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BRITISH SUGAR FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

**FOR THE 52 WEEKS
ENDED 12 SEPTEMBER 1998**

Registration number 290966

Inland Revenue Reference XN/67155



CONTENTS

Legal and Administration Information and Trustees Report	Page 1
Report of the Directors	Page 2
Statement of Directors' Responsibilities	Page 3
Report of the Auditors	Page 4
Income and Expenditure Account	Page 5
Balance Sheet	Page 6
Notes to the Financial Statements	Page 7

BRITISH SUGAR FOUNDATION

ANNUAL REPORT

LEGAL AND ADMINISTRATION INFORMATION

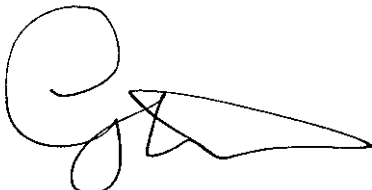
The British Sugar Foundation ("The Foundation") is a company limited by guarantee. Its charity registration number is 1868290. The Trustees of the Foundation are the Directors listed in the Report of the Directors.

TRUSTEES' REPORT

The Trustees met regularly during the period to consider financial assistance to a number of charitable causes. Each application was considered on its merits and donations approved accordingly.

The Trustees expect the Foundation to have sufficient income during the forthcoming financial year to meet all its commitments.

The Foundation exists to manage British Sugar plc's participation in charitable projects and acts as agent for British Sugar plc's employees who donate under the Charity Payroll Giving Scheme.

A handwritten signature in black ink, appearing to read 'G G Lancaster', with a large, stylized initial 'G'.

G G Lancaster
Trustee

Date

23.10.98

BRITISH SUGAR FOUNDATION

REPORT OF THE DIRECTORS

The Directors present their report and financial statements for the 52 weeks ended 12 September 1998.

Principal Activities

Income for the period principally consists of amounts received from British Sugar plc, given under Gift Aid.

The Directors meet regularly to consider financial assistance to a number of charitable causes and each application is considered on its merits and the donations accordingly approved.

Donations

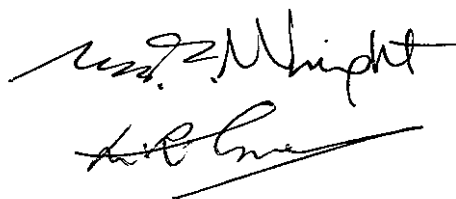
Charitable donations made by the Foundation during the period amounted to £109,633 (1997: £115,623). The Foundation did not make any political donations during the period.

Directors

The following Directors held office during the 52 weeks ended 12 September 1998

Mr P J Jackson Chairman
Mr C A Yates
Mr G G Lancaster
Mr J B Smith

W B Wright

The block contains two handwritten signatures. The first signature, in dark ink, appears to read 'W B Wright' and is written over the printed name. The second signature, in a lighter ink, appears to read 'M R Gore' and is written below the first signature.

M R Gore

Joint Secretaries

Date 23 October 1998

Statement of Directors' Responsibilities in Respect of the Preparation of Financial Statements

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 income and expenditure of the company 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 safeguard the assets of the company and have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF BRITISH SUGAR FOUNDATION

We have audited the financial statements on pages 5 to 7.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

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 at 12 September 1998, and of its income and expenditure for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

30 October 1998

**KPMG
Chartered Accountants
Registered Auditors
London**

BRITISH SUGAR FOUNDATION

INCOME AND EXPENDITURE ACCOUNT **FOR 52 WEEKS ENDED 12 SEPTEMBER 1998**

		52 weeks ended 12 September 1998	52 weeks ended 13 September 1997
	Note	£	£
INCOME			
Received under Gift Aid		109,500	109,000
Other Income		871	361
Payroll Giving Scheme	3	2,105	2,324
		<hr/>	<hr/>
		112,476	111,685
EXPENDITURE			
Donations		(109,633)	(115,623)
		<hr/>	<hr/>
Surplus Income/(Excess Expenditure) for Period		2,843	(3,938)
		<hr/>	<hr/>

The notes on page 7 form part of these financial statements.

There are no recognised gains or losses other than the gain for the period and the deficit for the previous period. Accordingly no statement of recognised gains or losses has been prepared.

There is no material 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.

BRITISH SUGAR FOUNDATION

BALANCE SHEET **AT 12 SEPTEMBER 1998**

		12 September 1998	13 September 1997
	Note	£	£
Current Assets			
Debtors	4	3,220	4,370
Cash at bank and in hand		(3,724)	(7,843)
		<u>(504)</u>	<u>(3,473)</u>
Current Liabilities			
Creditors	5	(310)	(184)
		<u>(814)</u>	<u>(3,657)</u>
REPRESENTED BY			
(Excess expenditure)/Surplus income brought forward		(3,657)	281
Surplus income/(Excess Expenditure) for the period		<u>2,843</u>	<u>(3,938)</u>
(Excess Expenditure) Carried forward		<u>(814)</u>	<u>(3,657)</u>


The notes on page 7 form part of these financial statements.

The Financial Statements on pages 5 to 7 were approved by the Board of Directors and signed on its behalf by:

P J JACKSON
Director



C A YATES
Director

Date 23.10.98. 

BRITISH SUGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 12 SEPTEMBER 1998**

1. Company Status

The company is a company limited by guarantee and does not have a share capital. Every member of the company has undertaken to contribute to the assets of the company in the event of the company being wound up. The amount of this contribution is limited to a maximum of £5 per member.

2 Accounting Policies

- **Basis of Accounting**

The Financial Statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

- **Companies Act 1985**

The Directors are of the opinion that the formats of profit and loss accounts prescribed by Schedule 4 of the Companies Act 1985 are not relevant to the Foundation due to the special nature of its operations.

3 Payroll Giving Scheme

During the period ended 12 September 1998, £2,105 (1997: £2,324) was received from employees of British Sugar plc by deductions from their salaries.

4 Debtors

Amounts falling due within one year:

	12 September 1998	13 September 1997
	£	£
Income tax recoverable on donation from British Sugar	3,220	4,370
	<hr/>	<hr/>

5 Creditors

Amounts falling due within one year:

	12 September 1998	13 September 1997
	£	£
Payroll Giving Deductions received, not yet donated to relevant Charities	310	184
	<hr/>	<hr/>