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Annual Report

Salient Figures

(£ thousands)	1988	1087	1080	1085	1084
Turnover	629,816	619,201	595,527	637,712	617,245
Dividend per share	59.34p	50.25p	309.0 _P	52.5p	53.0p
Historic Cost Accounts					
Profit on ordinary					
activities before tax	82,160	72,104	57,135	53,564	61,740
Dividend cover	1.6 times	1.5 times	O.2 times	1.5 times	1.7 times
Net assets per share	470p	430p	380p	701p	657p

Board of Directors

Chairman

ES Margulies*

Managing Director

P A Jacobs*

Executive Directors

R J Bass

R B Begy

M F Branch

PR Butler

M Desforges

TPJ Dyke

P J Jackson

A G Taylor

HN Lewis*

Company Secretary

J W C Letchford

^{*}Also Directors of S & W Borisford PLC

We look back on 1988 with a genuine sense of achievement, reflecting twelve months of sustained hard work and effort which have contributed to another good financial performance by British Sugar.

We have achieved record profits for the second year running. This is a most encouraging result which reflects the sterling efforts of the management team led by Peter Jacobs and all our workforce during the past twelve months.

I must therefore personally thank all of our employees for the hard work and commitment they have put into the business.

This satisfactory performance has resulted from further efficiency improvements across the Company and continuing low fuel costs. It was also the first full year of higher prices in the market place, and the large crop enabled us to sell C sugar onto the world market. Factories operated well, achieving further efficiency improvements during the 1987/88 campaign.

A year ago, further profits growth was predicted and that has been the case with a 14% increase to £82.2 million (historic cost) pre-tax profits. This compares with £72.1 million for the previous year.

I again expect our profits to continue on this apward trend as we move into the 1990s - but we are likely to have a number of new, potential challenges. These points are taken up in the Managing Director's Review which follows.

E.S. MARGULIES

During the year, our factories processed nearly 8 million tonnes of beet, which produced 1.228 million tonnes of sugar again exceeding our EEC quota – and 674,000 tonnes of animal feed.

A major feature of the campaign was the long spells of extremely wet weather which caused significant delivery problems at several factories.

After two years of exceptionally high beet sugar contents, there was a return to more traditional levels with a sugar content averaging 16.5%.

British Sugar's commitment to further increasing operational efficiency — on cost and quality — was underlined by another substantial capital programme.

Much of the £47.6 million spent on capital investment and engineering projects was aimed at further reducing energy and processing costs.

A massive reconstruction programme has taken place at Ipswich (which has new falling film evaporators, a prescalder and a new central process control room) and other major work was completed at Bardney, Cantley, Allscott, King's Lynn and York.

Although the retail sugar market (which represents about one-third of our sugar business) has declined – there has been an 8% drop in volume during the past year – Silver Spoon still dominates the retail sector with a 57% brand share. Silver Spoon granulated sugar remains one of the largest single grocery brands in all outlets.

On the industrial sales front there is evidence that the market is still growing, even though sales this year in this area have been constrained by our EEC quota limitations.

There was a small contraction in the animal feed market. Trident Feeds managed to sell all the campaign volume by the end of July assisted by the growth in demand for the use of our product in silage.

I am pleased to welcome Peter Butler to the British Sugar Board in preparation for the imminent retirement of Cleoff Taylor. I would like to thank Geoff for his many years of distinguished service to British Sugar and wish him well in retirement.

British Eugar is the first company in the UK to register to BS 5750 for food manufacture. British Standard 5750 is the UK operational standard for quality management systems. Newark factory was the first to register its management systems and all other British Sugar sites are on target to receive accreditation by the end of 1988.

The interim review of the European sugar regime confirmed existing arrangements for member countries, leaving Britain's total annual sugar production quota unchanged at 1.144 million tonnes. This regime runs until June 30 1991.

During the year British Sugar issued a 25 year, £75 million quoted dehenture. Since the year end, a further £75 million has been raised by increasing the size of this issue to £150 million. The funds have assisted long-term borrowing arrangements through the use of fixed interest funds rather than short-term borrowings with fluctuating interest rates.

Talk – a regular, structured method of communication with people at all levels within the Company. This has been operating at several locations for nine months. It is part of the more general approach to working which places more emphasis on employees working together in small, well-led groups.

A major cash incentive has been offered by British Sugar to employees to raise money for charities and other worthy causes during the year. Employees who organised or took part in suitable fund-raising events have had the amount they raised matched pound for pound in 1988 which was designated the Bristar Charity Year. To date, more than £60,000 has been given to local and national charitable groups.

Returning now to the challenges of the future mentioned earlier by the Chairman. A number of factors must be addressed if the Company is to maintain its profit growth a not least of which are the re-negotiation of the EEC Sugar Regime which will operate from 1991 and the Single Market in 1992.

These have to be viewed together with possible increased competition from other European sugar and sweetener manufacturers as well as the changing conditions in the retail sugar and animal feeds markets.

Our goal is to further improve our profitability so that we can maintain, if not increase, the current level of capital investment in the business at an acceptable rate of return.

In order to meet these changing conditions of the '90s all aspects of the core business are currently being assessed and the necessary plans to secure the Company's strong position are being developed. At the same time through appropriate training and involvement, employees will be equipped to meet the challenges of the 1990s. All of the challenges can and will be managed satisfactorily.

Employees across the Company have made important contributions to our current strong position. We have shown ourselves capable of being adaptable and flexible to suit the changing needs of the business in the past. I am confident that by all pulling together over the next couple of years the Company has an exciting and secure future.

P.A. JACOBS

late A. Janth.

The Directors present their report and financial statements for the 52 weeks ended September 25 1988.

Principal Activities

The Company's principal activities during the period continued to be the processing of sugar beet and the manufacture and sale of sugar, animal feeds and molasses. These activities are expected to continue in the foreseeable future. A review of activities is included in the Chairman's Statement and Managing Director's Review.

Basis of Accounting

The Group financial statements have been prepared on an historic cost accounting basis, modified to include the revaluation of certain assets.

Results and Dividends

after the north profit on ordinary activities after the north period shown in the financial star ments was £55,459,000 (1987 £46,404,010). The profit has been utilised as follows:

(£ thousands)	
Interim dividend and	
recommended final dividend	35,602
Transfer to reserves	19,857
	55,459

On December 30 1988, the Company will pay an interim dividend of £8,277,345 (1987 £NIL) outside the group election for advance corporation tax, which is equivalent with the associated tax credit to 18.3941 pence per share (1981 NIL pence per share)

The Directors recommend the payment on January 15 1989 of a final dividend of 45.5411 pence per share making the total for the year 59.34 pence per share (1987 50.25 pence per share) to shareholders whose names appear on the register at the close of business on December 31 1988, which is equivalent with the associated tax credit to

75.6617 pence per chare (1987-60.11 pence per share)

Debenture Stock

On July 4 1988 the Company issued £75,000,000 stock by way of a debenture. The rate of the stock is 10¾% redeemable 2013. The stock is listed on the International Stock Exchange of the United Kingdom. The stock is secured by a floating charge on the assets of the Company.

Past Balance Sheet Event

On November 4 1988, the Company issued a further tranche of £75,000,000 of its 103/4% Debenture Stock 2013.

Holding Company

The ultimate holding company of British Sugar plc is S & W Berisford PLC, a company incorporated in Great Britain.

Directors

The names of the present Directors and the Secretary of the Company are shown on page 2.

PR Butler was appointed a Director on July 8 1988 and in accordance with the Articles of Association holds office until the next Annual General Meeting and being eligible offers himself for election.

R J Bass, R B Begy and M F Branch retire by rotation and being eligible offer themselves for re-election.

M S Ansher resigned on September 5 1988. The unexpired period of the service contract with the Company of each director proposed for re-election at the Annual General Meeting is three years.

Directors Declarable Interest

The declared interests in S&W Berisford PLC of the Directors holding office at the end of the financial year are shown in the notes to the accounts.

Research and Development

The Group continued its expenditure on research and development and during the period this amounted to £3,471,000 (1987) £2,945,000). It is anticipated that at least this level of expenditure will continue.

Charitable Donations and Political Contributions
Donations to UK charities by the Group
amounted to £95,000 (1987 £80,000).
No political contributions were made.

Employment Policies

The Group aims to keep employees alerted to all aspects of British Sugar's development and achievements.

Communication channels and consultative systems exist between management, trade unions, works advisory committees (at both Central Office and factory level) and direct to the individual employee. These help to foster the mutual trust and recognition of common goals essential to the smooth running of the husiness. British Sugar News, a Company newspaper distributed regularly to all employees during the year, highlights key areas of both Company and individual achievement.

Every effort is made to ensure that procedures and prejudices regarding race, religion or sex do not hinder people from

obtaining jobs or in the development of their careers.

Comprehensive training programmes are designed to give employees the opportunity of advancing their skills.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude and abilities of the applicant concerned. In the event of employees 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 direbled persons should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

Auditors

The auditors, Deloitte Haskins & Sells, have indicated their willingness to continue in office and a resolution that they be reappointed for the period prescribed by statute, at a fee to be fixed by the Directors, will be proposed at the Annual General Meeting.

By Order of the Board J W C Letchford – Company Secretary

December 16 1088

Report of the Auditors

To the members of British Sugar plc
We have audited the financial statements on
pages 9 to 23, which have been prepared
under t e historic cost convention, in
accordance with approved Auditing
Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group at September 25 1988 and of the Group's profit, source and application of funds and value added and its distribution for the period then ended and comply with the Companies Act 1985.

Deloitte Haskins & Sells Chartered Accountants Cambridge

December 16 1988

Consolidated Statement of Profit and Loss

	Prepared on the Historic Cost Basis of Accounting For the 52 weeks ended September 25 1988 (£ thousands)	1988		1987	
iotes	:		(00.016		619,201
3	Turnover		629,816		474,048
	Cost of sales		474,392		62 MUNT
	Gross Profit		155,424	4.4.42277	145,153
	Distribution costs	41,441		44,477	
	Administrative expenses	28,260		25,409	
4	Other operating expenses (net)	1,346		2,872	
5	Exceptional item	1,964		TOTAL MANAGEMENT & S.	P10 77.F0
			73,011		72,758
	Operating Profit		82,413		72,395
4	Interest on term loans		253		291
•	Profit on Ordinary Activities before Taxation		82,160		72,104
6	Taxation		26,701		25,700
8	Profit on ordinary activities after taxation		55,459		46,404
19	Earnings per Share		92.4 _p		77.3p
11	Profit for the Financial Year		55,459		46,404
12	Dividends		35,602		30,150
14	Retained profit for the year		19,857		16,254
	Profit and loss account brought forward		60,924		44,670
	Retained Profit at September 25 1988		80,781		60,924

	Prepared on the Historic Cost Basis of Accounting As at September 25 1988 (£ thousands)			108,	
Notes					
	Fixed Assets		170071		4.46,4525
13	Tangible assets		473,954		449,673 32
14	Investments		*		72.
	Current Assets			07.251	
15	Stocks	82,478		87,254	
16	Debtors	178,010		81,202	
	Cash at bank and in hand	11,528		8,284	
		272,016		176,740	
	Current Liabilities				
17	(a) Creditors: amounts falling due within				
	one year	149,789		122,797	
	Net Current Assets		122,227		53,943
	Total Assets less Current Liabilities		596,181		503,647
17	(I) Creditors: amounts falling due after				
"	more than one year		309,694		235,931
21	Deferred income		4,562		4,420
	Net Assets		281,925		263,296
	Capital and Reserves				
	Called up share capital (authorised,				
	allotted and fully paid Ordinary shares				
	of 50 pence each)		30,000		30,000
22	Revaluation reserve		171,144		172,372
	Profit and loss account		80,781		60,924
			281,925		263,296

The financial statements on pages 9 to 23 were approved by the Board on December 10 1988 and signed on its Pohloshill: behalf by:

ES Margulies Director

P A Jacobs Director

Balance Sheet (Company)

	Prepared on the Historic Cost Basis of Accounting As at September 25 1988 (£ thousands)	16	988	10	987
otes					
	Fixed Assets		172.05.1		449,672
3	Tangible assets		473,954		33
4	Investments		1		
	Current Assets	22.182		87,254	
5	Stocks	82,478		81,202	
16	Debtors	178,010		•	
	Cash at bank and in hand	11,528		8,284	
		27.2,016		176,740	
	Current Liabilities				
17	b) Creditors: amounts falling due within				
••	one year	149,790		122,798	
	Net Current Assets		122,226		53,944
			181,000		503,647
	Total Assets less Current Liabilities		4,0,101		
17	(b) Creditors: amounts falling due after		309,694		235,931
	more than one year		4,562		4.100
21	Deferred income				263,29
	Net Assets		281,925		Cally Fire growth in the contract of the contr
	Capital and Reserves				
	Called up share capital (authorised,				
	allotted and fully paid Ordinary shares				
	of 50 pence each)		30,000		30,00
22	Revaluation reserve		171,144		172,37
**	Profit and loss account		80,781		60,92
	1 TOTT WITH TORP PROVIDE		281,925		263,29

ES Margulice Director PA Jacobs Director

Consolidated Statement of Source and Application of Funds

1 The Carl David Accounting	properties to the company of the com	1:3.35
Prepared on the Historic Cost Basis of Accounting For the 52 weeks ended September 25 1988 (£ thousands)	1988	1087
Source of Funds	82,160	72,104
Profit on ordinary activities before taxation Items not involving the movement of funds:	21,919	20,595
Depreciation	104,079	92,699
Funds generated from operations		
Funds from other sources:	75,000	210,000
Term loan	339	122
Investment grants and loans	J,142	4
Finance leases	151	1,556
Proceeds of disposals of fixed assets	32	де. рад 57 м5F б
Proceeds of disposal of investment	180,743	304,381
Total source of funds		With the Property of the Control of
Application of funds	47,778	32.682
Purchase of fixed assets - tangible	30,150	29,400
Dividends	11,097	20,257
Corporation tax and group relief	2,937	2,378
Finance lease payments	75,000	
Loan to ultimate holding company	300	210,300
Loan repayments	167,262	295,017
Total application of funds	13,481	9,364
Net source of funds	15,461	AT N. S.
The net source of funds shown above is represented		
by the following movements in working capital:	(4,776)	5,645
Stocks	17,931	27,319
Debtors	(2,918)	(20,039)
Creditors falling due within one year	10,237	12,925
Movement in net liquid funds:	2011	(3,561
Cash at bank and in hand	3,244	areta Y
Increase in working capital	13,481	9,364

Consolidated Statement of Value Added

Prepared on the Itistoric Cost Basis of Accounting For the 52 weeks ended September 25 1088 (£ thousand)	198	38	108	I second a same,
Tunnver Cost of beet	246,165 168,584	629,816	249,845 163,433	619,301
Other hought in materials and services		414,749		413,278
Value added		215,067		205,923
Distributed in the following way: Payments to Employees Wages, zocial security and pension contributions, canteen, training and other			71.465	
similar payments	71,746		71,465 (975)	
Leis: Own labour costs on capital	(1,458)	70,288	(210)	70,490
Payments to Lenders of Capital	272		291	
Interest on term loans	253 1,346		2,872	
Operating interest	1,540	1,599		3,163
Payment for Tax and Levies Corporation tax and group relief	26,701 39,101		25,700 39,571	
Net "EC payments		65,802		65,27
Provision for Maintenance and Expansion of Assets Depreciation	21,919 19,857		20,595 16,254	
Transferred to reserves	7 7,004	41,776		36,84
		35,602		30,13
Payments to Shareholders		215,067		205,93

1. Accounting Policies

Basis of Accounting

The financial statements are prepared in accordance with historic cost principles, as modified by the revaluation of land and buildings.

Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and those of its subsidiaries (Note 14) for the accounting period ended September 25 1988.

Taxation

Corporation tax and group relief payable is provided at the carrent rate on the taxable profit. This comprises the profit computed on the historic cost basis, adjusted for items permanently disallowable for tax purposes and for the effect of timing differences in the recognition of income or expenses for tax purposes.

Provision is made for deferred taxation on the liability method, to recognise timing differences between profits stated in the financial statements and profits computed for taxation purposes, except where, in the opinion of the Directors, it is expected that no liability to taxation is likely to arise on such timing differences in the foreseeable future.

Tangible Fixed Assets

Depreciation is calculated on a straight line basis and is applied to completed capital expenditure in the month it is brought into commission, at the following rates calculated to write off the relevant assets over their expected useful lives.

Industrial buildings and

freehold houses 50 years

Plant and equipment 10 to 30 years

Mobile plant 5 years
Electronic equipment 3 to 8 years

Land is not depreciated.

Deferred Income

Deferred income consists of government grants which are released to the profit and loss account over the expected useful life of the related asset.

Stocks

These are valued as follows:

Consumable At lower of cost and net stores, sugar realisable value. and other products

New crop

All expenditure relating to the 1988/89 crop is carried forward to the next financial period as production work-inprogress at actual cost.

Research and Development Expenditure

All expenditure on research and development relating to the activities of the Group is charged to the profit and loss account in the financial period in which is is incurred.

Turnover

Turnover comprises the Group's net sales of sugar and other products and excludes value added tax.

Foreign Currencies

Foreign currencies are translated into sterling at the rate ruling on the day of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the year end rate. All exchange differences are taken to the profit and loss account.

Leases

Finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Operating leases are charged to the profit and loss account on a straight line basis.

1. Accounting Policies

Basis of A.Lounting

The financial statements are prepared in accordance with historic—st principles, as modified by the revaluation of land and buildings.

Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and those of its subsidiaries (Not. 14) for the accounting period ended September 23 1988.

Taxation

Corporation tax and group relief payable is provided at the current rate on the taxable profit. This comprises the profit computed on the historic cost basis, adjusted for items permanently disallowable for tax purposes and for the effect of timing differences in the recognition of income or expenses for tax purposes.

Provision is made for deferred to ction on the liability method, to recognise timing differences between profits stated in the financial statements and profits computed for taxation purposes, except where, in the opinion of the lirectors, it is expected that no liability to taxation is likely to arise on such timing differences in the foreseeable future.

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Finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Operating leases are charged to the profit and loss account on a straight line basis.

The Company has taken advantage of the exemption from presenting its own profit and loss account.

3. Turnover and Profit on Ordinary Activities before Taxation

3. Turnover and Profit on Ordinary Activities before Taxation	1088	1087
Compared to the second of the	• • • • •	rnover
(E thousands)	 you are managed in which of their art (green) 	245544 4 2 4 4 5 4 4 4 4 4 4 4 4 4 4 4 4
Class of business:	554,721	534,286
Sugar	68,055	75,928
Animal feeds	7,040	8,993
Other	629,816	619,201
Geographic market supplied:	627,787	618,887
United Kingdom	2,029	314
L'arope	629,816	619,201
The second secon	sidiary based in	the United

All sales of sugar for ultimate export are made through a fellow subsidiary based in the United Kingdom and are therefore included under soles to the United Kingdom in the analysis above. The classes of business do not, in the opinion of the Directors, differ substantially and therefore no analysis of profit on ordinary activities before taxation has been given.

. (a) Other operating expenses (net)	1988	1087
E thousands)	and the second s	
Interest payable: On bank loans, overdrafts and other ioans repayable within 5 years, not by instalments On finance leases	9,077 814 51	5,122 464 553
On amounts owed to group companies Interest receivables On bank and other loans	(2,721) (5,875)	(3.030 (23)
On amounts owed from group companies	1,346	2,872
(b) Interest on term loans		20
Interest payable: 93/4% Debenture Stock 103/4% Debenture Stock	263 1,859	29
Interest receivable: Term loan to group companies	(1,869)	
Term loan to group companies	253	(kis www.en. selangen.

(E thousands)		1988	1987
A fine was levied against the Company in respect of issued by the European Commission during the year 1986 concerning certain trading policies of the Company in the Compan	fa statement of objections r ended September 28	1,964	- Li sure
6. Profit on Ordinary Activities before Taxation is stated after	The state of the s	27 %	er otto
(£ thousands)	Special State Control and State Control Contro	108 ************************************	37
(2) Hire of plant and machinery under operating leases: included in cost of sales included in distribution costs included in administrative expenses	3,455 2,016 1,084	3,257 2,114 829	
mended in administrative expenses	6,555	10mm 1	6,200
(b) Depreciation on owned tangible assets including adjustments on disposal of tangible assets Depreciation on leased tangible assets under finance leases including adjustments on disposal of leased tangible assets	20,784 1,135		19,510 1,07
(t) Net EEC production/marketing levies payments included in cost of sales	39,101		39,57
(d) Auditors' remuneration including expenses	135		12
(e) Directors' emoluments As Directors Management remuneration	£ NIL 658,612		NI 412,56

The emoluments of the Chairman were ENIL (1987 ENIL).

The emoluments of the highest paid Director were £121,943 (1987 £75,415).

The emoluments of the Directors, excluding pension scheme contributions, fell within the following ranges:

ranges:	The second of th	
CALLEGE OF CHATTERING CO. A. STREET, CO. STREET, CALLEGE OF CO. C. ST. C.	1988	1987
	Number	Number
医囊骨状状形 建铁 , 1、 1、 1、 2、 1、 1、 1、 1、 1、 1、 1、 1、 1、 1、 1、 1、 1、	5	9
Up to £5,000	3	1
£ 5,001-£ 10,000	-	1
£ 10,001-£ 15,000	; assor	1
£ 25,001-£ 30,000	***	1 2
£ 50,001-£ 55,000		7
£ 55,001-£ 60.000	- 2	
£ 65,001-£ 70,090	rá 1	æ
£ 70,001-£ 75,000) 2	1
£ 75,001-£ 80,000	<u></u>	,
£ 85,001-£ 90,000	1	150
C120 001 C125 000	1	. (
2 20,000	ant under the acticles to their Director	s' lees. The

All Directors have agreed to waive their entitlement under the articles to their Directors' fees. The aggregate amount waived was £50,000 (1987 £50,000).

(f) Remuneration of employees, other than Directors, in excess of £30,000 per annum:

1087 Number	1988 Number	च¥ा च्या.स्ट: रच्याप्यः स्थापरश्चनावाः (४००४ ०
24	e de montre de la composiçõe d 22	
***		£30,001-£35,000
I.	12	£35,001-£40,000
4	5	£40,001-£45,000
1	2	£45,001-£50,000
-	2	£50,001-£55,000
na. Ostober a report to the report of the Co.	William with the control of the cont	£55,001-£60,000

7. Employees

THE RESERVE OF THE PARTY OF THE	THE REPORT THE PRINCE NAMED AND PROPERTY.	EDS CRAMES A CLAMASON
(£ thousands)	1988	1037
September 200 september 2 - 1.5 - 1.5 The standard September 200 septemb	AND THE PROPERTY OF THE PROPER	APPER PROCESSOR OF STREET, CO.
Staff cost during the year:		
Wages and salaries	60,438	59,377
Social security costs	4,834	4,646
	3.958	5,369
Other pension costs	- Same and the second s	

The average weekly number of employees, including Directors, of the Group during the year was 4,631 (1987 4,828).

In the opinion of the Directors all employees fall into a single category.

8. Taxation

(£ thousands)	1988	1087
UK corporation tax at 35% (35%)	26,697	25,700
Prior years' adjustment	<u>.4</u>	in the statement of the
	26,701	25,700
The tax charge for the year has been decreased (increased) by:		
Excess of tax allowances over depreciation	1,138	(1,272)
Other	921	809
	2,059	(463)

9. Deferred Tax

No provision has been made for tax, deferment of which is reasonably certain for the foreseeable futile. In view of the planned level of capital investment it is the opinion of the Directors that timing differences will not reverse in the foreseeable future. The potential full deferred tax liability, arising on timing differences between the treatment of items for accounts and tax purposes, is as follows:

10 1 1 2 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1	THE RESIDENCE AND ADDRESS OF THE PERSON NAMED IN CO.	PRO RECORD A CONTRACTOR SAID
(£ thousands)	1988	1087
AND THE STATE OF STATE AND THE STATE AND THE STATE OF THE	೨ - ೨.೧೩೪೫೫೪ ೯೯ ೩೪೯೩೮೯೫೪	TO COMPANY STATE OF THE STATE O
Liability deferred by accelerated tax depreciation allowances	80,526	77,706
The effect of timing differences available for future tax relief	2	(2)
	80,538	77,704

There is a maximum potential corporation tax liability on the capital gains in respect of the revalued land and buildings amounting to £59,900,000 (1987 £60,330,000).

10. Earnings per Share

The calculation of earnings per share shown in the consolidated statement of profit and loss is based on 60,000,000 ordinary shares in issue throughout the two financial periods ended September 25 1988 and profit on ordinary activities after taxation.

11. Profit for the Financial Year

11. Profit for the rinancial real	THE PERSON NAMED IN COLUMN	BACKETAN C MANAGEMENT AND A COURT OF
	1988	1087
(£ thousands)	and the second section of the second section is a second section of the section of the second section of the s	C 704 TO 16 HOURS THE THE THE
The second of th	55,459	46,187
Dealt with in the accounts of the holding company	· · ·	217
Profits in subsidiary companies		
LLOUIS III SUDSIGNAL COMPANY	55,459	46,404
	The second secon	A ACTION OF THE PROPERTY OF THE PARTY OF

12. Dividends

12. Dividends	1988 per sharv	1087 per share	1988 (£ thousands)	1087 (£ thousands)
Interim Final (recommended)	13.80p 45.54p	50.25p	8,277 27,325	30,150
Final (recommended)	59.34p	50,25p	35,602	30,150

13. Tangible Fixed Assets - Group and Company

13. langiois fixed Assets - disop a	Freehold land and	Plant & m	achinery	Fixtures, tools & equ	aipment .	. 1
(£ thousands)	huildings	Owned	Leased	Owned	Loased	Total
Cost or valuation At September 27 1987 Additions Disposals Reclassification	233,423 5,810 (1,095)	283,988 39,172 (3,338) (1,142)	12,194 (6) 1,142	17,990 2,796 (188)	2,582	550,177 47,778 (4,641)
At September 25 1988	238,138	318,680	13,330	20,598	2,568	593,314
Depreciation At September 27 1987 Charge for year	- 5,955	91,046 11,905	1,396 568	7,004 1,848	1,059 561	100,505 20,837
Elîmine 1 in respect	(31)	(1,797)	(1)	(140)	(13)	(1,982)
of dies At September 25 1988	5,924	101,154	1,963	8,712	1,607	119,360
Net book value At September 25 1, 38	232,214 233,423	217,526	11,367 10,798	11,886	961 1,523	473,954 449,672
At September 27 1987	433,443	1 / 4) 7 7 4	E 7/1 3 N		۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	maiority of

In September 1987 Gerald Eve & Co, Chartered Surveyors, carried out a valuation of the majority of the Company's land and buildings and the results were incorporated into the financial statements at September 27 1987.

14. Fixed Asset Investments

14. Fixed Asset investments	108	38	10)87
(£ thousands)	Group	Company	Group	Company
		1	-	1
Shares in group companies Other investments	-		32	32
Other investments		1	32	33
The state of the s			1 . 1.	

British Sugar plc had a 100% interest in all the share capital of the following subsidiaries incorporated and operating principally in the United Kingdom. The issued capital of the subsidiaries consists of ordinary shares. These companies are dormant.

British Sugar Pension Trustees Limited

Crystal Fund (Management) Limited

On October 1 1988, British Sugar ple's interest in the following dormant companies was transferred at cost to the immediate holding company:

Barrico Limited

BSD Limited

Bristar Agricultural Management Services Limited

Trident Feeds Limited

15. Stocks - Group and Company

15. Stocks - Group and Company		
	1988	1987
(£ (housands)	28,458	31,495
Consumable stores	53,345	55,375
Sugar and other products	675	384
New crop expenditure	82,478	87254

16. Debtors

16. Debtors	1988		1987	
	Group	Company	Group	Company
(E thousands) Amounts falling due within one year Trade debtors Amounts owed by group companies Other debtors Prepayments and accrued income	42,345 43,424 4,232 3,206 93,207	42,345 43,424 4,232 3,206 93,207	37,362 19,189 4,303 14,417 75,271	37,362 19,184 4,303 14,417 75,271
Amounts falling due after more than one year Loan to ultimate parent company Advance corporation tax recoverable Other debtors	75,000 9,795 <u>8</u> 178,010	75,000 9,795 <u>8</u> 178,010	5,918 13 81,202	5,918 13 81,202

On July 4 1988, the company made a term loan at 1045% to its ultimate parent company repayable in 2013, or earlier at the parent company's option.

Notes to the Financial Statements

7. Creditors	1/30	0	198	7
	198 Group	Company	Group	Company
(£ thousands)	Group			
(a) Amounts falling due with n one year Debenture Stock (Note 18) Trade creditors	300 37,554	300 37,554	300 36,512	300 36,512
Other creditors including taxation: Dividends payable Taxation and social security costs	35,602 32,601	35,602 32,601	30,150 12,513	30,150 12,434
Obligations under finance leases (Note 20) Accruals Amounts owed to group companies	1,340 41,602 790	1,340 41,602 791	2,866 37,361 3,095	2,866 37,361 3,175 122,798
(b) Amounts falling due after more than	149,789	149,790	2,400	2,400
one year Debenture Stock (Note 18) Term loans (Note 19) Obligations under finance leases (Note 20) UK corporation tax	77,100 210,115 2,267 20,200 12	77,100 210,115 2,267 20,200 12	210,115 2,536 20,868	210,115 2,536 20,868
Accruals	309,694	309,694	235,931	235,93

Emounts owed to group companies are interest free and, other than the term loan, have no fixed repayment dates.

18. Rebenture Stock - Group and Company

a. t Company Company		
18. Debenture Stock – Group and Company	1088	1087
A STATE OF THE PARTY OF THE PAR		
(£ thousands)	77,400	2,700
Debenture stock	11 40 of 630	00.000 per
1 1001/1006 renavable at par at	the rate of \$200	.0,0 1

⁽a) 93/4% guaranteed secured debenture stock 1991/1996 repayable at par at the rate of £300,000 per annum, repayment having commenced in the period to September 30 1977. The stock is guaranteed by H.M. Treasury and excured by a florting charge on the Company's assets. The amount outstanding at September 25 1988 was £2,400,000 (1987 £2,700,000).

(b) On July 4 1988, the company issued £75,000,000 1034% debenture stock redeemable in 2013. The stock is quoted on the International Stock Exchange of the United Kingdom. The stock is secured by a floating charge on the assets of the Company. The funds were lent on to S & W Berisford PLC to assist their long-term borrowing arrangements.

		The residence of the latest of
Repayment table	1988	1087
(£ thousands)	300	300
Wishin one year	300	300
After one but within two years	900	000
Between two and five years	75,900	1,200
In five years or more	77,400	2,700
The state of the s	The state of the s	

19. Te	rm Loa	NS -	Graup	and	Compa	ИV
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江 文 新沙。 本 我们还是我们的人, 20 海里 在一个的是是一个的人,我们是这个人,我们也没有一个一个的人,我们就是我们们,我们们就是这个人的人,我们就是我们的人,我们就是我们的一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们的一个人,我们就是我们就是我们就是我们的一个人,我们就是我们就是我们就是我们就是我们就是我们的,我们就是我们就是我们就是我们就是我们的一个人,我们就是我们就是我们就是我们就是我们就是我们就是我们就是我们就是我们就是我们就是	Land Carrest Anna Age of Street Court	Max was A. at
(£ thousands)	1988	10S.
REPORT OF THE STANDARD COLUMN TO A MONTH OF THE A MONTH OF THE ARCHITICATION OF THE ARCHITI	a Market annual China at America	THE PERSON WAS A PERSON OF THE
Group Loans (a)	210,000	210,000
Investors in Industry pl. (b)	115	115
	210,115	210,115
The second secon		

- (a) Bristar Group ple -- an interest free loan to British Sugar ple, repayable in five equal annual instalments commencing on March 27 1992, or earlier at British Sugar ple's option.
- (b) Investors In Industry ple 11% loan repayable in four equal annual instalments commencing. December 18 1990. The interest rate is subject to a relate of 3% subject to the Company consuming a specified tonneage of coal. It is anticipated that the required consumption will be met.

Repayment	tab	ile
-----------	-----	-----

527 JANNESSEE AND THE TOTAL TO THE PROPERTY OF THE SECOND	erant Salest Market Grantson (1991), produce the production of the New York (1991) and the Production of the New York (1991) and the Production of the New York (1991) and the	COLUMN SCHOOL SECTION STREET
(£ thousands)	1988	1987
A STATE OF THE PROPERTY OF THE		*****
Detween two and five years	84,086	42,057
In five years or more	126,029	168,058
	210,115	210,115

20. Lease Commitments - Group and Company

The future minimum lease payments to which the Group is committed Souter ber 25 1988 under finance leases and non-cancellable operating leases are as follows:

(£ thousands)	1988	1987
(a) Finance leases		
Payable within one year	1,548	3,153
Payable between two and five years	1,991	2,724
Payable thereafter	654	53
	4,193	5,930
Less finance charges allocated to future periods	586	528
	3,607	5,402

(b) Operating leases

Payments to which the Group is committed in the following

•					
year	#re	38	fol	lows:	
-					•

Leases expiring within or c year	532	479
Leases expiring between two and five years	2,574	2,603
Leases expiring thereafter	<u> </u>	211
	3,491	3,293

21. Deferred Income - Group and Company

AL INDIA A SECTION OF THE PROPERTY OF THE PROP	. S	mint the sinkling that the
(£ thousands)	1938	1087
At September 27 1987	4,420	4,532
Covernment grants for period	339	122
	4,759	4,454
Released to profit in respect of current period	(197)	(234)
At September 25 1988	4,562	4,420

22. Reservos

	THE RESERVE AND ADDRESS OF THE PARTY OF THE	
	1988	1087
(£, thousands)	全面中的大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大	N CHAMPS IN THE TIME
Revaluation reserve - Group and Company		
	172,372	153,433
At September 27 1987	·	18,930
Surplus on valuation of land and buildings	(1.228)	
Disposals		
At September 25 1988	<u> 171,144</u>	177,373
At Deptember 45 1700	The state of the s	, xxx - 41/ 12- 3 danse / 4

23. Historical Cost Information

(£ millions)	Gross historical eost	Accumulated depreciation	Net book ralue
(a) Tangible fixed assets at September 25 1988			26.6
Land and buildings	111-9	25.3	86.6
Plant and machinery:	615.77	101 2	217.5
Owned	318.7		11.4
Leared	13.3	1.9	17.4
Fixtures, fittings, tools and equipment:	20.6	8.7	11.9
Owned			1.0
Leased	2.6	1.6	1.0
ACTIVE	467-1	138-7	328-4

(£ millions)	1988	1087
(b) Historical cost profit	86 5	70 4
his scal cost operating profit	0.3	0-3
Interest on term loans	86.2	76-1
*listorical bost profit on ordinary activities before taxation	26.7	25-7
Taxation	59-5	50-4
Historical cost profit on ordinary activities after taxation	Andread (1999)	

The historical cost profit on ordinary activities before taxation is calculated without reference to depreciation on the revaluation proportion of tangible fixed assets.

24. Capital Expenditure Commitments

Projects authorised by the Directors of the Company but not yet contracted for amount to £47,823,000 (1987 £53,204,000) including £6,905,000 (1987 £11,822,000) for which contracts have already I, but not provided for in the accounts. The subsidiaries have no capital expenditure commitments.

25. Contingent Lizbilities

- (a) British Sugar ple has entered into guarantees in respect of its employee pension funds which are described in Note 27.
- (b) Other contingent liabilities, which have arisen in the ordinary course of business, relate to uncompleted foreign exchange contracts and documentary credits amounting to £11,267,000 (1987 £3,491,000)

26. Post Balance Shret Events

On November 4 1988, the company issued a further tranche of £75,000,000 of its 103/4% Debenture Stock 2013, the proceeds of which were lent on to Bristar Group plc.

27. Pension Commitments

The Company operates a self-administered defined benefit Occupational Pension Scheme for all full-time permanent employees who are aged 21 or over. The Scheme is established by a Trust Deed and is subject to the surveillance of a Committee consisting of management and representatives elected by the contributing members. The next trienrial Actuarial Valuation will be undertaken in 1989.

28. Directors Declarable Interest

The following Directors have notified British Sugar plc of their declarable interest in S & W Berisford PLC:

Beristord FLC:	25.09.8	8	27.09.8 (or appointmen	
(a) Beneficial interest in Ordinary Shares TP) Dyke A G Taylor	2,240 3,616		2,240 3.616	
(b) Beneficial interest in Ordinary Share Options	Executive share options	S.A.Y.E.	Executive share options	S.A.Y.E. options
R J Bass R B Begy	46,262 52,970	4,449	36,363 36,363	4,449
M F Branch	48,004	3,682	36,363	2,151
P R Butler M Deslorges	100,666 61,188	4,065	59,463	4,0ካ5
TPJ Dyke	70,286 54,804		50,363	
P J Jackson A G Taylor	50,010	4,449	39,090	4,449

⁽i) The above interests are in the ordinary share capital of S & W Berisford PLC. No director had any interest in the 103/4% Debenture stock 2013 or the 93/4% Guaranteed Debenture 1991/96.

No Director has an interest in any contract with the Company other than service contracts.

⁽ii) The above options were mainly granted under the S&W Berisford PLC Executive Share Option Scheme at prices of £2.29 to £3.49 and are exercisable at various times between July 1989 and August 1998. Those options which were granted with the SAYE scheme at prices of £1.61, £1.72 and £2.35 are exercisable at various times between June 1989 and May 1993.

⁽iii) Between September 25 1988 and December 16 1988 there have been no changes in the interests of the Directors in the shares of S & W Berisford PLC.

⁽c) Directors interest in contracts and other transactions with the Company

(£ thousands)	1988	1087	1080
Turnover and Profits	us ADMS (יודי אינדי ביינדי	ter con — Xri o pro-	
Turnover	629,816	619,301	595,53%
Profit before items below (a)	83,759	75,267	60,925
Interest - term loans	253	291	3.20
- finance leases	814	404	330
- operating	532	3,408	3143
Profit on ordinary activities before tax	82,160	72,104	57,135
Tax	26,701	25,700	11,790
Profit on ordinary activities after tax	55,459	40,404	45,336
Extraordinary charge	_	etu.	***
Dividends	35,602	30,150	539400
Retained profits	19,857	16,254	(194,064)
Capital employed			
Subscribed capital	30,000	30,000	30,000
Revaluation reserve	171,144	172,372	153,433
Retained profits	80,781	60,424	44,670
Deferred income	4,562	4,420	4,532
Term loans net (d)	212,515	212,815	213,115
Finance lease obligations	3,607	5,402	7,776
	502,609	485,933	453,526
Represented by			
Fixed assets	473,954	449,704	420,468
Net current assets	28,655	36,229	33,058
	502,609	485,933	453,526
Earnings and Dividends			
Return on capital employed (b)	16.8%	15.5%	13,0%
Earnings per ordinary share	92.4p	77.3p	75.6p
Dividends per ordinary share (c)	59.34p	50.25p	399,0p

⁽a) For 1980 and subsequent years, the "profit before items below" is stated after charging depreciation on revalued assets.

⁽b) Profit before tax, term loan and finance lease interest is stated as a percentage of the average of the capital employed at the beginning and end of the year.

⁽c) The 1986 dividends include the special dividend of £210,000,000.
(d) Term loans for 1988 excludes the Do. ature Stock 2013 issued during the year as this is off-set by an equivalent term loan to S & W Berisford PLC.

		v ,	,			
1070	1080	1081	1982	1083	1084	1085
381,031	439,380	488,200	523,742	594,667	617,245	637,712
39,039	49,335	64,930	77.957	76,947	70,474	62,372
4,334	7,685	7,064	6,389	2,4.28	380	349
_		33	44	28	8	76
3,179	7,483	6678	6,378	10,302	8,346	8,383
31,516	34,167	51,155	64,646	64,189	61,740	7-21/4
1,980	3,969	6,477	2,095	13,078	8,314	1.982
29,536	30,198	44,678	62 551	51,111	53,436	46,482
-	•	13,717	83	421	(123)	=
4,620	9,240	15,000	34,444	32,400	31,800	31,500
24,916	20,958	15 /61	28,024	18,290	21,749	14,982
30,000	30,000	30,063	30,000	30,000	30,000	30,000
-	77409	120,612	129,265	133,775	140,314	151.984
118,770	139,728	155,689	183,713	202.003	223,752	238,734
1,869	2,103	2,094	2,096	2,246	3,606	4,836
30,600	49,800	47,833	45,867	3,900	3,600	3,300
en, Talander Administrative		616	434	196	7,390	9,483
181,239	299,040	35t,844	391,375	372,120	408,662	438,337
149,161	248,929	301,400	361,959	355,609	381,002	403,479
32,078	50,111	55,354	29,416	16,511	27,660	35,858
181,239	299,040	356,814	391,375	372,120	408,662	438,337
21,4%	17.4°6	17.8%	19,1%	17.5%	15.9°o	12.80a
49.2p	50,3p	74.5p	104.3p	85.2p		$TT.\pi_p$
7.7p	15.4p	$25.0_{\rm P}$	57.4p	54.0p	53.0p	52.5p
181,239 21,4% 49,2p	299,040 17.4°6 50.3p	356,8 14 17.8% 74.5p	91,375 19,1% 104.3p	•	372,120 3 17.5% 85.2p	408,662 372,120 3 15.9% 17.5% 89.0p 85.2p

Consolidated Statement of Profit and Loss

	Prepared on the Historic Cost Basis of Accounting For the 52 weeks ended September 25 1988 (£ thousands)	19	1988		1087	
lutes 3	STATE OF THE STATE	41,441 28,260 1,346	629,816 474,392 155,424	44,477 25,409 2,872	619,201 474,048 145,153	
5 4 6 8	Exceptional item Operating Profit Interest on term loans Profit on Ordinary Activities before Taxation Taxation Profit on ordinary activities after taxation Earnings per Share	1,964	73,011 82,413 253 82,160 26,701 55,459 92.4p	ene en	72,758 72,395 291 72,104 25,700 46,404	
11 12	Profit for the Financial Year Dividends Retained profit for the year Profit and loss account brought forward Retained Profit at September 25 1988		55,459 35,602 19,857 60,924 80,781		46,404 30,150 16,254 44,670 60,924	

Consolidated Balance Sheet

•	d on the Historic Cost Basis of Accounting September 25 1988 (£ thousands)	15)88	[087
Notes:					
Fixed A	ssets				
13 Tangih	le assets		473,954		440,073
14 Investi Current			-		32
15 Stocks		82,478		87,254	
15 Debto		178,010		81,202	
Cash i	it bank and in hand	11,528		8,284	
		272,016		176,740	
	Liabilities ditors: amounts falling due within				
one ye	ar	149,789		122,797	
Net Cur	rent Assets		122,227		53,943
	ssets less Current Liabilities		596,181		503,647
	editors: amounts falling due after than one year		309,694		235,931
	red income		4,562		4,420
Net As	sats		281,925		263/296
Called	and Reserves I up share capital (authorised, ed and fully paid Ordinary shares				
	pence each)		30,000		30,000
	uation reserve		171,144		172,373
	and loss account		80,781		60,924
			281,925		263,296

The financial statements on pages 9 to 23 were approved by the Board on December 16 1988 and signed on its behalf by:

ES Margulies Director PA Jacobs Director Potes A. Janobs

Balance Sheet (Company)

	Prepared on the Historic Cost Basis of Accounting As at September 25 1088 (£ thousands)	19	88 	10	287
lotes:					
	Fixed Assets		473,954		449,672
	Tangible assets		1		33
	Investments				
	Current Assets	82,478		87,254	
15	Stocks	178,010		81,202	
16	Debtors	11,528		8,284	
	Cash at bank and in hand	272,016		176,740	
	Current Liabilities				
17	(a) Creditors: amounts falling due within	149,790		122,798	
	one year	149,190		CHARLES AND AND AND AND ADDRESS OF THE PARTY A	53,942
	Net Current Assets		122,226		503,647
	Total Assets less Current Liabilities		596,181		CO 3,0-42
17	(b) Creditors: amounts falling due after				235,931
11	more than one year		309,694		4,420
21	Deferred income		4,562		WHEN THE PERSON SHE SHE
21			281,925		263,296
	Net Assets				
	Capital and Reserves				
	Called up share capital (authorised,				***
	allotted and fully paid Ordinary shares		30,000		30,000
	of 50 pence each)		171,144		172,372
22			80,781		60,92
	Profit and loss account		281,925		263,290

ES Margulies Director PA Jacobs Director

Consolidated Statement of Source and Application of Funds

Prepared on the Historic Cost Basis of Accounting For the 52 weeks ended September 25 1988 (£ thousands)	1988	1087
Source of Funds		
Profit on ordinary activities before taxation	82,160	72,104
Items not involving the movement of funds:		
Depreciation	21,919	20,595
Funds generated from operations	104,079	92,699
Funds from other sources:		
Term loan	75,000	210,000
Investment grants and loans	339	1.22
Finance leases	1,142	4
Proceeds of disposals of fixed assets	151	1,550
Proceeds of disposal of investment	32	o-
Total source of funds	180,743	304,381
Application of funds		
Purchase of fixed assets - tangible	47,778	32,682
Dividends	30,150	29,400
Corporation tax and group relief	.1,097	.20,257
Finance lease payments	2,937	2,378
Loan to ultimate holding company	75,000	
Loan repayments	300	210,300
Total application of funds	167,262	295,017
Net source of funds	13,481	9,364
The net source of funds shown above is represented		
by the following movements in working capital:		
Stocks	(4,726)	5,645
Debtors	17,931	27,31
Creditors falling due within one year	(2,918)	(30,035)
	10,237	12,925
Movement in net liquid funds:		
Cash at bank and in hand	3,244	(3,561)
Increase in working capital	13,481	9,364

Consolidated Statement of Value Added

Prepared on the Historic Cost Basis of Accounting For the 52 weeks ended September 25 1088 (£ thousands)	1988		1087	
Turnover Cost of beet	246,165 168,584	629,816	249,845 163,433	619,201
Other bought in materials and services		414,749	3:E-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	413,278
Value added		215,067		205,923
Distributed in the following way: Payments to Employees Wages, social security and pension				
contributions, canteen, training and other similar payments Less: Own labour costs on capital	71,746 (1,458)	70,288	71,465 (975)	70,490
Payments to Lenders of Capital Interest on term loans Operating interest	253 1,346	1,599	291 2,872	3,163
Payment for Tax and Levies Corporation tax and group relief Net EEC payments	26,701 39,101	65,802	25,700 39,571	65,271
Provision for Maintenance and Expansion of Assets Depreciation Transferred to reserves	21,919 19,857	_	20,595 16,254	
Payments to Shareholders		41,776 35,602 215,067		36,849 30,150 205,923

Notes to the Financial Statements

1. Accounting Policies

Basis of Accounting

The financial statements are prepared in accordance with historic cost principles, as modified by the revaluation of land and buildings.

Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and those of its subsidiaries (Note 14) for the accounting period ended September 25 1988.

Taxation

Corporation tax and group relief payable is provided at the current rate on the taxable profit. This comprises the profit computed on the historic cost basis, adjusted for items permanents in sallowable for tax purposes and for the effect of timing differences in the recognition of income or expenses for tax purposes.

Provision is made for deferred taxation on the liability method, to recognise timing differences between profits stated in the financial statements and profits computed for taxation purposes, except where, in the opinion of the Directors, it is expected that no liability to taxation is likely to arise on such timing differences in the foreseeable future.

Tangible Fixed Assets

Depreciation is calculated on a straight line basis and is applied to completed capital expenditure in the month it is brought into commission, at the following rates calculated to write off the relevant assets over their expected useful lives.

Industrial buildings and

freehold houses 50 years

Plant and equipment 10 to 30 years

Mobile plant 5 years

Electronic equipment 3 to 8 years

Land is not depreciated.

Deferred Income

Deferred income consists of government grants which are released to the profit and loss account over the expected useful life of the related asset.

Stocks

These are valued as follows:

Consumable At lower of cost and net stores, sugar realisable value, and other products

New crop

All expenditure relating to the 1988/89 crop is carried forward to the next financial period as production work-inprogress at actual cost.

Research and Development Expenditure

All expenditure on research and development relating to the activities of the Group is charged to the profit and less account in the financial period in which it is incurred.

Turnover

Turnover comprises the Group's net sales of sugar and other products and excludes value added tax.

Foreign Currencies

Foreign currencies are translated into sterling at the rate ruling on the day of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the year end rate. All exchange differences are taken to the profit and loss account.

Leases

Finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Opening leases are charged to the profit and loss account on a straight line basis.

2. Profit and Loss Account

The Company has taken advantage of the exemption from presenting its own profit and loss account

3. Turnover and Profit on Ordinary Activities before Taxation

OL (1995) VIVIS AND PROMOTE ME - MESTA MONTH OF THE PROMOTE MESTA	1988	1087
(£ thousands)	ў : : 14-метры 1-метры праводзера (1811)	Tu nover
Class of business:	er i bo i	E24 200
Sugar	554,72 1	534,280
Animal feeds	68,055	75,928
Other	7,040	8,993
·	629,816	619,201
Geographic market supplied:		
United Kingdom	627,787	618,887
Europe	2,029	314
,	629,816	619,201

All sales of sugar for ultimate export are made through a fellow subsidiary based in the United Kingdom and are therefore included under sales to the United Kingdom in the analysis above. The classes of business do not, in the opinion of the Directors, differ substantially and therefore no analysis of profit on ordinary activities before taxation has been given.

4. (a) Other operating expenses (net)

(£ thousands)	1988	1087
Interest payable:		
On bank loans, overdrafts and other loans repayable within		
5 years, not by instalments	9,077	5,122
On finance leases	814	404
On amounts owed to group companies	51	553
Interest receivable:		
On bank and other loans	(2,721)	(3,030)
On amounts owed from group companies	(5,875)	(237)
	1,346	2,872
(b) Interest on term loans		. 5 37 40 4
Interest payable:		
93/4% Debenture Stock	263	291
103:496 Debenture Stock	1,859	_
Interest receivable:		
Term loan to group companies	(1,869)	No.
	253	391

_	•		
h	LVCQ	ntional	Itam
u.	LALG	ptional	i iltini

The second secon		
(£ thousands)	1988	1987
*** 2 (金属) 中央学者 中央学者を表現され、特殊できないで、マーマン 3 L、 美術の研究所で、現代学者 2 (金属)		w v
A line was levied against the Company in respect of a statement of objections		
issued by the European Commission during the year ended September 28		
1986 concerning certain trading policies of the Company in previous years.	1,964	
A CALLES AND		_ ,

S. Profit on Ordinary Activities before Taxation is stated after:

(£ thousands)	1988	1087
(a) Hire of plant and machinery under	1 to 2 to	THE THEM AND THE REAL WAY ASSESSED ASSESSED THE RESIDENCE AS AND A LIKE AND A
operating leases:		
included in cost of sales	3, 45 5	3,257
included in distribution costs	2,016	2,114
included in administrative expenses	1,084	829
	6,555	6,200
(b) Depreciation on owned tangible assets		
including adjustments on disposal of tangible		
assets	20,784	19,516
Depreciation on leased tangible assets under		
finance leases including adjustments on		
disposal of leased tangible assets	1,135	1,079
(c) Net EEC production/marketing levies		
payments included in cost of sales	39,101	39,571
(d) Auditors' remuneration including expenses	135	120
(4) transfer temperature including extenses	133	120
(c) Directors' emoluments	2	2
As Directors	NII.	NIL.
Management remuneration	658,612	412,567

The emoluments of the Chairman were ENIL (1987 ENIL).

The emoluments of the highest paid Director were £121,943 (1987 £75,415).

The emoluments of the Directors, excluding pension scheme contributions, fell within the following ranges:

	1988 Number	1087 Number
Up to 25,000	5	9
£ 5,001-£ 10,000	_	t
£ 10,001-£ 15,000	N/S	1
£ 25,001-£ 30,000		1
£ 50,001£ 55,000	_	3
£ = 4.(4 > £ 60,000	-	1
£ 65,001-£ 70,000	7	53
£ 70,001-£ 75,000	1	La.
₹ 75,001-£ 80,000	2	1
£ 85,001-£ 90,000	1	k Luk
£120,001-£125,000	1	de Si

All Directors have agreed to waive their entitlement under the articles to their Directors' fees. The aggregate amount waived was £50,000 (1987 £50,000).

(f) Remuneration of employees, other than Directors, in excess of £30,000 per annum:

THE STORY OF STATE OF STATE STATE STATES AND	1988 Number	1987 Number
- A TO NOTE ON A DOO	22	24
£30,001-£35,000	, ,	7
£35,001-£40,000	12	4
£40,001-£45,000	5	4
£45,001-£50,000	2	1
£50,001-£55,000	2	-
£55,001-£60,000	1	
See a Contractive to the contrac	The state of the s	

7. Employees

to the companyor in the calculate 2000 C Propositional Committee C	1988	1087
(£ thousands)	2 TF 6-76	
THE STO CONTRACT CAST PEC. STORY SERVICE AND ADDRESS OF THE PERSON OF TH		
Staff cost during the year:		
Wages and salaries	60,438	59,37 <i>7</i>
	4.834	4.646
Social security costs		-,
Other pension costs	3,958	5,369
Citier pension costs		

The overage weekly number of employees, including Directors, of the Group during the year was 4,631 (1987 4,828).

In the opinion of the Directors all employees fall into a single category.

8. Taxation

(£ thousands)	1988	1987
UK corporation tax at 35% (35%)	26,697	25,700
Prior years' adjustment	26,701	25,700
The tax charge for the year has been decreased (increased) by: Excess of tax allowances over depreciation Other	1,138 921	(1,272) 809
Other	2,059	(463)

9. Deferred Tax

No provision has been made for tax, deferment of which is reasonably certain for the foreseeable future. In view of the planned level of capital investment it is the opinion of the Directors that timing differences will not reverse in the foreseeable future. The potential full deferred tax liability, arising on timing differences between the treatment of items for accounts and tax purposes, is as follows:

The state of the s	The state of the s	
(£ thousands)	1988	1987
A Then commends	The second section of the second section is a second section of the second section of the second section is a second section of the second section is a second section of the second section of the second section is a second section of the sec	
Liability deferred by accelerated tax depreciation allowances	80,526	77,706
The effect of timing differences available for future tax relief	2	(2)
,	80,528	77,704

There is a maximum potential corporation tax liability on the capital gains in respect of the revalued land and buildings amounting to £59,900,000 (1987 £60,330,000).

Notes to the Financial Statements

10. Earnings per Share

The calculation of earnings per share shown in the consolidated statement of profit and loss is based on 60,000,000 ordinary shares in issue throughout the two financial periods ended September 25 1988 and profit on ordinary activities after taxation.

11. Profit for the Financial Year

(£ thousands)	1988	1087
Dealt with in the accounts of the holding company	55,459	46,187
Profits in subsidiary companies		217
	<u>55,459</u>	40,404

12. Dividends

4772	1988 per share	1087 per share	1988 (£ thousands)	1087 (L'thoucands)
Interim Final (recommended)	13.80 _p 45.54 _p	50,25p	8,277 27,325	30,150
	59.34 _P	50.25p	35,602	30,150

13. Tangible Fixed Assets - Group and Company

<i>m</i> .	Freehold land and	Plant & r	nachinery	Fixtures, fittings, tools & equipment		
(£ thousands)	buildings	Owned	Leased	Owned	Leased	Total
Cost or valuation					······································	
At September 27 1987	233,423	283,988	12,194	17,990	2,582	550,177
Additions	5,810	39,172	_	2,796		47,773
Disposals	(1,095)	(3,338)	(6)	(188)	(14)	(4,641)
Reclassification		(1,142)	1,142	`	· · · · ·	((((((((((((((((((((
At September 25 1988	238,138	318,680	13,330	20,598	2,568	593,314
Depreciation		-			-	
At September 27 1987		91,046	1,396	7,004	1,059	100,505
Charge for year	5,955	11,905	568	1,848	561	20,837
Elimination in respect					474	MOJOSE
of disposals	(31)	(1,797)	(1)	(140)	(13)	(1,982)
At September 25 1988	5,924	101,154	1,963	8,712	1,607	119,360
Net book value						12, 42
At September 25 1988	232,214	217,526	11,367	11,886	961	473,954
At September 27 1987	453,423	192,942	10,798	10,986	1,523	449,672

In September 1987 Gerald Eve & Co, Chartered Surveyors, carried out a valuation of the majority of the Company's land and buildings and the results were incorporated into the financial statements at September 27 1987.

14. Fixed Asset Investments

(£ thousands)	1	988	1087	
	Group	Company	Group	Сотрану
Shares in group companies		1	(can	1
Other investments			32	32
	<u> </u>	<u>l</u>	32	33

British Sugar ple had a 100% interest in all the share capital of the following subsidiaries incorporated and operating principally in the United Kingdom. The issued capital of the subsidiaries consists of ordinary shares. These companies are dormant.

British Sugar Pension Trustees Limited

Crystal Fund (Management) Limited

On October 1 1988, British Sugar ple's interest in the following dormant companies was transferred at cost to the immediate holding company:

Barrico Limited

BSD Limited

Bristar Agricultural Management Services Limited

Trident Feeds Limited

15. Stocks - Group and Company

(£ thousands)	1988	1987
Consumable stores	28,458	31,495
Sugar and other products	53,345	55,375
New crop expenditure	675	384
	82,478	87,254

16. Debtors

	19	988		1937	
(£ thousands)	Group Company		Group	Company	
Amounts falling due within one year			,		
Trade debtors	42,345	42,345	37,362	37,362	
Amounts or a by group companies	43,424	43,424	19,189	19,189	
Other debtors	4,232	4,232	4,303	4,303	
Prepayments and accrued income	3,206	3,206	14,417	14,417	
	93,207	93,207	75,271	75,271	
Amounts falling due after more than on war					
Loan to ultimate parent company	75,000	75,000	an.	-	
Advance corporation tax recoverable	9,795	9,795	5,918	5,918	
Other debtors	8	8	13	13	
	178,010	178,010	81,202	81,202	

On July 4 1988, the company made a term loan at 1045% to its ultimate parent company repayable in 2013, or earlier at the parent company's option.

19. Term Loans - Group and Company

(£ thousands)	188	1087
The state of the s	Name and the contrast statement.	1901
Group Loans (a) 210,0	100 2	310,000
Investors In Industry ple (b)	15	115
210,1	<u>15</u> 2	210,115

- (a) Bristar Group ple an interest free loar to British Sugar ple, repayable in five equal annual instalments commencing on March 27 1992, or earlier at British Sugar ple's option.
- (b) Investors In Industry plc 11% loan repayable in four equal annual instalments commencing December 18 1990. The interest rate is subject to a rebate of 3% subject to the Company consuming a specified tonneage of coal. It is anticipated that the required consumption will be met.

Rej	٥a۱	/m	en	t	ta	bl	9
***		,	***	•	•••	м.	•

\$7 \$6 March 1 (1975) _ 1 \$6 March 1970 _ 1 \$6 March 1970 _ 1 \$7 Ma	5; - May Aven Street,	
(£ thousands)	1988	1087
The state of the s		
Between two and five years	84,086	42,057
In five years or more	126,029	168,058
The second secon	210,115	210,115

20. Lease Commitments - Group and Company

The future minimum lease payments to which the Group is committed as at September 25 1988 under finance leases and non-cancellable operating leases are as follows:

(£ thousands)	1988	1087
(a) Finance leases	****	***************************************
Payable within one year	1,548	3,153
Payable between two and five years	1,991	2.724
Payable thereafter	654	53
	4,193	5,930
Less finance charges allocated to future periods	596	528
	3,607	5,402
(b) Operating leases		
Payments to which the Group is committed in the following year are as follows:		
Leases expiring within one year	532	479
Leases expiring between two and five years	2,574	2,603
Leases expiring thereafter	385	211
	3,491	3,293

21. Deferred Income - Group and Company

1 The Residue of the Control of the					
(£ thousands)	1988	1087			
At September 27 1987	· T. T. S. M. S. M. M. T. C.	ACCRETE SECURIZA			
- · · · · · · · · · · · · · · · · · · ·	4,420	4,532			
Government grants for period	339	132			
	4,759	4,654			
Released to profit in respect of current period	(197)	(234)			
At September 25 1988	4,562	4,420			

Notes to the Financial Statements

22. Heserves

(£ thousands)	1988	1087
Revaluation reserve - Group and Company		See and a second second second second
At September 27 1987 Surplus on valuation of land and buildings	172,372	153,433
Disposals	-	18,939
At September 25 1988	(1,228)	
	171,144	172,373

23. Historical Cost Information

(£ millions)	Gross historical cost	Accumulated depreciation	Net book value
(a) Tangible fixed assets at September 25 1988			
Land and buildings Plant and machinery:	111-9	25.3	86.6
Owned Leased	318.7	101-2	217.5
Fixtures, littings, tools and equipment:	13.3	1.9	11.4
Owned Leased	20.6	8.7	11.9
	2.6	1.6	1.0
	467-1	138.7	328-4

(£ millions)	1088	1087
(b) Historical cost profit		1001
Historical cost operating profit Interest on term loans	86·5 0·3	76-4 0-3
Historical cost profit on ordinary activities before taxation Taxation	86.2	76- t
Historical cost profit on ordinary activities after taxation	<u>26·7</u> 59·5	25.7

The historical cost profit on ordinary activities before taxation is calculated without reference to depreciation on the revaluation proportion of tangible fixed assets.

24. Capital Expenditure Commitments

Projects authorised by the Directors of the Company but not yet contracted for amount to £47,823,000 (1987 £53,204,000) including £6,905,000 (1987 £11,822,000) for which contracts have already been committed, but not provided for in the accounts. The subsidiaries have no capital expenditure commitments.

25. Contingent Liebilities

- (a) British Sugar ple has entered into guarantees in respect of its employee pension funds which are described in Note 27.
- (b) Other contingent liabilities, which have arisen in the ordinary course of business, relate to uncompleted foreign exchange contracts and documentary credits amounting to £11,267,000 (1987 £3,491,000)

26. Post Balance Sheet Events

On November 4 1988, the company issued a further tranche of £75,000,000 of its 1034% Debenture Stock 2013, the proceeds of which were lent on to Bristar Group plc.

27. Pension Commitments

The Company operates a self-administered defined benefit Occupational Ension Scheme for all full-time permanent employees who are aged 21 or over. The Scheme is established by a Trust Deed and is subject to the surveillance of a Committee consisting of management and representatives elected by the contributing members. The next triennial Actuarial Valuation will be undertaken in 1989.

28. Directors Declarable Interest

The following Directors have notified British Sugar plc of their declarable interest in S & W Berisford PLC:

	25.09.8	38	27.09.8 (or appointme	
(a) Beneficial interest in Ordinary Shares		•		
T PJ Dyke	2,240)	2,240)
A G Taylor	3,616	5	3,616)
(b) Beneficial interest in Ordinary Share Options	Executive share options	S.A.Y.E.	Executive share options	S.A.Y.E. options
R J Bass	46,262	4,1.9	36,363	4,449
R B Begy	52,970		36,363	
M F Branch	48,004	3,682	36,363	2,151
P R Butler	100,666	4,065	59,463	4,065
M Desforges	61,188			
T PJ Dyke	70,286		50,363	
P J Jackson	54,804			
A G Taylor	50,010	4,449	39,090	4,449

- (i) The above interests are in the ordinary share capital of S & W Berisford PLC. No director had any interest in the 1034% Debenture stock 2013 or the 934% Guaranteed Debenture 1991/96.
- (ii) The above options were mainly granted under the S & W Berisford PLC Executive Share Option Scheme at prices of £2.29 to £3.49 and are exercisable at various times between July 1989 and August 1998. Those options which were granted with the SAYE scheme at prices of £1.61, £1.72 and £2.35 are exercisable at various times between June 1989 and May 1993.
- (iii) Between September 25 1988 and December 16 1988 there have been no changes in the interests of the Directors in the shares of S & W Berisford PLC.
- (c) Directors interest in contracts and other transactions with the Company

No Director has an interest in any contract with the Company other than service contracts.

(£ thansands)	1988	1087	1080
Turnover and Profits	e magaminen in die Jengerage der een regeen	· · · · · · · · · · · · · · · · · · ·	4m
Turnover	629,816	619,201	595,522
Profit before items below (a)	83,759	75,267	60,935
Interest - term loans	253	291	320
– finance leases	814	404	2(35)
- operating	532	2,408	3 143
Profit on ordinary activities before tax	82,160	72,104	57,135
Tax	26,701	25,700	11,700
Profit on ordinary activities after tax	55,459	46,404	45,336
Extraordinary charge	•		-
Dividends	35,602	30,150	239,400
Retained profits	19,857	16,354	(194,064)
Capital employed		*	, ,
Subscribed capital	30,000	30,000	30,000
Revaluation reserve	171,144	172,373	153,433
Retained profits	80,781	60,934	44,670
Deferred income	4,562	4,420	4,532
Term loans net (d)	212,515	212,815	213,115
Finance lease obligations	3,607	5,402	7,776
	502,609	485,933	453,526
Represented by		, , ,	**** *
Fixed assets	473,954	449,704	420,468
Net current assets	28,655	36,229	33,058
	502,609	485,933	453,526
Earnings and Dividends		F= - N	P 20 C
Return on capital employed (b)	16.8%	15.5º6	13,0%
Earnings per ordinary share	92.4p	77.3p	75.6p
Dividends per ordinary share (c)	59.34p	50.25 ₂ -	390 () _p

⁽a) For 1980 and subsequent years, the *profit before items below" is stated after charging depreciation on revalued assets.

⁽b) Profit before tax, term loan and finance lease interest is stated as a percentage of the average of the capital employed at the beginning and end of the year.

⁽c) The 1986 dividends include the special dividend of £210,000,000.
(d) Term loans for 1988 excludes the Debenture Stock 2013 issued during the year as this is off-set by an equivalent term loan to S & W Berisford PLC.

1070	1980	1081	1082	1083	1084	1085
381,031	439,380	488 ₆ la0	523,742	594,667	617,245	637,712
39,079	49,335	64,930	77,957	76,947	70,474	62,372
	7,685	7,064	6,889	2,428	380	349
	-	33	44	28	8	76
3, , 4	7,483	6,678	6,378	10,302	8,346	8,383
31,510	34,167	51,155	64,646	64,189	61,740	53,564
1,980	3,969	6,477	2,095	13,078	8,314	7,082
29,536	30,198	44,678	62,551	51,111	53,426	46,482
-	· · · -	13,717	83	421	(123)	eojaca =
4,620	9,240	15 000	34,444	32,400	31,800	31,500
24,916	20,958	15,96:	28,024	18,290	21,749	14,982
30,000	50,000	30,000	30,000	30,000	30,000	30,000
_	77,+09	120,612	129,265	133,775	140,314	151,984
118,770	139,138	155689	183,713	202,003	223,752	238,734
1,869	2,103	5'00?	2,096	2,246	3,606	4,836
30,600	49,800	47,835	45,867	3,900	3,600	3,3(1()
ed Carter America Secretar 7764 and the	स्था सः १६८३ स्टब्स्ट स्टब्स्ट अस्टब्स्ट	616	434	196	7,390	9,483
181,239	299,040	350,844	391,375	372,120	408,662	438,337
149,161	248,929	301,490	361,959	355,609	381,002	402,479
32,078	50,111	55,354	29,416	16,511	27,660	35,858
181,239	299,040	356,844	391,375	372,120	408,662	438,337
21.4%	17.4%	17.8%	19.1%	17.5°0	15.90 ₀	12.8%
49.2p	50.3p	74.5p	104.3p	85.2p	89.0p	77.5p
7.7 _p	15.4p	25.0թ	57.4p	54.0p	53.0p	52.5p

Additional Financial Information

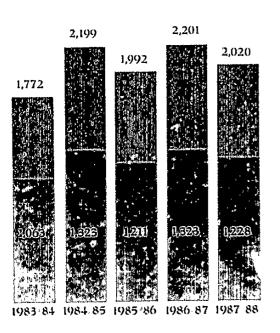
Production

Despite sugar contents for the 1987/88 campaign being less than in previous years, the factories operated at high extraction rates and cost efficiency. A total of 1.228 million tonnes of sugar were produced, this being the tenth consecutive year when over 1 million tonnes of sugar have been produced.

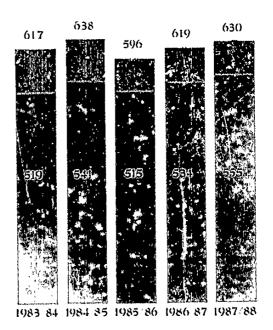
Sales

Sales increased to £630 million. Yet again the company succeeded in selling its total quota in the home market. With the volume constraint set by the quota, this still meant a marginal reduction in share. Trident Feeds sold all production within the year, with increased demand for inclusion in silage offsetting an overall contraction in the animal feed market.

Production 000 Tonnes



Total Sales Value & Million



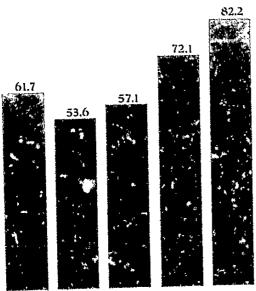
Sugar
Animal Feed
Other

Sugar
Animal Feed
Other

Historic Cost Profits

The historic cost profit of £82.2 million was 14% higher than the previous year. The increase in profit reflects higher selling prices for sugar and significant cost savings through further efficiencies. This profit increase was despite the lower crop with resulting lower levels of sales.

Historic Cost Profit* Before Tax & Million

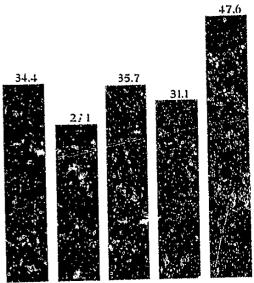


1983/84 1984/85 1985/86 1986/87 1987/88

Investment

Capital expenditure during the year was £47.6 million. This high level of investment is continuing in order to improve factory efficiency and reduce the impact of cost increases. Projects already authorised by the directors for future years amount to £47.8 million.

Capital Investment £ Million



1983/84 1984/85 1985/86 1986/87 1987/88

on ordinary activities

Additional Financial Information

What Happens to Profit and Who Benefits?

