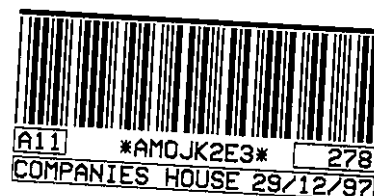


**ABF INVESTMENTS plc**  
**ANNUAL REPORT AND ACCOUNTS 1997**

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**ABF INVESTMENTS plc**  
**DIRECTORS AND ADVISORS**

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Directors                      Garry H Weston *Chairman*  
                                     Harold W Bailey  
                                     Trevor HM Shaw

Secretary                      Trevor HM Shaw

Registered office              Weston Centre  
                                     Bowater House  
                                     68 Knightsbridge  
                                     London SW1X 7LQ  
                                     Company registered in England, number 306672

Auditors                        KPMG Audit Plc  
                                     Chartered Accountants

Bankers                         Bank of Scotland  
                                     Barclays Bank plc  
                                     Girobank plc  
                                     Lloyds Bank plc  
                                     National Westminster Bank plc

## **ABF INVESTMENTS plc**

### **REPORT OF THE DIRECTORS**

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The directors submit to the members their sixty second annual report together with the financial statements of the company for the year ended 13 September 1997.

#### **Profits and dividends**

The group profit and loss account is on page 7. Profit for the financial year amounted to £693 million and the dividends to £1 million. The transfer to reserves totalled £692 million. Dividends are detailed in note 9 on page 17.

#### **Review of activities**

The activities of the group principally concern the processing and manufacture of food in Europe, Australia and the United States, as well as textile retailing in the United Kingdom and the Republic of Ireland. The group disposed of its food retailing businesses during the year. Comments on the development of the business during the period under review and on the future outlook are given below.

#### **Changes in assets**

The majority of the group's fixed tangible assets are included in the financial statements at cost. The properties are employed in the business and many of them were acquired when market values were substantially lower than at present. The directors consider that a surplus over book value exists, but are unable to quantify the excess.

#### **Development**

The profit before tax for the year of £832 million includes £424 million arising from the sales of our Irish food retailing interests to Tesco in May of this year and the adhesives operations in Australia.

The increase in the strength of the pound sterling had a major adverse effect on our results reducing profits by £39 million and sales values by some £305 million. The realignment of the green pound particularly affected British Sugar, whilst our major exporting companies, Twinings tea and Burtons biscuits, suffered from their inability to increase selling prices in local currencies against strong local competition overseas.

Group turnover at £5,203 million is £504 million lower than the year ago figure. However, after allowing for the operations sold during the year and for the currency effect, sales show an underlying increase of some 5 per cent.

The United Kingdom based food manufacturing companies reported sales and profits of £3,051 million and £270 million respectively compared with £3,059 million and £276 million a year ago.

British Sugar contributed profits of £179 million, £4 million down on a year ago, despite the green pound effect referred to above. This excellent result was achieved following a record harvest, and the benefits arising from the restructuring of the company within a capital investment programme in excess of £230 million undertaken since acquisition by the group in 1991.

Allied Bakeries experienced difficult trading following some loss of volume in own label products early in the year and although the expansion of our range of products throughout the year compensated to some extent, there was a net loss of revenue over the period.

Allied Mills had a satisfactory year producing profits 7 per cent ahead of budgets. A decision to close the loss making European commodity trading operation within the Allied Grain division was taken towards the end of the financial year.

Primark, our retail textile operation contributed record profits up 46 per cent at £19 million and sales increased by 6 per cent to £256 million.

The operating profits of George Weston Foods in Australia and New Zealand were reduced to £33 million from £38 million a year ago, although half of this reduction is attributable to currency translation. Sales of £620 million show a growth of 4 per cent on the continuing businesses.

# **ABF INVESTMENTS plc**

## **REPORT OF THE DIRECTORS**

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### **Development — *continued***

AC Humko and Abitec in the United States continue their development into added value products and this has been complemented by two further acquisitions during the year. Profits increased by £6 million to £9 million which is after charging further rationalisation and integration costs of £1 million.

Investment income for the year was £69 million. Overall, the return obtained was disappointing and the increase of £18 million on a year ago is largely attributable to the income on additional funds arising on the sale of the Irish food retail companies.

This sale also contributed £639 million to the increase in net investment funds which at the year end amounted to £1,298 million.

The group remains strongly cash generative funding expenditure this year on new assets and subsidiaries exceeding £300 million, 25 per cent greater than last year.

### **Substantial shareholdings**

Details of a controlling interest in the shares of the company are given in note 30 on page 25.

### **Employees**

The directors recognise the benefits which accrue from keeping employees informed of the development of the business and involving them in the group's progress.

The group is organised on a divisional basis and directors or managers of each division continue to evolve procedures appropriate to their size and organisation designed to keep employees and their representatives briefed on all relevant matters.

It is policy within the group to offer equal opportunities to disabled persons in their recruitment, training and career development, having due regard to their aptitudes and abilities in relation to jobs available. Every attempt is made to give those who become disabled in the workplace an opportunity to be trained and redeployed elsewhere.

### **Research and development**

The trading companies and Weston Research Laboratories Limited develop existing technology, research new products and continuously monitor the maintenance of standards. Major facilities exist at Weston Research at Maidenhead, British Sugar at Norwich, George Weston Foods in Australia and at AC Humko in the United States.

### **United Kingdom charitable and political contributions**

Contributions to charitable organisations in the group during the year totalled £0.4 million (1996 – £0.4 million). No contributions were made to political organisations during the year (1996 – Nil).

### **Close company status**

The company is not a close company for the purposes of the Income and Corporation Taxes Act 1988.

### **Corporate governance**

ABF Investments plc is a wholly owned subsidiary of Associated British Foods plc. Particulars of that company's compliance with the Code of Best Practice established by the Committee on the Financial Aspects of Corporate Governance (The Cadbury Committee) is set out in their financial statements.

### **Directors**

A list of the directors of the company at the end of the year appears on page 2 and a schedule of their interests in the shares of the group appears on page 28. No director has a contract of service with the company which is not determinable within one year without payment of compensation.

In accordance with the Articles of Association, Mr THM Shaw retires from the board by rotation and, being eligible, offers himself for re-election. Other than as disclosed in the financial statements, at no time during the year has any director had any material interest in a contract with the company, being a contract of significance to either party.

## **ABF INVESTMENTS plc**

### **REPORT OF THE DIRECTORS**

---

#### **Payments to suppliers**

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

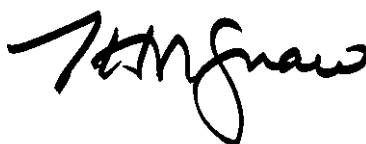
ABF Investments plc has no trade creditors.

#### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

**THM Shaw** Secretary



3 November 1997

## **CORPORATE GOVERNANCE**

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ABF Investments plc is a wholly owned subsidiary of Associated British Foods plc. The directors of ABF Investments plc are also directors of Associated British Foods plc.

Full details of Associated British Foods plc's compliance with the recommendations of the Code of Best Practice drawn up by the Cadbury Committee on Corporate Governance ("the Cadbury Code") and with Section A of the best practice provisions annexed to the Stock Exchange Listing rules introduced following the publication of the Directors Remuneration – Report of a Study Group chaired by Sir Richard Greenbury ("the Greenbury Code") are set out in that company's accounts for the year ended 13 September 1997. In summary, the board of Associated British Foods plc considers that the company complies with the Cadbury and Greenbury Codes with the exception of the provisions relating to the size and constitution of the Audit and Remuneration Committees. It is recommended that these committees should be comprised of non executive directors with no executive representation. The board of Associated British Foods plc does not accept this recommendation as it considers that Mr Garry H Weston, Executive Chairman, should serve on both committees.

The company's affairs are controlled by Associated British Foods plc and, with the exception of a statement affirming the company as a going concern, it is not considered appropriate or necessary for the company to comply with the recommendations of the Cadbury and Greenbury Codes.

Amendment No. 6 to the Listing Rules exempts the company from including a statement on Corporate Governance in these accounts on the basis that it only has debt securities listed.

The provisions of Amendment No. 6 which implement certain recommendations of the Greenbury Code do not apply to companies with only debt securities listed.

#### **Going concern**

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

## **ABF INVESTMENTS plc**

### **DIRECTORS' RESPONSIBILITIES**

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#### **in respect of the preparation of financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to prevent and detect fraud and other irregularities.

### **AUDITORS' REPORT TO THE MEMBERS OF ABF INVESTMENTS plc**

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We have audited the financial statements on pages 7 to 27.

#### **Respective responsibilities of directors and auditors**

As described above 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 group'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 affairs of the company and the group as at 13 September 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
London

*KPMG Audit Plc*

3 November 1997

**ABF INVESTMENTS GROUP**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

		For the year ended 13 September 1997 £m	For the year ended 14 September 1996 £m
	Note		
<b>Turnover</b>			
Continuing operations	1	4,437	4,443
Discontinued operations	1	766	1,264
		<u>5,203</u>	<u>5,707</u>
<b>Operating costs</b>	2	(4,839)	(5,317)
		<u>364</u>	<u>390</u>
<b>Operating profit</b>			
Continuing operations	1	336	334
Discontinued operations	1	28	56
		<u>364</u>	<u>390</u>
<b>Continuing operations</b>			
Profit less losses on sale of properties		4	(1)
Profit on sale of businesses	27	4	—
<b>Discontinued operations</b>			
Profit less losses on sale of properties		2	7
Profit on sale of businesses	27	420	—
<b>Investment income</b>	6	69	51
<b>Profit on ordinary activities before interest</b>		<u>863</u>	<u>447</u>
Interest payable	7	(31)	(28)
<b>Profit on ordinary activities before taxation</b>		<u>832</u>	<u>419</u>
Tax on profit on ordinary activities	8	(131)	(140)
<b>Profit on ordinary activities after taxation</b>		<u>701</u>	<u>279</u>
Minority interests – equity		(8)	(8)
<b>Profit for the financial year</b>		<u>693</u>	<u>271</u>
Dividends	9	(1)	(90)
<b>Retained profit for the financial year</b>	21	<u>692</u>	<u>181</u>
<b>Earnings per ordinary share</b>	10	<u>154.1p</u>	<u>60.2p</u>

The group has made no material acquisitions within the meaning of the Financial Reporting Standards during either 1997 or 1996.

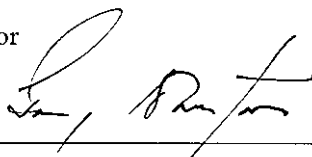
# ABF INVESTMENTS GROUP

## CONSOLIDATED BALANCE SHEET

	Note	As at 13 September 1997 £m	As at 14 September 1996 £m
<b>Fixed assets</b>			
Tangible fixed assets	11	1,396	1,650
Investments	13	12	8
		<u>1,408</u>	<u>1,658</u>
<b>Current assets</b>			
Stocks	14	416	482
Debtors	15	484	503
Investments	16	1,474	781
Cash at bank and in hand		39	75
		<u>2,413</u>	<u>1,841</u>
<b>Creditors amounts falling due within one year</b>			
Short term borrowings	17	(58)	(33)
Other creditors	18	(608)	(938)
		<u>(666)</u>	<u>(971)</u>
<b>Net current assets</b>		<u>1,747</u>	<u>870</u>
<b>Total assets less current liabilities</b>		<u>3,155</u>	<u>2,528</u>
<b>Creditors amounts falling due after one year</b>			
Loans	17	(157)	(163)
Other creditors	18	(15)	(12)
		<u>(172)</u>	<u>(175)</u>
<b>Provision for liabilities and charges</b>	19	(54)	(38)
		<u>2,929</u>	<u>2,315</u>
<b>Capital and reserves</b>			
Called up share capital	20	22	22
Share premium account	21	192	192
Revaluation reserve	21	4	5
Other reserves	21	1	1
Profit and loss account	21	2,639	2,022
<b>Equity shareholders' funds</b>		<u>2,858</u>	<u>2,242</u>
<b>Minority interests in subsidiary undertakings</b>			
- equity		71	73
		<u>2,929</u>	<u>2,315</u>

These financial statements were approved by the board of directors on 3 November 1997 and were signed on its behalf by:

Garry H Weston Director





**ABF INVESTMENTS GROUP**  
**CONSOLIDATED CASH FLOW STATEMENT**

		For the year ended 13 September 1997 £m	For the year ended 14 September 1996 £m
	Note		
<b>Cash flow from operating activities</b>	26	<b>386</b>	<b>484</b>
<b>Returns on investments and servicing of finance</b>			
Dividends and other investment income		63	60
Interest paid		(20)	(28)
Dividends paid to minorities		(12)	(3)
		<b>31</b>	<b>29</b>
<b>Taxation</b>		<b>(143)</b>	<b>(106)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(254)	(225)
Sale of tangible fixed assets		23	24
Sale of equity investments		1	3
		<b>(230)</b>	<b>(198)</b>
<b>Acquisitions and disposals</b>			
Purchase of new subsidiary undertakings	27	(48)	(17)
Purchase of associated undertakings		(5)	(2)
Sale of subsidiary undertakings	27	647	-
		<b>594</b>	<b>(19)</b>
<b>Equity dividends paid</b>		<b>(1)</b>	<b>(90)</b>
<b>Net cash inflow before use of liquid funds and financing</b>		<b>637</b>	<b>100</b>
<b>Management of liquid funds</b>	29	<b>633</b>	<b>72</b>
<b>Financing</b>	28	<b>(12)</b>	<b>1</b>
<b>Increase in cash</b>	29	<b>16</b>	<b>27</b>
		<b>637</b>	<b>100</b>

**ABF INVESTMENTS GROUP**  
**CONSOLIDATED STATEMENT OF**  
**TOTAL RECOGNISED GAINS AND LOSSES**

	For the year ended 13 September 1997 £m	For the year ended 14 September 1996 £m
Profit for the financial year	693	271
Currency translation differences on foreign currency net assets	(47)	10
<b>Total recognised gains and losses</b>	<b>646</b>	<b>281</b>

**CONSOLIDATED STATEMENT OF HISTORICAL COST PROFITS**

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

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	For the year ended 13 September 1997		For the year ended 14 September 1996	
	Group £m	Company £m	Group £m	Company £m
<b>Profit for the financial year</b>	<b>693</b>	<b>642</b>	<b>271</b>	<b>141</b>
Dividends	(1)	(1)	(90)	(90)
<b>Retained profit for the financial year</b>	<b>692</b>	<b>641</b>	<b>181</b>	<b>51</b>
Other recognised gains and losses relating to the year	(47)	—	10	—
Goodwill acquired and written off during the year	(31)	—	(8)	—
Goodwill written back during the year	2	—	—	—
Net increase in shareholders' funds	616	641	183	51
Opening shareholders' funds	2,242	588	2,059	537
<b>Closing shareholders' funds</b>	<b>2,858</b>	<b>1,229</b>	<b>2,242</b>	<b>588</b>

**ABF INVESTMENTS plc**  
**BALANCE SHEET OF THE COMPANY**

	Note	As at 13 September 1997 £m	As at 14 September 1996 £m
<b>Fixed assets</b>			
Shares in subsidiary undertakings	25	904	729
<b>Current assets</b>			
Debtors	15	—	359
Investments	16	565	5
		565	364
<b>Creditors amounts falling due within one year</b>			
Loans	17	(7)	—
Other creditors	18	(233)	(498)
		(240)	(498)
<b>Net current assets/(liabilities)</b>		325	(134)
<b>Total assets less current liabilities</b>		1,229	595
<b>Creditors amounts falling due after one year</b>			
Loans	17	—	(7)
		1,229	588
<b>Capital and reserves</b>			
Called up share capital	20	22	22
Share premium account	21	192	192
Profit and loss account	21	1,015	374
<b>Equity shareholders' funds</b>		1,229	588

These financial statements were approved by the board of directors on 3 November 1997 and were signed on its behalf by:

Garry H Weston Director



## **ABF INVESTMENTS GROUP ACCOUNTING POLICIES**

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### **Basis of preparation**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets, and in accordance with applicable accounting standards and the Companies Act 1985 ("the Act"). A new accounting standard, FRS 1 (Revised) – "Cash Flow Statements", became effective in the year and has been adopted by the group. The prior year comparative figures in the Cash Flow Statement and associated notes have been restated.

The financial statements of the company and its subsidiary undertakings are made up for the year ended 13 September 1997 except for those of the Australian and New Zealand Group and North American subsidiary undertakings which are made up to 31 July 1997 and 31 August 1997 respectively to avoid delay in the preparation of the consolidated financial statements.

### **Acquisitions**

The consolidated profit and loss account includes the results of new subsidiary undertakings attributable to the period since acquisition. The excess of the purchase price of new subsidiary undertakings over the fair value of net assets acquired is written off against reserves in the year of acquisition.

### **Disposals**

The results of subsidiaries sold are included up to the dates of change of control. The profit or loss on the disposal of an acquired business takes into account the attributable value of purchased goodwill relating to that business.

### **Foreign currencies**

Assets and liabilities overseas are converted into sterling at the rates of exchange ruling at the balance sheet date. The results of overseas operations have been translated at the average rate prevailing during the year. Exchange differences arising on consolidation are taken direct to reserves. Other exchange differences are dealt with as part of operating profits.

### **Pensions**

The group has established separately funded pension schemes for the benefit of permanent staff, which vary with employment conditions in the countries concerned. Net pension costs are charged to income over the expected average remaining service lives of employees. Any differences between the charge for pensions and total contributions is included within pension provisions or debtors as appropriate.

### **Research and development**

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

### **Associated undertakings**

Companies in which the group has an investment comprising a long term interest, usually from 20 per cent to 50 per cent in the voting capital and over which it exerts significant influence, are defined as associated undertakings. Dividends received from these companies have been included in the group profits and the investments are stated in the consolidated balance sheet at cost. The difference between cost and the net book value of the assets attributable to the investment, and the retained profits for the year of these companies, are in the opinion of the directors not material.

## **ABF INVESTMENTS GROUP**

### **ACCOUNTING POLICIES**

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#### **Depreciation**

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

Freehold buildings	66 years
Plant, machinery, fixtures and fittings:	
Sugar factories	20 years
Other operations	12 years
Vehicles	8 years

#### **Leases**

All material leases entered into by the group are operating leases whereby substantially all of 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.

#### **Stocks**

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

#### **Current asset investments**

Current asset investments are stated at the lower of cost or market value.

#### **Deferred tax**

Deferred tax represents corporation tax in respect of accelerated taxation allowances on capital expenditure and other timing differences, to the extent that a liability is anticipated in the foreseeable future.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. ANALYSIS OF TURNOVER, PROFITS AND NET ASSETS**

	For the year ended 13 September 1997			For the year ended 14 September 1996		
	Continuing operations £m	Discontinued operations £m	Total £m	Continuing operations £m	Discontinued operations £m	Total £m
<b>Turnover</b>						
<b>Geographical analysis (by origin and destination)</b>						
European Union, mainly						
United Kingdom and Ireland	3,307	766	4,073	3,301	1,264	4,565
Australia and New Zealand	620	—	620	637	—	637
North America	453	—	453	451	—	451
Other	57	—	57	54	—	54
	<u>4,437</u>	<u>766</u>	<u>5,203</u>	<u>4,443</u>	<u>1,264</u>	<u>5,707</u>
<b>Business sector</b>						
Manufacturing	4,181	—	4,181	4,201	—	4,201
Retail	256	766	1,022	242	1,264	1,506
	<u>4,437</u>	<u>766</u>	<u>5,203</u>	<u>4,443</u>	<u>1,264</u>	<u>5,707</u>
<b>Profits</b>						
<b>Geographical analysis (by origin and destination)</b>						
European Union, mainly						
United Kingdom and Ireland	283	28	311	284	56	340
Australia and New Zealand	33	—	33	38	—	38
North America	13	—	13	6	—	6
Other	7	—	7	6	—	6
	<u>336</u>	<u>28</u>	<u>364</u>	<u>334</u>	<u>56</u>	<u>390</u>
<b>Operating profit</b>						
	<u>336</u>	<u>28</u>	<u>364</u>	<u>334</u>	<u>56</u>	<u>390</u>
<b>Business sector</b>						
Manufacturing	317	—	317	321	—	321
Retail	19	28	47	13	56	69
	<u>336</u>	<u>28</u>	<u>364</u>	<u>334</u>	<u>56</u>	<u>390</u>
Operating profit	336	28	364	334	56	390
Other net income	47	421	468	21	8	29
	<u>383</u>	<u>449</u>	<u>832</u>	<u>355</u>	<u>64</u>	<u>419</u>
<b>Profit on ordinary activities before taxation</b>						
	<u>383</u>	<u>449</u>	<u>832</u>	<u>355</u>	<u>64</u>	<u>419</u>
<b>Net assets</b>						
<b>Geographical analysis (by origin and destination)</b>						
European Union, mainly						
United Kingdom and Ireland	1,287	—	1,287	1,228	219	1,447
Australia and New Zealand	230	—	230	246	—	246
North America	148	—	148	143	—	143
Other	45	—	45	39	—	39
	<u>1,710</u>	<u>—</u>	<u>1,710</u>	<u>1,656</u>	<u>219</u>	<u>1,875</u>
<b>Business sector</b>						
Manufacturing	1,609	—	1,609	1,560	—	1,560
Retail	101	—	101	96	219	315
	<u>1,710</u>	<u>—</u>	<u>1,710</u>	<u>1,656</u>	<u>219</u>	<u>1,875</u>
Net financial assets	1,219	—	1,219	440	—	440
	<u>2,929</u>	<u>—</u>	<u>2,929</u>	<u>2,096</u>	<u>219</u>	<u>2,315</u>

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2. OPERATING COSTS**

	For the year ended 13 September 1997			For the year ended 14 September 1996		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	£m	£m	£m	£m	£m	£m
Cost of sales	3,380	565	3,945	3,413	962	4,375
Distribution costs	519	148	667	509	208	717
Administrative expenses	202	25	227	187	38	225
Operating costs	4,101	738	4,839	4,109	1,208	5,317

	1997	1996
	£m	£m
Operating costs are stated after charging:		
Staff costs	642	716
Depreciation of fixed tangible assets	156	172
Hire of plant and machinery	8	7
Rentals payable under property leases	16	16
Research and development	7	7

The remuneration of the auditors in respect of audit services provided to the group during the year was £1.9 million (1996 – £1.8 million). The remuneration of the auditors and its associates in respect of non-audit services to the company and its UK subsidiaries was £1.4 million (1996 – £0.9 million).

**3. EMPLOYEES**

	1997	1996
Average number of employees:		
European Union, mainly United Kingdom and Ireland	31,160	36,203
Australia and New Zealand	7,075	6,876
North America	1,399	1,371
Other	677	661
	40,311	45,111
	£m	£m
Staff costs:		
Wages and salaries	579	640
Social security costs	38	51
Other pension costs	25	25
	642	716

# ABF INVESTMENTS GROUP

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 4. DIRECTORS' REMUNERATION

The remuneration of the directors was as follows:

	Salary or fees £000	Bonus £000	Benefits £000	1997 Total £000	1996 Total £000
GH Weston	375	—	11	386	350
HW Bailey	100	220	12	332	210
THM Shaw	142	—	13	155	143
	617	220	36	873	703

Benefits include the value attributable to benefits such as company cars, fuel and medical insurance.

Pension benefits earned by the directors<sup>(1)</sup>:

	Age at year end	Normal retirement age	Directors Contributions in the year <sup>(2)</sup>		Increase in accrued pension entitlement during the year <sup>(3)</sup>		Accumulated total accrued pension at year end	
			1997 £000	1996 £000	1997 £000	1996 £000	1997 £000	1996 £000
HW Bailey	61	65	4	13	4	21	162	155
THM Shaw	63	65	9	9	8	6	99	89

(1) The pension entitlement shown is that which would be paid annually on retirement based on service to the end of the year, or date of retirement if earlier. HW Bailey started to draw his pension from the scheme on 10 January 1997.

(2) Directors contributions in the year relate to contributions paid or payable in the year by the directors under the terms of the scheme.

(3) The increase in accrued pension during the year excludes any increase for inflation.

Dependant's pensions – A 50% spouse's pension is payable on death or after retirement.

Early retirement rights – The directors may retire before their normal retirement age, subject to a reduction for early payment.

Pension increases – Pensions are guaranteed to increase in line with the increases in RPI limited each year to 5%. Additional discretionary increases have been granted in the past.

### 5. PENSION COSTS

The group operates pension schemes, the majority of which are of the defined benefit type. The pension cost charge for the year was £25 million (1996 – £25 million).

The two main United Kingdom Schemes provide benefits based on final pensionable earnings. The pension costs in the United Kingdom are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The last actuarial valuations of the two major schemes were carried out as at 5 April 1996 and 1 October 1995. In these valuations it was assumed that the investment return would exceed price inflation by 4%, that salary increases would exceed price inflation by 2% and that increases in dividends would fall behind price inflation by between 0.5% and 0.75%. At the valuation dates the total market value of the two major schemes' assets was £1,382 million and the actuarial value of these assets represented 126% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The group also operates pension schemes in Australia and New Zealand and the United States. The charge for the year is based on recommendations by qualified local actuaries.



**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**6. INVESTMENT INCOME**

	1997 £m	1996 £m
Dividend income: – current asset equity investments	2	2
– associated undertakings	1	1
Interest from other current asset investments: – listed	–	5
– unlisted	66	42
Profit on sale of current asset equity investments	–	1
	<b>69</b>	<b>51</b>

**7. INTEREST PAYABLE**

	1997 £m	1996 £m
Bank loans and overdrafts	1	–
Other loans	30	28
	<b>31</b>	<b>28</b>

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1997 £m	1996 £m
The charge for the year is as follows:		
United Kingdom: – corporation tax at 32% (1996 – 33%)	92	93
Overseas: – income and corporation tax	40	50
– deferred tax	(1)	(3)
	<b>131</b>	<b>140</b>

The charge for United Kingdom corporation tax is stated after a deduction of £75 million for double taxation relief (1996 – £6 million) on dividends received from overseas subsidiaries.

The tax charge for the year has been reduced by capital losses, indexation relief and a rebasing of the tax value of assets.

**9. DIVIDENDS OF ABF INVESTMENTS plc**

	1997 £m	1996 £m
Ordinary dividends	1	90

**10. EARNINGS PER ORDINARY SHARE**

The calculation is based on available profit for the financial year of £693 million (1996 – £271 million) and 450 million shares (1996 – 450 million) being the number of ordinary shares in issue during the year.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**11. FIXED TANGIBLE ASSETS**

	<b>Total £m</b>	<b>Land and buildings £m</b>	<b>Plant and machinery £m</b>	<b>Fixtures and fittings £m</b>	<b>Payments on account £m</b>
Cost or valuation at 14 September 1996	2,666	757	1,446	401	62
Effect of currency changes	(87)	(29)	(36)	(20)	(2)
New subsidiary undertakings	18	5	11	–	2
Additions	257	35	171	38	13
Disposals	(56)	(13)	(33)	(10)	–
Disposal of subsidiary undertakings	(497)	(170)	(79)	(245)	(3)
<b>Cost or valuation at 13 September 1997</b>	<b>2,301</b>	<b>585</b>	<b>1,480</b>	<b>164</b>	<b>72</b>
Depreciation at 14 September 1996	1,016	109	696	211	–
Effect of currency changes	(33)	(4)	(21)	(8)	–
Provided during year	156	14	114	28	–
On disposals	(39)	(2)	(27)	(10)	–
On disposal of subsidiary undertakings	(195)	(21)	(46)	(128)	–
<b>Depreciation at 13 September 1997</b>	<b>905</b>	<b>96</b>	<b>716</b>	<b>93</b>	<b>–</b>
<b>Net book value at 13 September 1997</b>	<b>1,396</b>	<b>489</b>	<b>764</b>	<b>71</b>	<b>72</b>
<b>Net book value at 14 September 1996</b>	<b>1,650</b>	<b>648</b>	<b>750</b>	<b>190</b>	<b>62</b>
				<b>1997 £m</b>	<b>1996 £m</b>
Analysis of land and buildings at net book value:					
Freehold				442	590
Long leasehold				39	47
Short leasehold				8	11
				<b>489</b>	<b>648</b>

Land and buildings stated at valuation had a net book value at 13 September 1997 of £21 million (1996 – £23 million) based on valuations carried out principally in 1981/82. On a historical cost basis the net book value of these assets at 13 September 1997 would have been £16 million (1996 – £17 million).

The book value of land as at 13 September 1997 not amortised in the financial statements was £69 million (1996 – £87 million).

**12. CAPITAL COMMITMENTS**

There are commitments for capital expenditure by the group of approximately £46 million (1996 – £72 million) for which no provision has been made in these financial statements.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**13. FIXED ASSET INVESTMENTS**

	<b>Total £m</b>	<b>Associated under- takings £m</b>	<b>Other invest- ments £m</b>
At 14 September 1996	8	6	2
Additions	5	5	—
Transfers to subsidiary undertakings	(1)	(1)	—
At 13 September 1997	12	10	2

Investments are stated at cost.

Details of the principal associated undertakings and other investments are given on page 27.

**14. STOCKS**

	<b>1997 £m</b>	<b>1996 £m</b>
Raw materials and consumables	170	169
Finished goods and goods for resale	246	313
	416	482

**15. DEBTORS**

	<b>Company</b>		<b>Group</b>	
	<b>1997 £m</b>	<b>1996 £m</b>	<b>1997 £m</b>	<b>1996 £m</b>
Trade debtors	—	—	421	422
Amounts owed by subsidiary undertakings	—	323	—	—
Amounts owed by holding company	—	36	—	—
Other debtors	—	—	36	39
Prepayments and accrued income	—	—	27	42
	—	359	484	503

**16. CURRENT ASSET INVESTMENTS**

	<b>Company</b>		<b>Group</b>	
	<b>1997 £m</b>	<b>1996 £m</b>	<b>1997 £m</b>	<b>1996 £m</b>
Listed on a recognised stock exchange:				
Equity investments	6	5	20	22
Other listed investments	—	—	3	157
Unlisted investments	559	—	1,451	602
	565	5	1,474	781

The market value of the group's equity investments was £31 million (1996 – £28 million). Other listed and unlisted investments comprise interest bearing instruments and deposits. Listed investments include £1 million (1996 – £1 million) quoted on overseas stock exchanges.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**17. LOANS AND SHORT TERM BORROWINGS**

	<b>Company</b>		<b>Group</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Bank loans and overdrafts</b>	-	-	37	27
<b>Other loans</b>				
<b>Wholly repayable within five years</b>				
5½% unsecured loan stock 1987/2002	2	2	2	2
7½% unsecured loan stock 1987/2002	5	5	5	5
Other unsecured loans	-	-	12	2
Secured loans	-	-	5	5
<b>Wholly or partly repayable after five years</b>				
10¼% redeemable debenture stock 2013 (secured)	-	-	150	150
Other unsecured loans	-	-	4	5
	<b>7</b>	<b>7</b>	<b>215</b>	<b>196</b>
<b>Creditor analysis</b>				
Repayable:				
in one year or less: – bank loans and overdrafts	-	-	37	27
– other loans	7	-	21	6
	<b>7</b>	<b>-</b>	<b>58</b>	<b>33</b>
beyond one year: – between one and two years	-	-	2	1
– between two and five years	-	-	1	1
– in more than five years	-	7	154	161
	<b>-</b>	<b>7</b>	<b>157</b>	<b>163</b>

The secured loans are secured by floating charges over the assets of subsidiary undertakings. The analysis of the 1996 group figures has been restated to reflect the nature of the debt.

**18. CREDITORS**

	<b>Company</b>		<b>Group</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Amounts falling due within one year</b>				
Trade creditors	-	-	233	374
Taxation on profits	10	-	117	151
Other taxation and social security	-	-	17	29
Accruals and deferred income	13	-	239	279
Amounts owed to subsidiary undertakings	-	498	-	-
Amounts owed to holding company	210	-	2	105
	<b>233</b>	<b>498</b>	<b>608</b>	<b>938</b>
<b>Amounts falling due after one year</b>				
Taxation on profits	-	-	15	12

Taxation falling due after one year of £15 million includes £8 million payable on or before 30 September 1998 and £7 million on or before 16 June 1999.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**19. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Restructuring and other provisions</b>	<b>£m</b>
At 14 September 1996	38
Profit and loss account	17
Utilised	(1)
At 13 September 1997	54

No provision for deferred tax is required (1996 – £nil). The full potential liability in respect of accelerated capital allowances and other timing differences at 13 September 1997 was £84 million (1996 – £100 million). No deferred tax provision has been made in these financial statements for the additional tax which may be payable on the remittance to this country of the group's share of profits retained by overseas subsidiary undertakings.

**20. SHARE CAPITAL OF ABF INVESTMENTS plc**

	<b>Ordinary shares 5p each thousands</b>	<b>Nominal value £m</b>
<b>Authorised</b>		
At 13 September 1997 and 14 September 1996	600,000	30
<b>Issued</b>		
At 13 September 1997 and 14 September 1996	449,815	22

**21. RESERVES**

	<b>Share premium account £m</b>	<b>Revaluation reserve £m</b>	<b>Other reserves £m</b>	<b>Profit and loss account £m</b>
<b>GROUP</b>				
At 14 September 1996	192	5	1	2,022
Effect of currency changes	–	(1)	–	(46)
From profits of the year	–	–	–	692
Goodwill written off	–	–	–	(31)
Goodwill written back	–	–	–	2
At 13 September 1997	192	4	1	2,639
<b>COMPANY</b>				
At 14 September 1996	192	–	–	374
From profits of the year	–	–	–	641
At 13 September 1997	192	–	–	1,015

As permitted by Section 230 of the Companies Act 1985, no profit and loss account has been presented for the company.

# ABF INVESTMENTS GROUP

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 22. ACQUISITIONS

During the year the group acquired several small businesses for total consideration of £56 million (1996 – £16 million). The book value of the net tangible assets acquired amounted to £25 million (1996 – £9million). The difference between book value and the fair value of net assets acquired is not material.

The cumulative amount of goodwill written off as a result of acquisitions made in the current and earlier financial periods is £448 million (1996 – £439 million).

### 23. CONTINGENT LIABILITIES

The company and four UK subsidiary undertakings are party to cross guarantee and letter of charge arrangements in respect of their bank accounts with one of the group's bankers. Under these arrangements the company guarantees the payment, or discharge to the bank, of all monies and liabilities incurred by the other companies to the bank and all monies standing to the credit of any of the company's accounts in the bank's books shall stand charged, by way of fixed and specific charge, with the payment of all monies due by the other companies to the bank.

Litigation and other proceedings against companies in the group are not considered material in the context of these financial statements.

### 24. LEASES

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

Operating leases which expire:

	Within one year £m	Two to five years £m	Over five years £m	Total £m
Land and buildings	2	2	10	14
Others	1	2	1	4
At 13 September 1997	3	4	11	18
Land and buildings	1	4	8	13
Others	1	2	–	3
At 14 September 1996	2	6	8	16

### 25. SHARES IN SUBSIDIARY UNDERTAKINGS

	£m
At 14 September 1996	729
Additions	175
At 13 September 1997	904

Investments in subsidiary undertakings are shown at cost less amounts written off. A list of the principal trading subsidiary undertakings is given on page 26. Except where noted, none of the companies shown on page 26 is a direct subsidiary undertaking of ABF Investments plc.

The entire share capital of the companies listed are held within the group except where percentages are shown. These percentages give the group's ultimate interest and therefore allow for the position where subsidiaries are owned by partly owned intermediate subsidiaries.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**26. CASH FLOW FROM OPERATING ACTIVITIES**

	1997 £m	1996 £m
Operating profit	364	390
Depreciation	156	172
Movement in amounts due to holding company	(98)	(93)
(Increase)/decrease in working capital:		
Stocks	(6)	5
Debtors	(16)	(23)
Creditors	(30)	32
Provisions	16	1
<b>Net cash from operating activities</b>	<b>386</b>	<b>484</b>

**27. ACQUISITIONS AND DISPOSALS**

	Acquisitions		Disposals	
	1997 £m	1996 £m	1997 £m	1996 £m
<b>Net assets</b>				
Tangible fixed assets	18	13	302	1
Stocks	10	4	66	-
Debtors	6	5	20	-
Cash at bank and in hand	2	1	37	-
Creditors	(11)	(7)	(167)	-
Bank overdrafts	-	(2)	(21)	-
Loans and finance leases	-	(5)	-	(1)
<b>Net assets acquired/disposed</b>	<b>25</b>	<b>9</b>	<b>237</b>	<b>-</b>
Goodwill	31	7	2	-
Profit on disposal	-	-	424	-
<b>Total consideration</b>	<b>56</b>	<b>16</b>	<b>663</b>	<b>-</b>
<b>Satisfied by</b>				
Issue of short term loan notes	6	-	-	-
Cash	50	16	663	-
	<b>56</b>	<b>16</b>	<b>663</b>	<b>-</b>
<b>Net cash</b>				
Cash consideration	50	16	663	-
Cash and borrowings acquired/(disposed)	(2)	1	(16)	-
	<b>48</b>	<b>17</b>	<b>647</b>	<b>-</b>

On 8 May 1997 the group disposed of its interests in the Power Supermarkets and Stewarts food retailing groups for £639 million realising a profit before tax on disposal of £420 million after deducting goodwill written back of £2 million.

**ABF INVESTMENTS GROUP**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**28. ANALYSIS OF CHANGES IN FINANCING**

	1997 £m	1996 £m
Issue of short term loans	(8)	(3)
Repayment of short term loans	5	4
Issue of loans over one year	(2)	—
Repayment of loans over one year	1	—
Shares issued to minority shareholders	(8)	—
	<u>(12)</u>	<u>1</u>

**29. NET FUNDS**

	Total £m	Invest- ments £m	Cash at bank £m	Short term borrow- ings £m	Loans over one year £m
Increase in cash	27	(34)	58	3	—
Financing (note 28)	1	—	—	1	—
Management of liquid funds	72	72	—	—	—
Sale of equity investments	(2)	(2)	—	—	—
Changes in market value	(8)	(8)	—	—	—
Arising on acquisition of subsidiary undertakings	(5)	—	—	—	(5)
Effect of currency changes	2	2	(1)	—	1
	<u>87</u>	<u>30</u>	<u>57</u>	<u>4</u>	<u>(4)</u>
Movement in net funds in the year – 1995/96	87	30	57	4	(4)
Net funds at 16 September 1995	573	751	18	(37)	(159)
	<u>660</u>	<u>781</u>	<u>75</u>	<u>(33)</u>	<u>(163)</u>
Net funds at 14 September 1996	660	781	75	(33)	(163)
Increase in cash	16	68	(30)	(22)	—
Financing (note 28)	(12)	—	(8)	(3)	(1)
Management of liquid funds	633	633	—	—	—
Shares issued to minority shareholders	8	—	8	—	—
Sale of equity investments	(1)	(1)	—	—	—
Transfers	—	—	—	(7)	7
Loan notes issued to acquire a subsidiary undertaking	(6)	—	—	(6)	—
Effect of currency changes	—	(7)	(6)	13	—
	<u>638</u>	<u>693</u>	<u>(36)</u>	<u>(25)</u>	<u>6</u>
Movement in net funds in the year – 1996/97	638	693	(36)	(25)	6
Net funds at 14 September 1996	660	781	75	(33)	(163)
	<u>1,298</u>	<u>1,474</u>	<u>39</u>	<u>(58)</u>	<u>(157)</u>
Net funds at 13 September 1997	1,298	1,474	39	(58)	(157)



# ABF INVESTMENTS GROUP

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### 30. HOLDING COMPANY INFORMATION

The ultimate parent undertaking is Wittington Investments Limited which is incorporated in Great Britain and registered in England. The company is a wholly owned subsidiary of Associated British Foods plc. 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 Associated British Foods plc which is incorporated in Great Britain and registered in England. The consolidated financial statements of Associated British Foods plc are available to the public at 3-5 Rickmansworth Road, Watford, Hertfordshire, WD1 7HG.

### 31. RELATED PARTY TRANSACTIONS

The ABF Investments plc group's related parties, as defined by Financial Reporting Standard 8, the nature of the relationship and the extent of transactions with them are summarised below:

	Sub note	1997 £m	1996 £m
Sales to fellow subsidiaries on normal trading terms	1	6	7
Purchases from fellow subsidiaries on normal trading terms	1	—	—
Amounts due from fellow subsidiary undertaking	1	1	1
Sales to George Weston Limited on normal trading terms	2	—	1
Sales to associated undertakings on normal trading terms	3	62	39
Purchases from associated undertakings on normal trading terms	3	3	4
Amounts due from associated undertakings	3	9	5
Amounts due to associated undertakings	3	1	1

#### Sub notes

1. The fellow subsidiary company is Fortnum & Mason plc.
2. George Weston Limited is a Canadian listed company in which Mr WG Galen Weston, a director of Associated British Foods plc, the holding company of ABF Investments plc, has a controlling interest.
3. Details of the group's principal associated undertakings are set out on page 27.

## ABF INVESTMENTS GROUP

### PRINCIPAL SUBSIDIARY UNDERTAKINGS

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#### Manufacturing

	Country of incorporation
AB Ingredients Limited (95%)	United Kingdom
ABN Limited	United Kingdom
ABR Foods Limited	United Kingdom
AB Technology Limited	United Kingdom
Abitec Corporation	USA
AC Humko Incorporated	USA
Allied Bakeries Limited	United Kingdom
Allied Foods Co Limited (78%)	New Zealand
Allied Foods Limited	United Kingdom
Allied Grain Limited	United Kingdom
Allied Mills Limited	United Kingdom
British Sugar plc*	United Kingdom
British Sugar (Overseas) Limited	United Kingdom
Burtons Gold Medal Biscuits Limited	United Kingdom
Erik Haugen AS	Norway
Fishers Agricultural Holdings Limited	United Kingdom
Foods International SA	France
George Weston Foods Limited (78%)	Australia
Germain's (UK) Limited	United Kingdom
Germain's (Ireland) Limited	Republic of Ireland
Germain's Sp zoo (65%)	Poland
Gregg & Company Limited	United Kingdom
Grosvenor Marketing Limited	USA
Guangxi Boqing Food Co. (60%)	China
Henan Lianhua – BSO Glucose Co Limited (51%)	China
Henan Lianhua – BSO Pharmaceutical Co Limited (51%)	China
Jacksons of Piccadilly Limited	United Kingdom
Jordan's (NI) Limited	United Kingdom
Lax & Shaw Limited	United Kingdom
Mauri Products Limited (50%)	United Kingdom
Namosa Limited	United Kingdom
Provincial Merchants Limited	United Kingdom
R Twining & Company Limited	United Kingdom
R Twining & Co. Limited	USA
Seed Systems Incorporated	USA
Sugarpol (Torun) Sp zoo (68%)	Poland
The Ryvita Company Limited	United Kingdom
Trident Feeds	United Kingdom
Westmill Foods Limited	United Kingdom
Weston Research Laboratories Limited	United Kingdom

#### Retailing

Primark	Republic of Ireland
Primark Stores Limited*	United Kingdom

#### Investment companies

CWII Limited*	Jersey, Channel Islands
Eastbow Securities Limited*	United Kingdom
Serpentine Securities Limited*	United Kingdom

Group interest is 100% except where indicated

British Sugar (Overseas) Limited operates joint ventures in Europe and Asia.

Other than this company, each subsidiary operates mainly in its country of incorporation

\*Direct subsidiary of ABF Investments plc

**ABF INVESTMENTS GROUP  
INVESTMENTS**

		Issued ordinary share capital	
	Country of incorporation	Total	Group percentage
PRINCIPAL ASSOCIATED UNDERTAKINGS			
Wesmilk Pty Limited	Australia	A\$500,000	50
W A Country Bakers Pty Limited	Australia	A\$1,000,000	50
New Food Coatings Pty Ltd	Australia	A\$150,000	50
Harper-Love Adhesives Corporation	United States	US\$12,200	50
C Czarnikow Sugar Limited	United Kingdom	£1,000,000	42
Proofex Limited	Republic of Ireland	IEP800,000	30
PT Budi British Bahan Pangan	Indonesia	IDR 9,524 million	49.9
PT Associated British Budi	Indonesia	IDR 41,814 million	49.9

There is no significant loan capital in any of the associated undertakings.  
Each associate operates mainly in its country of incorporation.

**OTHER INVESTMENTS**

Berisford plc	United Kingdom	£76,345,842	6
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## ABF INVESTMENTS GROUP DIRECTORS' INTERESTS

### Beneficial interests

The directors of the company at the end of the year had the following beneficial interests, including family interests, in the shares and debentures of the company, its holding company and its fellow subsidiaries and subsidiary undertakings.

	13 September 1997	14 September 1996
<b>Garry H Weston</b>		
Wittington Investments Limited, ordinary shares of 50p	4,925	4,925
Associated British Foods plc, ordinary shares of 5p	693,324	693,324
George Weston Foods Limited, ordinary shares of 5 cents	2,017	2,017
<b>Harold W Bailey</b>		
Associated British Foods plc, ordinary shares of 5p	160,000	160,000
<b>Trevor HM Shaw</b>		
Associated British Foods plc, ordinary shares of 5p	95,710	95,710

### Controlling interest

The ultimate holding company of ABF Investments plc is Wittington Investments Limited, which holds 50.9% of the total issued ordinary share capital of the company's holding company Associated British Foods plc.

### Non-beneficial interests

The directors of the company at the end of the period had the following non-beneficial interests:

- 1 Garry H Weston is a trustee of a trust, in which he has no beneficial interest, which at 13 September 1997 held 683,073 ordinary shares of 50p (1996 – 683,073) in Wittington Investments Limited.
- 2 Harold W Bailey and Garry H Weston are trustees of trusts, in which they have no beneficial interest, which at 13 September 1997 held 1,583,938 ordinary shares of 5p (1996 – 1,583,938) in Associated British Foods plc.
- 3 Garry H Weston is a trustee of a trust, in which he has no beneficial interest, which at 13 September 1997 held 400,000 ordinary shares of 5p (1996 – 400,000) in Associated British Foods plc.

### Subsequent changes

The interests shown above remained the same at 3 November 1997.