developments would be related to these activities.

Post Balance Sheet Event

On 1 October 2004, Associated British Foods plc acquired the entire share capital of Burns Philp's industrial yeast division. Mauri Products Limited became a solely owned subsidiary of Associated British Foods plc.

Proposed dividend

The directors declared a final dividend of £5,500,004 (2003: £5,500,004) in respect of the 53 week period ended 18 September 2004.

Directors and directors' interests

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

DR Lamberth

J Lynch

J McKenna

MJ O'Neill (resigned 21 November 2003)

C Simmonds (appointed 9 December 2003)

M Levaggi (resigned 7 August 2004)

Subsequent to the year-end, Mr Brian Egan was appointed as a director on 10 January 2005 and Mr John G McKenna resigned on 10 February 2005.

The following directors had the following beneficial interests in the share capital of Associated British Foods plc, as recorded in the register of directors' interests.

	Ordinary shares of 5 ¹⁵ / ₂₂ p each at 18 September 2004	Ordinary shares of 5 ¹⁵ / ₂₂ p each at 14 September 2003
J Lynch	607	602

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The other directors notified no interests. No directors in office at the year end had outstanding options to acquire ordinary shares in Associated British Foods plc.

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

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 18 September 2004 was 29 days (2003: 30 days).

United Kingdom charitable and political contributions

Contributions to charitable organisations during the period totalled £1,865 (2003: £504). No contributions were made to political organisations (2003: £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

14 JUNE 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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

1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the independent auditors to the members of Mauri Products Limited

We have audited the financial statements on pages 5 to 18.

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

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 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 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 as at 18 September 2004 and of its profit for the 53 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

28th Jun 2005

Profit and loss account

for the 53 week period ended 18 September 2004

	Note	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Turnover	3	18,157	18,648
Operating profit	4-6	6,304	6,247
Other interest receivable and similar income	7	50	52
Profit on ordinary activities before taxation		6,354	6,299
Tax on profit on ordinary activities	8	(1,891)	(1,807)
Profit for the financial period		4,463	4,492
Dividends	9	(5,500)	(5,500)
Retained loss for the financial period	17	(1,037)	(1,008)

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 18 September 2004

	Note	2004 £000	2003 £000
Fixed assets			
Tangible assets	10	6,751	7,133
Current assets			
Stocks	12	411	429
Debtors	13	3,514	4,501
Cash at bank and in hand		496	376
		<u>4,421</u>	<u>5,306</u>
Creditors: amounts falling due within one year	14	<u>(2,062)</u>	<u>(2,214)</u>
Net current assets		<u>2,359</u>	<u>3,092</u>
Total assets less current liabilities		<u>9,110</u>	<u>10,225</u>
Provisions for liabilities and charges	15	(1,010)	(1,088)
Net assets		<u>8,100</u>	<u>9,137</u>
Capital and reserves			
Called up share capital - ordinary	16	1,375	1,375
Profit and loss account	17	6,725	7,762
Total equity shareholders' funds		<u>8,100</u>	<u>9,137</u>

These financial statements were approved by the board of directors on 14 JUNE 2005 and were signed on its behalf by:



Colin Simmonds
Director

Cash flow statement
for the period ended 18 September 2004

	<i>Note</i>	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Net cash inflow from operating activities	20	8,313	6,461
Return on investments and servicing of finance	20	50	52
Taxation		(2,026)	(1,271)
Capital expenditure and financial investment	20	(717)	(120)
Equity dividends paid		(5,500)	(5,500)
Net cash inflow/(outflow) before use of liquid resources and financing		120	(378)
Increase/(decrease) in cash	20	120	(378)

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 53 week period ended 18 September 2004.

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 and under the historical cost accounting rules.

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 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 to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the contributing companies.

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:

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
United Kingdom	16,734	16,777
Europe	1,396	1,863
Rest of the World	27	8
	<hr/>	<hr/>
	18,157	18,648
	<hr/>	<hr/>

Notes (continued)

4 Operating profit

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Turnover	18,157	18,648
Cost of sales	(8,823)	(9,605)
Gross profit	9,334	9,043
Distribution costs	(2,234)	(2,111)
Administrative expenses	(796)	(685)
Operating profit	6,304	6,247
<i>Operating profit is stated after charging/(crediting)</i>		
Staff costs (note 5)	1,555	1,724
Depreciation and other amounts written off fixed tangible assets:		
Owned	1,131	1,142
Profit on sale of tangible fixed assets	(32)	(160)
Auditors' remuneration:		
Audit	9	9

5 Staff numbers and costs

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

	Number of employees	
	53 week period ended 18 September 2004	52 week period ended 13 September 2003
Production and administration	Number 56	Number 62

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Wages and salaries	1,325	1,478
Social security costs	113	117
Other pension costs	117	129
	<hr/>	<hr/>
	1,555	1,724
	<hr/>	<hr/>

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 (2003: £nil).

7 Other interest receivable and similar income

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Receivable from group undertakings	46	32
Interest on Tax refund.	4	20
	<hr/>	<hr/>
	50	52
	<hr/>	<hr/>

Notes (continued)

8 Taxation on profit on ordinary activities

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
UK corporation tax at 30% (2003: 30%)	1,983	1,921
Adjustment in respect of prior periods	(14)	4
	<hr/>	<hr/>
Total current tax	1,969	1,925
Deferred tax (note 15)	(78)	(118)
	<hr/>	<hr/>
	1,891	1,807
	<hr/>	<hr/>

The tax assessed for the period is higher (2003: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £000	2003 £000
Profit on ordinary activities before tax	6,354	6,299
	<hr/>	<hr/>
Profit on ordinary activities at standard rate or corporation tax in the UK of 30% (2003: 30%)	1,906	1,890
Expenses not deductible for tax purposes	2	2
Capital allowances in excess of depreciation	75	29
Adjustments in respect of prior periods	(14)	4
	<hr/>	<hr/>
Total current tax	1,969	1,925
	<hr/>	<hr/>

9 Dividends

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Ordinary dividends paid	5,500	5,500
	<hr/>	<hr/>

Notes (continued)

10 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	1,927	15,317	100	17,344
Additions	-	268	512	780
Disposals	-	(297)	-	(297)
Transfers	-	97	(97)	-
At end of period	1,927	15,385	515	17,827
Depreciation				
At beginning of period	434	9,777	-	10,211
Charge for period	48	1,083	-	1,131
Disposals	-	(266)	-	(266)
At end of period	482	10,594	-	11,076
Net book value				
At 18 September 2004	1,445	4,791	515	6,751
At 13 September 2003	1,493	5,540	100	7,133

Land and buildings comprise freehold property, including land at a cost of £399,701 (2003: £399,701) which is not depreciated.

11 Capital commitments

There are commitments for capital expenditure by the company of approximately £224,000 (2003: £275,000) for which no provision has been made in these financial statements.

Notes (continued)

12 Stocks

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Raw materials and consumables	329	341
Finished goods and goods for resale	82	88
	<u>411</u>	<u>429</u>

13 Debtors

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Trade debtors	3,398	4,367
VAT recoverable	92	116
Prepayments and accrued income	24	18
	<u>3,514</u>	<u>4,501</u>

14 Creditors: amounts falling due within one year

	53 week period ended 18 September 2004 £000	52 week period ended 13 September 2003 £000
Trade creditors	746	815
Corporation tax	1,294	1,351
Accruals and deferred income	22	48
	<u>2,062</u>	<u>2,214</u>

Notes (continued)

15 Provisions for liabilities and charges

	Deferred tax £000
At beginning of the period	1,088
Charged in the period	(78)
	<hr/>
At end of period	1,010
	<hr/>

The elements of deferred taxation are as follows:

	2004 £000	2003 £000
Difference between accumulated depreciation and capital allowances	1,010	1,088
	<hr/>	<hr/>
Deferred tax liability	1,010	1,088
	<hr/>	<hr/>

16 Called up share capital

	18 September 2004		13 September 2003	
	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
	<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)

17 Profit and loss account

	2004 £000
At beginning of the period	7,762
Retained loss for the financial period	(1,037)
	<hr/>
At end of period	6,725
	<hr/>

18 Reconciliation of movements in shareholders' funds

	2004 £000	2003 £000
Profit for the financial period	4,463	4,492
Dividends	(5,500)	(5,500)
	<hr/>	<hr/>
Net deduction to shareholders funds during the period	(1,037)	(1,008)
Opening shareholders funds	9,137	10,145
	<hr/>	<hr/>
	8,100	9,137
	<hr/>	<hr/>

19 Contingent liabilities

The company, together with Associated British Foods plc and certain of its UK subsidiaries, is party to set-off arrangements in respect of its bank accounts with certain of the group's bankers.

Notes (continued)

20 Notes to cash flow statements

(i) Reconciliation of operating profit to net cash flow from operating activities

	2004 £000	2003 £000
Operating profit	6,304	6,247
Depreciation	1,131	1,142
Profit on disposal of tangible fixed assets	(32)	(160)
Decrease in stocks	18	187
Decrease/(increase) in debtors	987	(684)
Decrease in creditors	(95)	(271)
	<hr/>	<hr/>
Net cash inflow from operating activities	8,313	6,461
	<hr/>	<hr/>

(ii) Analysis of cash flows for headings netted in the cash flow statement and other information

	2004 £000	2003 £000
Returns on investments and servicing of finance		
Interest received	50	52
	<hr/>	<hr/>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(780)	(410)
Proceeds from sales of tangible fixed assets	63	290
	<hr/>	<hr/>
	(717)	(120)
	<hr/>	<hr/>

(iii) Analysis of changes in cash and cash equivalents

	Cash £000
Balance at 13 September 2003	376
Net cash inflow	120
	<hr/>
Balance at 18 September 2004	496
	<hr/>

Notes (continued)

21 Related party transactions

Mauri Products Limited is a joint venture, whose ultimate parents are Associated British Foods plc, owning 687,501 shares and Burns Philp (UK) plc, owning 687,500 shares.

During the period the company had yeast sales to, and raw material purchases from, Associated British Foods plc subsidiary companies of £5,069,000 (2003: £5,043,000) and £2,416,000 (2003: £3,275,000) respectively.

The amounts due from Associated British Foods plc group companies is £631,000 (2003: £606,000). The amounts owed to Associated British Foods plc group companies is £2,000 (2003: £94,000). These amounts are included in notes 13 and 14 within trade debtors and trade creditors respectively.

No amounts are owed to or by Burns Philp and Company Limited group companies. Raw material purchases were made from Burns Philp and Company of £63,142 (2003: £335,000). No other material transactions occurred with those companies.

22 Post balance sheet events

On 1 October 2004, Associated British Foods Plc acquired the entire share capital of Burns Philp's Industrial Yeast Division. Mauri Products Limited became a solely owned subsidiary of Associated British Foods Plc.

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

The directors consider that the company was a joint venture between Associated British Foods Plc and Burns Philp (UK) Limited as at 18 September 2004.

The immediate parent company of the smallest group of undertakings for which group financial statements are drawn up and of which Mauri Products Limited is a member within the Associated British Foods group, is ABF Investments Plc, which is incorporated in Great Britain and registered in England.

The consolidated financial statements of both parents are freely available from:

Burns Philp (UK) Limited
Victoria House
15 Gay Street
Bath
Avon
BA1 2PH

Associated British Foods plc
Weston Centre
10 Grosvenor Street
London
W1K 4QY

