

Vitbe Flour Mills Limited

Directors' report and financial statements

13 September 1997

Registered number 430219



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 13 September 1997.

Principal activity

The principal activity is the holding of shares in companies in the food industry and in investment companies.

Business review and future developments

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

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 5. Profit on ordinary activities after taxation amounted to £49 (1996: £563,969) which has been transferred to reserves. The directors do not recommend the payment of a dividend (1996: £Nil).

Fixed assets

Changes in fixed asset investments are shown in note 6.

Directors and directors' interests

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

PE Patchett
P Telford

Notification of an interest in, or right to subscribe for, the shares in this company and shares in or debentures of other group companies by the directors is not required because at the end of the period they were also directors of a company of which this company is a wholly owned subsidiary undertaking.

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

Directors' report *(continued)*

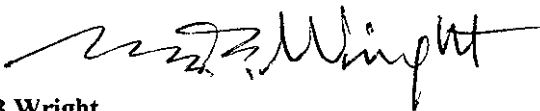
Share capital

The preference shares were redeemed and cancelled during the year, the authorised share capital was amended to 10,000 £1 ordinary shares and 9,900 £1 ordinary shares were issued during the period.

By order of the board



MR Gore



WB Wright

Joint Secretaries

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LQ

14 October 1997

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.



KPMG Audit Plc

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London
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Report of the auditors to the members of Vitbe Flour Mills Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, 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 13 September 1997 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG Audit Plc', written over the printed name of the firm.

KPMG Audit plc
Chartered Accountants
Registered Auditor
London

11 November 1997

Profit and loss account

for the period ended 13 September 1997

	<i>Note</i>	52 week period ended 13 September 1997 £	52 week period ended 14 September 1996 £
Income from fixed asset investments	4	-	781,896
Profit on ordinary activities before taxation		-	781,896
Tax on profit on ordinary activities	5	49	(217,927)
Retained profit for the financial period		49	563,969
Retained profit brought forward		2,652,950	2,088,981
Retained profit carried forward		2,652,999	2,652,950

There are no recognised gains or losses other than the profit for the period and the previous period.

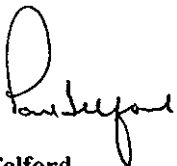
There is no material difference between the company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

Balance sheet

at 13 September 1997

	Note	13 September 1997	14 September 1996
		£	£
Fixed assets			
Investments	6	2	2
Current assets			
Debtors	7	2,662,997	2,881,821
Creditors: amounts falling due within one year	8	-	(218,773)
Net current assets		<u>2,662,997</u>	<u>2,663,048</u>
Net assets		<u>2,662,999</u>	<u>2,663,050</u>
Capital and reserves			
Called up share capital	9	10,000	10,100
Profit and loss account		2,652,999	2,652,950
		<u>2,662,999</u>	<u>2,663,050</u>

These financial statements were approved by the board of directors on 14.10.1997 and were signed on its behalf by:



P Telford
Director

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 13 September 1997.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A group cash flow statement is included in the financial statements of ABF Investments plc.

Income from fixed asset investments

Dividend income is recognised on a cash receipts basis.

3 Directors' emoluments and auditors' remuneration

The directors have received no emoluments in respect of their services as directors of the company for the current and the prior period.

In the current and the previous period the auditors' remuneration was borne by the holding company.

4 Income from fixed asset investments

	52 week period ended 13 September 1997 £	52 week period ended 14 September 1996 £
Income from shares in group undertakings	-	781,896
	<hr/>	<hr/>

Notes (continued)

5 Tax on profit on ordinary activities

	52 week period ended 13 September 1997 £	52 week period ended 14 September 1996 £
Corporation tax @ 33%	-	277,776
Double tax relief	-	(59,849)
Prior year adjustment	(49)	-
	<hr/>	<hr/>
	(49)	217,927
	<hr/>	<hr/>

6 Fixed asset investments

	13 September 1997 £	14 September 1996 £
Shares in group undertakings		
<i>Cost</i>		
At beginning of period	2	13,186,787
Disposed during period	-	(13,186,785)
	<hr/>	<hr/>
At end of period	2	2
	<hr/>	<hr/>

There are no investments in which the company's interest is more than 10%.

In the opinion of the directors the investments in and amounts due from, the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

7 Debtors

	13 September 1997 £	14 September 1996 £
Amounts due from group undertakings:		
Parent and fellow subsidiary undertakings	2,662,997	2,881,821
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	13 September 1997 £	14 September 1996 £
Other creditors including taxation and social security	-	218,773
	<hr/>	<hr/>

9 Called up share capital

	13 September 1997 Number	£	14 September 1996 Number	£
<i>Authorised</i>				
Ordinary shares of £1 each	10,000	10,000	100	100
5% cumulative preference shares of £1 each	-	-	10,000	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
	10,000	10,000	10,100	10,100
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	10,000	10,000	100	100
5% cumulative preference shares of £1 each	-	-	10,000	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
	10,000	10,000	10,100	10,100
	<hr/>	<hr/>	<hr/>	<hr/>

On 25 February 1997, 9,900 ordinary shares of £1 each were issued at par. On the same date the 10,000 5% cumulative preference shares of £1 each were redeemed at par; 9,900 in exchange for 9,900 freshly issued £1 ordinary shares and 100 for cash at par. Therefore, the total authorised and issued share capital of the company decreased from £10,100 to £10,000.

Notes (continued)

10 Reconciliation of movement in shareholders' funds

	13 September 1997 £	14 September 1996 £
Profit on ordinary activities after taxation	49	563,969
Decrease in issued share capital	(100)	-
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(51)	563,969
Opening shareholders' funds	2,663,050	2,099,081
	<hr/>	<hr/>
Closing shareholders' funds	2,662,999	2,663,050
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11 Holding company

The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England.

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England. The consolidated financial statements of these groups are available to the public and may be obtained from Weston Centre, Bowater House, 68 Knightsbridge, London SW1X 7LQ.