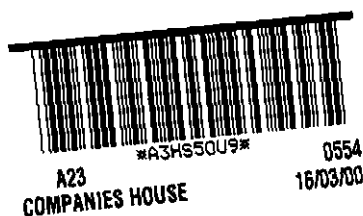
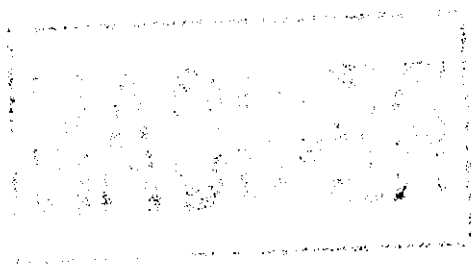


ABN Limited
Directors' Report and Financial Statements
18 September 1999

Registered no : 193800

RE-SCAN





ABN Limited

Directors' report and financial statements

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ABN Limited

Directors' report

The directors present their annual report and the audited financial statements for the 53 week period ended 18 September 1999.

Principal activities

In the course of the period the principal activities were the manufacture and sale of animal feeds, sale of agricultural products, the management of various livestock schemes and processing and marketing of meat and meat products.

Business review

On 13 September 1998 the company purchased the net assets of Jordan Bros. (NI) Limited, a fellow subsidiary of Associated British Foods plc, for consideration of £2,491,000.

On 7 October 1998 the company purchased 33 1/3% of the issued share capital of Altcom 179 Limited. The company has since been renamed Welsh Feed Producers Limited. The consideration was £100,000 and in addition loan stock of £500,000 was provided.

On 8 February 1999 the company purchased certain finance assets and liabilities from Hanford plc for a consideration of £650,000. The principal activities of all of the above are the manufacture and sale of animal feeds, and the sale of other agricultural products.

During the period the company has continued its activities. The directors anticipate that any future developments will be related to these activities.

Year 2000

ABN Limited has followed the framework set out by its holding company Associated British Foods plc.

It is impossible for anyone to give an absolute guarantee that they will not be subject to a Year 2000 failure and we are no exception. We are, therefore, taking all necessary steps including continuing dialogue with our customers and suppliers, ensuring that contingency plans minimise any disruption that may arise to our supply chains should there be a failure.

Research and development

The company continued its expenditure on research and development and during the period this amounted to £424,000 (1998: £426,000).

ABN Limited

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 6. Profit on ordinary activities after taxation amounted to £3,124,000 (1998 profit : £628,000). A dividend of £10,000,000 (1998 : £nil) was paid in the year. The retained loss for the period of £6,876,000 was transferred to reserves (1998 profit : £628,000).

Policy and practice on payment of creditors

The company does not have a formal code that it follows with regard to payments to suppliers.

The company agrees payment terms with its suppliers at the time it enters into binding purchasing contracts for the supply of goods and services. Its suppliers are in that way made aware of these terms. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The outstanding trade creditors at the balance sheet date, as a proportion of payments to suppliers during the period, represents 9 days purchases (1998: 5 days).

Market value of land and buildings

Changes in tangible fixed assets are shown in note 10. In the opinion of the directors the market value of land and buildings at the end of the period exceeded the amount included in the balance sheet, but they are unable to quantify the excess.

Directors and directors' interests

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

P J Jackson	
D Langlands	(Appointed June 4 1999)
A Murphy	
H Raine	(Appointed June 4 1999)
J M Shirbon	
C A Yates	(Resigned May 31 1999)
D J D Yiend	

The company does not have a designated chairman.

The share interests of PJ Jackson are disclosed in the directors' report of the parent company.

ABN Limited

Directors and directors' interests (continued)

On 18 September 1999 the following directors each had an outstanding option to acquire ordinary shares of 5 15/22p each in Associated British Foods plc:

	Number granted 28.4.98	Exercise price	Date from which exercisable	Expiry date
DJD Yiend	40,000	561.5p	28.4.2003	28.4.2008
A Murphy	20,000	561.5p	28.4.2003	28.4.2008

The other directors notified no interests.

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


Employees

The company is committed to the development of employee information and consultation. This is achieved both in conjunction with trade unions representatives and through briefing sessions with wider groups of employees. It is the policy of the company to offer equal opportunities to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

Political and charitable contributions

Donations to UK charities amounted to £5,000 (1998: £2,000). The company made no political contributions during the year.

By order of the board



W B Wright

Secretary

28 October 1999

Registered Office:

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LQ

ABN Limited

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

ABN Limited

Report of the auditors to the members of ABN Limited

We have audited the financial statements on pages 6 to 19.

Respective responsibilities of directors and auditors

As described on page 4 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.

Qualified opinion arising from disagreement about accounting treatment

As explained in the accounting policies (note 2) no provision has been made for deferred tax. Note 8 specifies the total potential amount of deferred taxation not provided but no assessment has been made of the extent to which it is probable that this might crystallise and therefore, of the amount for which provision should be made in accordance with the requirements of Statement of Standard Accounting Practice No.15 and the Companies Act 1985.

Except for any adjustments that might have been necessary to account for deferred tax, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 18 September 1999 and of its profit for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

20 October 1999

ABN Limited

Profit and loss account for the period ended 18 September 1999

	Note	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Turnover – Continuing operations		250,648	235,589
Operating loss – Continuing operations	3	(2,854)	(2,782)
Profit on sale of fixed assets	5	2,683	319
Other interest receivable and similar income	6	22	25
Interest payable and similar charges	7	(16)	(36)
Loss on ordinary activities before taxation		(165)	(2,474)
Tax on loss on ordinary activities	8	3,289	3,102
Profit for the financial period	19	3,124	628
Dividends on equity shares	9	(10,000)	-
Retained (loss)/profit for the period		(6,876)	628

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

ABN Limited

Balance sheet at 18 September 1999

	Note	18 September 1999		12 September 1998	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10	29,898		29,677	
Investments	12	2,143		1,543	
Current assets			32,041		31,220
Stocks	13	13,775		12,277	
Debtors	14	40,403		36,870	
Cash at bank and in hand		-		447	
		54,178		49,594	
Creditors -amounts falling due within one year	15	(18,031)		(13,382)	
Net current assets			36,147		36,212
Total assets less current liabilities			68,188		67,432
Creditors -amounts falling due after more than one year	16		(52,296)		(44,664)
Net assets			15,892		22,768
Capital and reserves					
Called up share capital	18		10,000		10,000
Profit and loss account	19		5,892		12,768
Equity shareholder's funds			15,892		22,768

These financial statements were approved by the board of directors on 28 October 1999 and were signed on its behalf by :


 D J D Ylend
 Director

ABN Limited

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 53 week period ended 18 September 1999.

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 except that, for the reasons set out in the deferred tax accounting policy, they do not comply with Statement of Standard Accounting Practice number 15.

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts.

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 Associated British Foods plc.

The company is controlled by Associated British Foods plc and is exempt from disclosing transactions with it and other group companies under the Financial Reporting Standard 8, as it is a wholly owned subsidiary undertaking included within the consolidated Financial Statements which are publicly available.

ABN Limited

Fixed assets and depreciation

Depreciation, calculated on cost or on valuation, is provided on a straight line basis over the anticipated life of the asset. No depreciation is provided on freehold land. Leaseholds are written off over the period of the lease or 50 years, whichever is the shorter period. The anticipated useful life of other assets is generally deemed to be not longer than:

Freehold buildings	50 years
Plant, machinery, fixtures and fittings	20 years
Vehicles	8 years

Deferred income

Deferred income consists of Government grants.

Government grants receivable on specific capital expenditure are credited to the profit and loss account over the expected useful lives of the related assets. Grants not based on specific expenditure but on other criteria are credited to the profit and loss account so as to match the costs involved.

Leases

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

Research and development

Expenditure in respect of research and development is written off against profits in the period in which it is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due provision against obsolete and slow moving items. In the case of manufactured goods the term 'cost' includes raw materials, production wages, and production overheads.

Livestock in the course of being reared and fattened is valued at the lower of cost and net realisable value. Breeding stock is valued at average cull value, which represents the directors' estimate of net realisable value.

ABN Limited

Deferred taxation

No provision has been made for deferred tax, as the company is a member of a group, which provides for deferred tax only in the group financial statements. The assessment of what deferred tax, if any, will become payable in the foreseeable future has not been made separately for this company.

Foreign currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities overseas are converted into sterling at the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pension costs

The company is a member of the UK defined benefit scheme of Associated British Foods plc, the assets of which are held in trustee administered funds.

Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Any difference between the charge for pensions and total contributions is included within pension provisions or debtors as appropriate.

ABN Limited

3. Operating loss on ordinary activities before taxation

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Turnover	250,648	235,589
Cost of sales	(204,674)	(197,648)
Gross profit	45,974	37,941
Distribution costs	(36,299)	(30,367)
Administration expenses	(13,761)	(11,356)
Other operating income	1,232	1,000
Operating loss	<u>(2,854)</u>	<u>(2,782)</u>

The above amounts derive entirely from continuing operations. In the opinion of the directors, the company operates in only one business segment, being the manufacture and sale of animal feed and animal products.

Materially all the company's turnover and results arise from trade within the European Union, principally the United Kingdom. All of the company's net assets are located in the United Kingdom.

Loss on ordinary activities before taxation is stated after charging:

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Depreciation of tangible fixed assets	6,493	5,528
Auditors' remuneration : - audit	62	65
- other services	102	7
Hire of plant and machinery - rentals payable under operating leases	728	614
Land and building payments under operating leases	43	93
Research and development expenditure	424	426

ABN Limited

4 Directors and employees

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Employment costs during the period were :		
Wages and salaries	21,176	17,689
Social security costs	1,656	1,437
Pension costs	1,485	1,186
	<u>24,317</u>	<u>20,312</u>

The average weekly number of employees, including directors, of the company during the period was 1,034 (1998 : 889). In the opinion of the directors, all employees fall into a single category.

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Directors' emoluments :	438	175
Cash compensation for loss of office	88	-
	<u>526</u>	<u>175</u>

Of the director's emoluments £357,000 (1998 : £57,000) was paid by other group companies on behalf of ABN Limited.

The aggregate emoluments of the highest paid director was £114,000 (1998 : £79,000), and company pension contributions of £9,000 (1998 : £5,000) were made on his behalf.

	Number	Number
Retirement benefits are accruing to the following number of directors under defined benefit schemes	6	2

ABN Limited

5 Profit on sale of fixed assets

Profit on sale of fixed assets was £2,683,000 (1998 : £319,000), principally resulting from the sale of land at Braehead mill, Renfrew for consideration of £3,538,000.

6 Other interest receivable and similar income

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Bank interest receivable	4	25
Other interest receivable	18	-
	<u>22</u>	<u>25</u>
	=====	=====

7 Interest payable and similar charges

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Interest payable on other loans	(16)	(36)
	<u>=====</u>	<u>=====</u>

8 Tax on loss on ordinary activities

	53 week period ended 18 September 1999 £000	52 week period ended 12 September 1998 £000
Adjustments relating to an earlier period	6	(48)
Group relief at 100%	3,283	3,150
	<u>3,289</u>	<u>3,102</u>
	=====	=====

As explained in the accounting policies (note 2), no provision has been made for deferred tax. At 18 September 1999 the full potential liability in respect of accelerated capital allowances would be £1,936,000 (1998 : £2,493,000).

ABN Limited

9 Dividends paid

	53 week period ended 18 September 1999	52 week period ended 12 September 1998
	£000	£000
Ordinary shares	10,000	-
	<u>10,000</u>	<u>-</u>

10 Tangible assets

	Land and Freehold £000	Buildings Long Leasehold £000	Plant, Machinery Fixtures and Fittings, Vehicles £000	Total £000
Cost or valuation				
At beginning of period	8,559	2,216	60,000	70,775
Additions	283	302	7,703	8,288
Acquisitions from fellow subsidiaries	-	-	563	563
Disposals	(766)	(403)	(8,181)	(9,350)
At end of period	<u>8,076</u>	<u>2,115</u>	<u>60,085</u>	<u>70,276</u>
Accumulated depreciation				
At beginning of period	3,027	873	37,198	41,098
Charge for period	333	113	6,047	6,493
Acquisitions from fellow subsidiaries	-	-	219	219
Disposals	(486)	(403)	(6,543)	(7,432)
At end of period	<u>2,874</u>	<u>583</u>	<u>36,921</u>	<u>40,378</u>
Net book value				
At 18 September 1999	<u>5,202</u>	<u>1,532</u>	<u>23,164</u>	<u>29,898</u>
At 12 September 1998	<u>5,532</u>	<u>1,343</u>	<u>22,802</u>	<u>29,677</u>

Freehold land of £896,000 is not depreciated (1998: £1,059,000)

11 Capital commitments

Capital commitments at the end of the financial period for which no provision has been made amounted to £698,000 (1998: £1,340,000).

ABN Limited

12 Fixed asset investments

	Shares in group undertakings £000	Participating Interests £000	Total Shares £000	Loans to participating interests £000	Total £000
Cost					
At beginning of period	1,543	-	1,543	-	1,543
Additions	-	100	100	500	600
At the end of period	<u>1,543</u>	<u>100</u>	<u>1,643</u>	<u>500</u>	<u>2,143</u>

The companies in which the company's interest is more than 20% are as follows:

	Country of registration	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
ABN (Overseas) Limited	England	Investment company	100% Ordinary shares
ABN (Scotland) Limited	Scotland	Manufacture and marketing of animal feed	100% Ordinary shares
Courtyard Beef UK Limited	England	Non trading	100% Ordinary shares
Participating interests			
Welsh Feed Producers Limited	England	Manufacture and marketing of animal feed	33 1/3 % Ordinary shares

Group financial statements have not been prepared, as the company is a wholly owned undertaking of ABF Investments plc. ABF Investments plc prepares group financial statements which include this company.

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

ABN Limited

13 Stocks

	18 September 1999	12 September 1998
	£000	£000
Raw materials and consumables	3,686	3,891
Livestock	8,446	6,281
Finished goods and goods for resale	1,643	2,105
	<u>13,775</u>	<u>12,277</u>
	=====	=====

14 Debtors

	18 September 1999	12 September 1998
	£000	£000
Amount falling due within one year :		
Trade debtors	33,242	28,821
Amounts due from fellow subsidiaries	4,091	5,619
Amounts owed by a participating interests	331	-
Other debtors	400	771
Prepayments and accrued income	2,292	1,592
	<u>40,356</u>	<u>36,803</u>
Amount falling due after one year:		
Other debtors	47	67
	<u>40,403</u>	<u>36,870</u>
	=====	=====

15 Creditors - amounts falling due within one year

	18 September 1999	12 September 1998
	£000	£000
Bank loans and overdraft	921	-
Trade creditors	6,541	3,227
Amounts owed to fellow subsidiaries	3,636	770
Other creditors including taxation and social security	195	1,352
Accruals and deferred income	6,738	8,033
	<u>18,031</u>	<u>13,382</u>
	=====	=====

ABN Limited

16 Creditors - amounts falling due after more than one year

	18 September 1999 £000	12 September 1998 £000
Amounts due to fellow subsidiaries	52,265	44,587
Accruals and deferred income (Note 17)	31	77
	<u>52,296</u>	<u>44,664</u>

No interest accrues on the outstanding balance.

17 Deferred Income

	18 September 1999 £000	12 September 1998 £000
Government Grants		
At beginning of period	77	148
Released to profit and loss account	(46)	(71)
At end of period	<u>31</u>	<u>77</u>

18 Called up share capital

	18 September 1999 £000	12 September 1998 £000
Authorised		
Equity: Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

19 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total £000
At beginning of period	10,000	12,768	22,768
Profit for financial period	-	3,124	3,124
Dividend paid		(10,000)	(10,000)
At end of period	<u>10,000</u>	<u>5,892</u>	<u>15,892</u>

ABN Limited

20 Contingent Liabilities

The company, together with British Sugar plc and certain other subsidiary undertakings of Associated British Foods plc, is party to a set-off arrangement in respect of its bank accounts with certain of the group's bankers.

In the normal course of business the company enters into forward commodity purchase and sales agreements.

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	18 September 1999		12 September 1998	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
Operating leases which expire:				
Within one year	-	132	-	85
Between one and five years	41	199	95	501
	<u>41</u>	<u>331</u>	<u>95</u>	<u>586</u>

22 Pension costs

The group pension costs of Associated British Foods plc are assessed in accordance with the advice of a qualified actuary on the basis of final pensionable earnings. Particulars of the last actuarial valuation of the scheme are contained in the financial statements of Associated British Foods plc.

The company pays a regular amount to Associated British Foods plc which makes contributions to the group scheme on its behalf. Any benefits or costs arising as a result of a scheme surplus or deficit are retained or borne by Associated British Foods plc. From the perspective of the company the scheme operates similarly to a defined contribution scheme; the particular requirements of SSAP 24 concerning accounting for a defined benefit scheme, which would require the surplus or deficit to be recognised in this company, do not apply. In the opinion of the directors this treatment is appropriate in order to reflect the substance of the company's pension arrangements.

The pension charge for the period was £1,485,000 (1998 : £1,186,000). The pension contributions due to Associated British Foods Plc, at 19 September 1999 were £30,000. (12 September 1998 : £13,000).

ABN Limited

23 Holding company

The ultimate parent undertaking and controlling party as defined by FRS 8 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.

24 Post Balance Sheet Events

On 4 October 1999 the company sold its ruminant feedstuffs customer list within East Anglia to W.L. Duffield & Sons Ltd for consideration of £330,000.

On 5 October 1999 the company purchased the customer list from the Feed and Fertiliser business of Leckpatrick Agri Service for an initial consideration of £200,000. The final consideration is yet to be agreed.

25 Related Party Transactions

During the period the following transactions were undertaken with related parties.

Welsh Feed Producers Limited (33 1/3% Joint venture)	- Purchase of animal feed, and associated products	£1,922,000 (1998 : nil)
	- Income from supply of administration services	£60,000 (1998 : nil)
	- Income for contribution towards closure of animal feed mill	£110,000 (1998 : nil)
	- Sales of animal feed and associated products	£264,000 (1998 : nil)

Amounts receivable outstanding at 18 September 1999 in relation to the above transactions were £331,000 (1998 : £nil).