

FORTNUM & MASON PLC

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FORTNUM & MASON PLC

Directors and professional advisers

Directors

Garry H Weston* *Chairman*

W G Galen Weston* *Vice Chairman*

G W Artindale

Mrs C H W Dalglish*

G V Hamilton

Mrs J R Khayat

J G Lithiby*

W Monaghan*

Mrs M D W Rebanks*

Secretary

G W Artindale

Registered office

181 Piccadilly
London W1A 1ER

Registered number

84909

Registrar and transfer office

Lloyds Bank PLC
Registrar's department
The Causeway
Worthing
West Sussex
BN99 6DA

Auditors

Price Waterhouse
Chartered Accountants

Bankers

Bank of Scotland
Girobank Plc

**Non-executive director*

Mr Garry H Weston was appointed a director in 1951, and has been Chairman since 1978. He is also Chairman of Associated British Foods Plc.

Mr W G Galen Weston has been a director since 1965. He is Chairman and President of George Weston Ltd, Canada and a director of the Canadian Imperial Bank of Commerce.

Mr J G Lithiby has been a director since 1981. He is a director of Panmure Gordon & Co Limited, Stockbrokers.

Mrs C H W Dalglish has been a director since 1979. She is a director of Loblaw Companies Limited, Canada.

Mr W Monaghan CBE was appointed a director in 1990. He was formerly a director of Associated British Foods Plc, and Chairman of Allied Bakeries Ltd.

Mrs M D W Rebanks has been a director since 1971, and is Treasurer of The W Garfield Weston Foundation.

Chairman's statement

TRADING RESULTS

It is gratifying to report that, despite the still fragile UK economy, and difficult conditions in some of our major export markets, the company has achieved a further substantial increase in profitability.

Sales in the Piccadilly store were 12.2 per cent ahead of last year and, although export sales fell by 5 per cent, total sales increased by 9.3 per cent to a new record level. Approximately 1 per cent of this increase is accounted for by the additional week in this 53 week period, giving a like for like increase of 8.3 per cent.

As a result of successful appeals against assessments, we received refunds of business rates and of VAT paid in prior years totalling £571,000. We are required by current accounting standards to show these items as part of the operating profit of the year. In order to show the underlying trend, the profit and loss account on page 8 incorporates an additional column eliminating these exceptional items and, unless otherwise stated, these are excluded in all results referred to in this statement.

With the increase in costs held to less than 5 per cent, operating profits rose from £1,909,000 to £2,424,000, which was the highest ever achieved.

A combination of the rise in interest rates during the year and higher cash balances resulted in interest receivable of £476,000 compared with £401,000 last year. Profit before taxation was £2,900,000, an improvement of £590,000 on the comparable 52 weeks.

After inclusion of the exceptional profits, and charging taxation of £1,162,000, the profit available to shareholders was £2,309,000 compared with £1,572,000 in the 52 weeks to July 1994.

The Board has declared a second interim dividend of 58p per ordinary share, giving a total payment for the year of 144p, an increase of 31 per cent over the previous year.

STORE TRADING

Major changes to our ranges, involving the introduction of some 200 new items, revitalised our grocery department, producing an increase in sales of 16 per cent.

An extremely successful chocolate promotion, held in conjunction with the Chocolate Society, furthered our claims to be the premier retailer in this field. Despite an initial decline in sales during the heatwave of the first weeks of the period, the confectionery department achieved an increase of 11 per cent for the year.

Some five years ago, merchandise available by order from our catalogue was offered throughout the year rather than specifically for the period of Christmas. As a result, our catalogue sales have continued to develop strongly and last year we served customers in 112 countries. The increase in sales was 43 per cent, achieved without incurring the costly seasonal peaks associated with the Christmas period.

During the year, we opened on the first floor a new department specialising in amber jewellery, together with a relocated jewellery department. Sales to date are ahead of the initial budgets.

FORTNUM & MASON PLC

Chairman's statement continued

An increase in staff numbers necessitated by the rise in sales resulted in wage costs totalling 8 per cent more than in the previous year. As in the previous year, expenditure on promotional activity was increased by 10 per cent. The element of this which is spent on window displays continues to produce a highly-acclaimed response and, for the fourth time, we won First Prize in the National Display Competition.

EXPORT

As noted in the interim report, markets in the Far East suffered a decline in sales due to a combination of high stock levels in the supply chain, and our efforts to regularise the distribution channels. These problems have outweighed the successes in a number of the other markets, particularly Australia, Germany and the USA.

In Australia, our distributor has installed "Fortnum's concept areas" into a number of department stores. This allows all our merchandise to be displayed in a style and to a standard comparable with the Piccadilly store. The success of this approach is such that it is being introduced into more stores in Australia, and a number of distributors in other markets have plans to replicate this concept.

CAPITAL EXPENDITURE

The major item of expenditure this year was on the replacement of cash registers by an electronic point-of-sale system. This has enabled faster service to our customers through a new tills' ability to handle credit and account card processing, and by the discreet use of bar-code scanning. It will also allow us to enhance further our stock-control systems.

After the extensive investments in facilities of the last two years, expenditure was restricted mainly to a refurbishment of the St James Restaurant kitchen, and to the new amber and jewellery department referred to above. Total capital expenditure fell to £624,000 compared with £2,958,000 last year.

FUTURE PROSPECTS

Profit growth is not expected to continue at the rapid rate of the last two years and the current year will be one of consolidation. The outlook for the UK economy remains uncertain and, given the difficulties in a number of our export markets, particularly Japan, our Export division is expected to show a further small decline in sales before it resumes its growth path.

APPRECIATION

I would like once again to express my appreciation of the management and staff who, despite the increasing workload placed on them, have maintained the standards of service for which the company is renowned.

GARRY H WESTON

Report of the Directors

The directors submit their ninetieth annual report together with the accounts of the company for the year ended 15 July 1995.

Principal activities and business review

The company continued its activities as a department store during the year. The review of trading results and future prospects is included in the Chairman's statement on pages 3 and 4.

Profit and dividends

The profit and loss account on page 8 shows turnover for the financial year ended 15 July 1995 of £30,221,000 (1994 – £27,642,000). The profit for the year was £2,309,000 (1994 – £1,572,000). An interim dividend of 86p per unit of stock was paid on 30 June 1995. A second interim dividend of 58p per unit of stock amounting to £246,000 will be paid on 3 January 1996. The total dividend on the ordinary and preference shares amounts to £620,000 (1994 – £476,000). The remaining profit of £1,689,000 (1994 – £1,096,000) will be added to reserves.

Directors and their interests

A list of the directors of the company during the year is shown on page 2 and the schedule of their beneficial interests, including family interests, in the shares and debentures of the group is shown on page 20.

Mrs J R Khayat and Mr G W Artindale were appointed to the board on 30 September 1994.

Mr Garry H Weston and Mr J G Lithiby retire by rotation and being eligible offer themselves for re-election. Mrs M D W Rebanks also retires by rotation but is not seeking re-election.

Corporate governance

The Board is required by the Stock Exchange to report on the extent of its compliance with the Code of Best Practice drawn up by the Cadbury Committee on Corporate Governance.

Fortnum & Mason is a subsidiary company of Wittington Investments Limited which owns 89.9 per cent of the company's ordinary stock. Wittington Investments Limited is in turn controlled by Mr Garry H Weston and members of his family and trusts associated with them.

One executive director and four of the six non-executive directors are members of the Weston family.

Given the limited size of the company and its focus of operations on one site in Piccadilly, London, the Board does not believe there is either a need or benefit to be obtained from reserving specifically to itself matters for decision. The nature

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Report of the directors continued

and style of the company's operations is such as to ensure that matters of materiality to the control and operations of the company are promptly discussed and decided at Board level. This structure is based upon short lines of communication and has a proven record of success.

There is no agreed procedure for directors in the furtherance of their duties to take independent professional advice.

Non-executive directors are not appointed for specified terms and their re-appointment is voted upon at Annual General Meetings when periodic re-election is proposed in accordance with the company's Articles of Association. Non-executive directors are selected by an informal process of consultation within the Board.

No executive director has a service contract exceeding one year and the remuneration of executive directors is determined by Board consultation. There is no remuneration committee. There is no audit committee but the auditors meet with the finance director of the holding company on an annual basis for a discussion of matters arising from their audit, including the effectiveness of the company's system of internal controls.

The Board has reviewed the arrangements detailed above, and considers that they are suited to the needs of the company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Fixed assets

Changes in fixed assets are set out on page 14.

A valuation carried out in 1993 indicated that the market value of the company's leasehold interest exceeds the amount at which it is shown in the balance sheet by approximately £6 million.

Charitable and political contributions

Charitable donations for the year amounted to £2,272 (1994 – £3,336). There were no contributions to any political organisation during the year (1994 – Nil).

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

Report of the directors continued

Employee involvement

The company formally communicates with its staff in a number of ways. Upon joining the company, new staff attend an induction training course and are given a booklet explaining the terms and conditions of employment. Weekly training sessions are held at which staff are updated on the company's activities, plans and financial performance. Staff at all levels are involved in forward planning and development of their departments, and regularly updated as to the progress of the company and their personal development in line with that progress and their individual performance.

By order of the board

G W Artindale
Secretary



8 September 1995

Directors' responsibilities statement

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period to that date. The financial statements must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In addition, the directors are required: –

- ◆ to select suitable accounting policies and then apply them consistently
- ◆ to make judgements and estimates that are reasonable and prudent
- ◆ to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are also responsible for maintaining adequate accounting records so as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Profit and loss account

53 weeks ended 15 July 1995 £'000 excluding exceptionals		Note	£'000	53 weeks ended 15 July 1995 £'000	52 weeks ended 9 July 1994 £'000
30,221	Turnover	1		30,221	27,642
(21,268)	Cost of sales			(21,268)	(19,552)
8,953	Gross profit			8,953	8,090
(141)	Distribution costs		(141)		
	Less exceptional items	2	184	43	(183)
(6,388)	Administrative expenses		(6,388)		
	Less exceptional items	2	387	(6,001)	(5,998)
2,424	Operating profit	1		2,995	1,909
476	Interest receivable			476	401
2,900	Profit on ordinary activities before taxation	2		3,471	2,310
(974)	Tax on profit on ordinary activities	3		(1,162)	(738)
1,926	Profit for the financial year			2,309	1,572
(620)	Dividends	4		(620)	(476)
1,306	Retained profit to reserves	11		1,689	1,096
451p	Earnings per share	5		541p	368p
	Less exceptional items, net of tax			90p	—
	Earnings per share excluding exceptional items	5		451p	368p

Balance sheet

	Note	As at 15 July 1995 £'000	As at 9 July 1994 £'000
Fixed assets			
Tangible assets	7	6,305	6,311
Investments	8	2	2
		<u>6,307</u>	<u>6,313</u>
Current assets			
Stocks		3,171	2,758
Debtors	9	1,670	1,460
Cash at bank and in hand		8,008	5,963
		<u>12,849</u>	<u>10,181</u>
Creditors (amounts falling due within one year)	10	<u>4,535</u>	<u>3,629</u>
Net current assets		<u>8,314</u>	<u>6,552</u>
Total assets less current liabilities		<u>14,621</u>	<u>12,865</u>
Provision for deferred taxation		<u>514</u>	<u>447</u>
		<u><u>14,107</u></u>	<u><u>12,418</u></u>
Capital and reserves			
Called up share capital	13	600	600
Share premium account		119	119
Profit and loss account	11	13,388	11,699
		<u>14,107</u>	<u>12,418</u>

These financial statements were approved by the Board on 8 September 1995 and signed on its behalf by:

GARRY H WESTON
Chairman



FORTNUM & MASON PLC

Cash flow statement

	Note	53 weeks ended 15 July 1995 £'000	52 weeks ended 9 July 1994 £'000
Net cash inflow from operating activities	16	3,656	2,314
Returns on investments and servicing of finance			
Interest received		270	378
Dividends paid		(476)	(433)
Net cash (outflow)/inflow from returns on investments and servicing of finance		(206)	(55)
Taxation paid		(781)	(893)
Investing activities			
Purchase of tangible fixed assets		(624)	(2,958)
Sale of tangible fixed assets		—	7
Net movement on bank deposits held on notice of three months or more	17	(2,485)	(499)
Net cash (outflow)/inflow from investing activities		(3,109)	(3,450)
Net Increase/(Decrease) in cash and cash equivalents	17	(440)	(2,084)

Statement of recognised gains & losses

	53 weeks ended 15 July 1995 £'000	52 weeks ended 9 July 1994 £'000
Profit for the financial year	2,309	1,572
Revaluation reserve eliminated	—	(356)
Total recognised gains and losses	2,309	1,216

Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

Turnover

Turnover represents amounts charged to customers for goods sold and services rendered, less returns and net of value added tax.

Depreciation

Depreciation is provided by the company so as to write off the cost or valuation of certain fixed assets, excluding works of art, over their estimated useful lives by equal annual instalments as follows:

Leasehold – over 66 years or the remaining period of the lease if shorter.

Leasehold improvements – 30 years.

Fixtures and equipment – 5, 10 or 20 years.

Works of art are not depreciated and are included at cost.

Stocks

Stocks which comprise merchandise held for resale are stated at the lower of cost and net realisable value.

Deferred taxation

Full provision has been made for taxation arising primarily from the excess of capital allowances over depreciation and other timing differences.

Leases

All material leases entered into by the group are operating leases whereby substantially all the risks and rewards of ownership of the asset remain with the lessor. Rental payments are charged against profits on a straight line basis over the period of the lease.

FORTNUM & MASON PLC

Notes to the accounts

1. Turnover and operating profit

	53 weeks ended 15 July 1995 £'000	52 weeks ended 9 July 1994 £'000
Turnover		
UK – Retail	25,903	23,074
Overseas – Wholesale	4,318	4,568
	<u>30,221</u>	<u>27,642</u>
Operating profit		
UK – Retail	2,324	1,136
Overseas – Wholesale	671	773
	<u>2,995</u>	<u>1,909</u>

2. Profit on ordinary activities before taxation

This is stated after charging/(crediting) the following amounts:—

	1995 £'000	1994 £'000
Depreciation	578	488
Loss on sale of fixed assets	52	20
Hire of plant and machinery	188	194
Lease rentals on buildings	58	60
Auditors' remuneration	38	36
Management charges from immediate holding company and a fellow subsidiary company	311	358
Exceptional items		
Refund of business rates relating to prior years	(387)	—
Refund of value added tax relating to prior years	(184)	—

Notes to the accounts continued

3. Tax on profit on ordinary activities

Taxation on the profit for the year at the rate of 33% (1994 – 33%) comprises:—

	1995 £'000	1994 £'000
Corporation tax – current year	1,094	689
– prior year	—	10
	<u>1,094</u>	<u>699</u>
Deferred tax	68	39
	<u>1,162</u>	<u>738</u>

4. Dividends

	1995 £'000	1994 £'000
Preference – paid	8	8
Ordinary – interim paid 86p (86p)	366	366
Ordinary – 2nd interim payable 58p (paid 24p)	246	102
	<u>620</u>	<u>476</u>

5. Earnings per share

The calculations of earnings per share are based on profit for the financial year, after preference dividends, of £2,301,000 and of £1,918,000, excluding exceptional items (1994 – £1,564,000) and 425,000 (1994 – 425,000) ordinary stocks units in issue.

6. Leases

The company has minimum annual commitments under non-cancellable operating leases as follows:—

Operating leases which expire:	Within one year £'000	Two to five years £'000	Over five years £'000	Total £'000
Land and Buildings	—	—	58	58
Other	2	160	4	166
at 15 July 1995	<u>2</u>	<u>160</u>	<u>62</u>	<u>224</u>
Land and Buildings	—	—	58	58
Other	2	12	180	194
at 9 July 1994	<u>2</u>	<u>12</u>	<u>238</u>	<u>252</u>

FORTNUM & MASON PLC

Notes to the accounts continued

7. Tangible assets

	Long leasehold and leasehold improvements	Fixtures and Equipment	Works of art	Total
	£'000	£'000	£'000	£'000
Cost at 9 July 1994	3,987	4,886	402	9,275
Additions	37	587	—	624
Disposals	(22)	(346)	—	(368)
At 15 July 1995	<u>4,002</u>	<u>5,127</u>	<u>402</u>	<u>9,531</u>
Accumulated depreciation				
At 9 July 1994	911	2,053	—	2,964
Provision for the year	90	488	—	578
Disposals	(5)	(311)	—	(316)
At 15 July 1995	<u>996</u>	<u>2,230</u>	<u>—</u>	<u>3,226</u>
Net book amount 15 July 1995	<u>3,006</u>	<u>2,897</u>	<u>402</u>	<u>6,305</u>
Net book amount 9 July 1994	<u>3,076</u>	<u>2,833</u>	<u>402</u>	<u>6,311</u>

8. Investments – included in fixed assets

The company owns the entire issued share capital of a number of companies which are shown at cost.

None of the companies has traded during the year and the directors are of the opinion that in view of the insignificant amounts involved there would be no real value in the presentation of group accounts.

9. Debtors

	1995	1994
	£'000	£'000
Trade debtors	892	849
Amounts owed by group companies	12	14
Other debtors	363	292
Prepayments and accrued income	403	305
	<u>1,670</u>	<u>1,460</u>

Notes to the accounts continued

10. Creditors (amounts falling due within one year)

	1995	1994
	£'000	£'000
Trade creditors	955	994
Amounts owed to group companies	752	686
Other creditors	588	492
Taxation and social security	1,312	1,034
Accruals	682	321
Proposed dividend	246	102
	<u>4,535</u>	<u>3,629</u>

11. Reserves

	£'000
Balance at 9 July 1994	11,699
Retained profit for the year	<u>1,689</u>
Balance at 15 July 1995	<u>13,388</u>

There were no other movements in shareholders funds during the year.

12. Pensions

The Company provides defined benefits, on a voluntary basis to employees over the age of 21 with more than six months service, through the Associated British Foods Pension Scheme. At 15 July 1995 some 23% of the Company's employees were members of the Scheme.

The Scheme is wholly administered by the Trustees of the Associated British Foods Pension Scheme, and the cost to the Company is determined by the overall cost of the Scheme, not that relating to the Company's employees. As such the Directors are of the opinion that the cost to the Company will tend to equate to the contributions payable. The latest actuarial valuation of the Scheme, at 5 April 1993, showed that assets represented 116% of expected benefits payable.

FORTNUM & MASON PLC

Notes to the accounts continued

13. Called up share capital

	1995 £'000	1994 £'000
Allotted and fully paid		
4.9% cumulative preference stock units of £1 each	175	175
Ordinary stock units of £1 each	425	425
	<u>600</u>	<u>600</u>
Authorised	<u>750</u>	<u>750</u>

14. Directors and employees

	1995	1994
Average number of employees		
United Kingdom	463	448

	£'000	£'000
Staff costs:		
Wages and salaries	5,026	4,625
Social security costs	396	394
Pension contributions	23	8
	<u>5,445</u>	<u>5,027</u>

	£	£
Directors' emoluments:		
Chairman	100	100
Highest paid director	71,364	68,591
Other directors	69,030	1,400
Pension contributions	1,960	—
	<u>142,454</u>	<u>70,091</u>

	Number of directors	
Emoluments of directors earning between:		
£0 – £5,000	6	6
£20,001 – £25,000	1	—
£45,001 – £50,000	1	—
£65,001 – £70,000	—	1
£70,001 – £75,000	1	—

Two directors are remunerated by the holding company and this cost forms part of the management charge.

Notes to the accounts continued

15. Capital commitments

Future capital expenditure not provided in the accounts:—

	1995	1994
	£'000	£'000
Contracts placed	126	337
Authorised by the directors but contracts not yet placed	711	644
	<u>837</u>	<u>981</u>

16. Reconciliation of operating profit to net cash flow from operating activities

	1995	1994
	£'000	£'000
Operating Profit	2,995	1,909
Depreciation	578	488
Loss on sale of fixed assets	52	20
(Increase)/Decrease in stocks	(413)	(45)
(Increase)/Decrease in debtors	(6)	(364)
Increase/(Decrease) in creditors	382	282
Increase/(Decrease) in inter-company balance	68	24
	<u>3,656</u>	<u>2,314</u>

17. Analysis of the balance of cash and cash equivalents as shown in the balance sheet

	1995	1994	Change in Period	1993	Change in Period
	£'000	£'000	£'000	£'000	£'000
Cash in hand and on deposit of less than three months notice	897	1,337	(440)	3,421	(2,084)
Cash on deposit held on notice of three months or more	<u>7,111</u>	<u>4,626</u>	<u>2,485</u>	<u>4,127</u>	<u>499</u>
Cash at bank and in hand	<u>8,008</u>	<u>5,963</u>	<u>2,045</u>	<u>7,548</u>	<u>(1,585)</u>

FORTNUM & MASON PLC

Notes to the accounts continued

18. Contingent liabilities

The company has no material contingent liabilities other than provided for in the accounts.

19. Holding company

The holding company of Fortnum & Mason plc is Wittington Investments Limited which is incorporated in Great Britain and registered in England. At 21 August 1995 Wittington Investments Limited held 381,965 ordinary stock units representing, in aggregate, 89.9% of the total issued ordinary share capital of the company. So far as is known, no other person holds or is beneficially interested in more than 3% of the ordinary share capital.

Fortnum & Mason plc is a close company as defined in the Income and Corporation Taxes Act 1988.

Report of the auditors

To the members of Fortnum & Mason plc

We have audited the accounts on pages 8 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 7 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, on 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 as at 15 July 1995 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Southwark Towers
32 London Bridge Street
London SE1 9SY

Price Waterhouse
Chartered Accountants
and Registered Auditors

8 September 1995

FORTNUM & MASON PLC

Statement of directors' interests

The persons who were directors of the company at the end of the year had the following beneficial interests, including family interests, in the shares and loan stock of the company, its holding companies and fellow subsidiaries as at the dates shown:—

	15 July 1995	9 July 1994
Garry H Weston		
Wittington Investments Limited, ord. shares of 50p	4,925	4,925
George Weston Holdings Limited, ord. shares of 50p	N/A	56
Associated British Foods plc, ord. shares of 5p	346,662	335,659
George Weston Foods Limited, ord. shares of 50 cents	2,017	1,834
W G Galen Weston		
Wittington Investments Limited, ord. shares of 50p	37,953	37,953
George Weston Holdings Limited, ord. shares of 50p	N/A	12,498
Associated British Foods plc, ord. shares of 5p	4,123,046	548,272
Mrs C H W Dalglish		
Wittington Investments Limited, ord. shares of 50p	15,300	15,300
George Weston Holdings Limited, ord. shares of 50p	N/A	6,228
Associated British Foods plc, ord. shares of 5p	1,503,670	288,552
Fortnum & Mason plc, ord. stock units of £1	100	100
Mrs J R Khayat		
Associated British Foods plc, ord. shares of 5p	176,451	176,451*
J G Lithiby		
Fortnum & Mason plc, ord. stock units of £1	500	500
W Monaghan		
Associated British Foods plc, ord. shares of 5p	11,641	31,000
Mrs M D W Rebanks		
Wittington Investments Limited, ord. shares of 50p	15,500	15,500
George Weston Holdings Limited, ord. shares of 50p	N/A	6,662
Associated British Foods plc, ord. shares of 5p	1,487,132	183,750
Fortnum & Mason plc, ord. stock units of £1	100	100

*At date of appointment

Notes

1 A reorganisation of the share capitals of the company's then immediate holding company, George Weston Holdings Limited ("GWH"), and its then fellow subsidiary company, Associated British Foods plc, took effect during the year. So far as is relevant, the effects of these transactions were to reorganise the share capital of GWH, to transfer all shares in the company named Associated British Foods plc at the end of the year (other than such shares held by GWH and its wholly-owned subsidiaries) to GWH in exchange for holdings of an equal number of shares in GWH, and for GWH to change its name to Associated British Foods plc.

2 Garry H Weston, W G Galen Weston and Mrs C H W Dalglish are trustees of a trust, in which they have no beneficial interest, which at 9 July 1994 held 448,775 ordinary shares of 50p in Wittington Investments Limited, and 198,008 ordinary shares of 50p in George Weston Holdings Limited. As a result of the reorganisation of share capital mentioned above, at 15 July 1995 this trust held 683,073 ordinary shares of 50p in Wittington Investments Limited and no ordinary shares in any other holding company, subsidiary or fellow subsidiary company of the company.

3 Garry H Weston is a trustee of a trust, in which he has no beneficial interest, which at 15 July 1995 held 991,969 ordinary shares of 5p (1994—991,969) in Associated British Foods plc.

4 G W Artindale, Mrs C H W Dalglish, G V Hamilton, Mrs J R Khayat, W Monaghan, Mrs M D W Rebanks, Garry H Weston and W G Galen Weston each held 500 ordinary stock units of £1 each in Fortnum & Mason plc at 15 July 1995, in which they have no beneficial interest.

5 There have been no changes in the above holdings between 15 July 1995 and 21 August 1995.

6 No director has had a material interest in a contract with the company during the year, other than as disclosed in the accounts.

Progress report

January 1986 £'000	Year ended	January 1991 £'000	July 1992 £'000	July 1993 £'000	July 1994 £'000	July 1995 £'000
15,351	Turnover	24,841	23,844	24,682	27,642	30,221
730	Trading profit	1,396	1,405	1,429	1,909	2,424
295	Interest receivable	664	741	576	401	476
1,025	Profit before tax	2,060	2,146	2,005	2,310	2,900
586	Profit after tax	1,330	1,428	1,330	1,572	1,926
167	Ordinary dividends	383	416	425	468	612
411	Retained profits	939	1,012	897	1,096	1,306
5,900	Shareholders funds	9,612	10,781	11,678	12,418	14,107
136p	Earnings per share	311p	334p	311p	368p	451p
39p	Dividends per share	90p	98p	100p	110p	144p

The figures above were taken from the published accounts.

FORTNUM & MASON PLC

Notice of annual general meeting

Notice is hereby given that the ninetieth annual general meeting of the company will be held at 181 Piccadilly, London W1A 1ER on Friday 13 October 1995 at 10.00 am for the following purposes:—

- 1 To receive and adopt the accounts for the 53 weeks ended 15 July 1995 together with the reports of the directors and auditors thereon.
- 2 To re-elect Mr Garry H Weston as a director.
- 3 To re-elect Mr J G Lithiby as a director.
- 4 To re-appoint Price Waterhouse as auditors of the company and to authorise the directors to determine their remuneration.
- 5 To consider and, if thought fit, pass the following resolution as a special resolution:—

“THAT new Articles of Association tabled at the meeting and initialled by the chairman for the purposes of identification be adopted in substitution for the existing Articles of Association of the company.”

By the order of the board

G W Artindale
Secretary



20 September 1995

Registered office
181 Piccadilly
London W1A 1ER

Notes:

- 1 A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. The person appointed need not be a member of the company. Forms of proxy, if used, must be lodged at the registered office at least 48 hours before the meeting.
- 2 This notice is sent to preference stockholders for information only.
- 3 No director of the company has a contract of service with the company which is not determinable within one year without payment of compensation.
- 4 Completion of the form of proxy will not preclude a member from attending and voting in person.

FORTNUM & MASON PLC

Form of proxy

I/We
(please use block letters)

of

being (a) member(s) of Fortnum & Mason plc hereby appoint* the chairman of the meeting

to act as my/our proxy at the annual general meeting of the company to be held on Friday 13 October 1995, and at any adjournment thereof.

The proxy is to vote in the manner shown below on the resolutions set out in the notice of meeting.

RESOLUTIONS	For	Against
To receive and adopt the statement of accounts for the 53 weeks ended 15 July 1995 and the reports of the directors and auditors thereon		
To re-elect Mr Garry H Weston as a director		
To re-elect Mr J G Lithiby as a director		
To re-appoint Price Waterhouse, the retiring auditors and to authorise the directors to determine their remuneration		
To adopt new Articles of Association		

Dated this.....day of.....1995

Signature.....

Notes:

- *Delete, if it is desired to appoint any other person and insert his/her name and address. A shareholder is entitled to appoint a proxy of his own choice.
- Please indicate how the proxy is to vote by inserting X in the appropriate space opposite each resolution; unless so instructed the proxy may vote as he thinks fit or abstain from voting.
- To be valid this proxy must reach the company not later than 48 hours before the meeting.
- A corporation may execute this form under its common seal or under the hand of a duly authorised officer.
- In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders must be shown.
- Completion of the form of proxy will not preclude a member from attending and voting in person.

For office use

SECOND FOLD

Postage
to be
affixed

**The Secretary,
FORTNUM & MASON PLC,
181 PICCADILLY,
LONDON,
W1A 1ER**

FIRST FOLD

THIRD FOLD AND TUCK IN