

A.B.F. Properties Limited

Directors' report and financial
statements

Registered number 683361

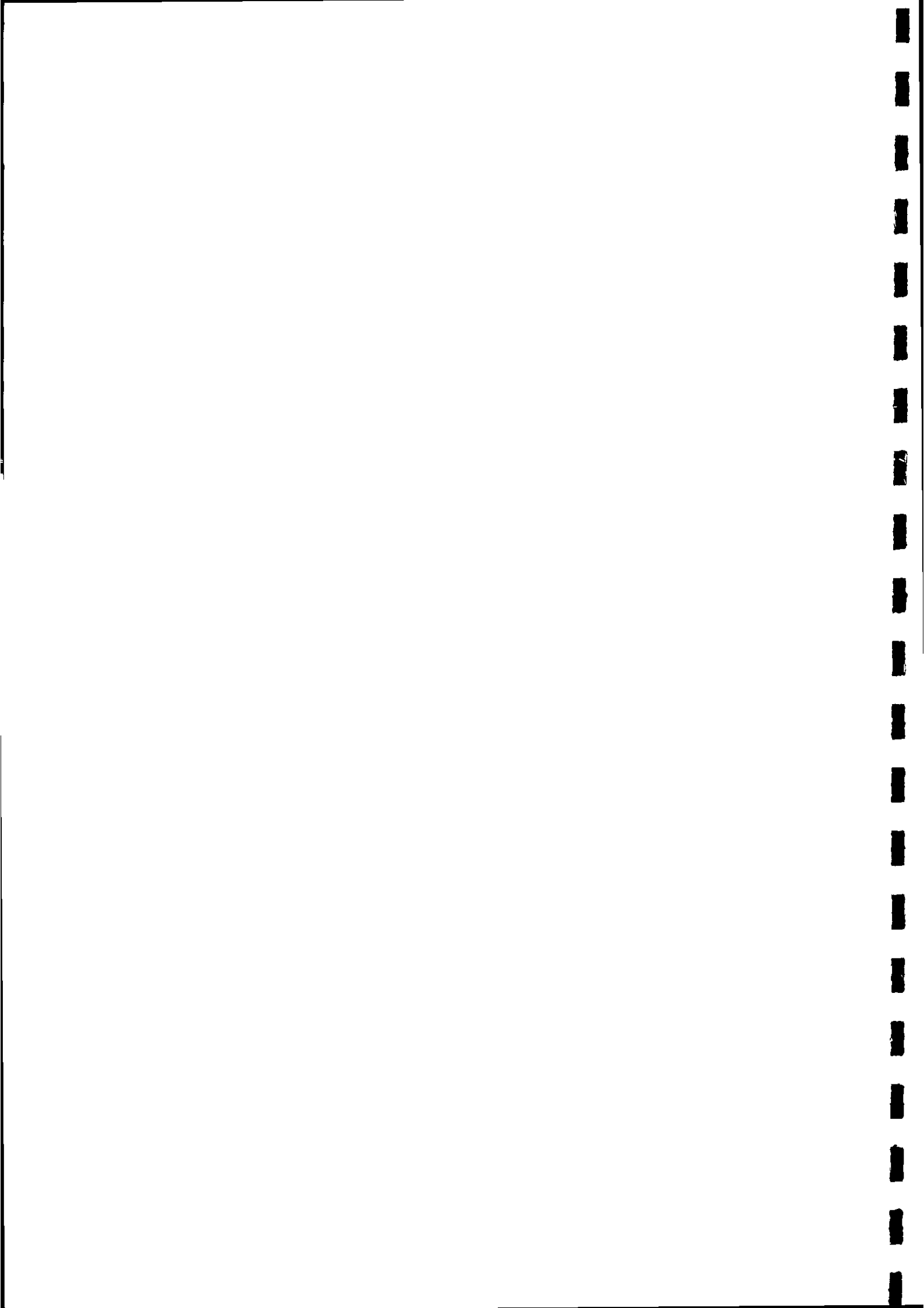
14 September 2002



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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 14 September 2002.

Principal activity

In the course of the period the principal activity was the ownership and letting of property.

Business review and future developments

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

During the period the company disposed of a number of its investment properties generating a profit of £1,097,000.

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 £1,589,000 (2001: £26,190,000). An interim dividend of £22,000,000 was paid during the year (2001: £nil). £20,411,000 was transferred from reserves (2001: a profit of £26,190,000 was transferred to reserves).

Fixed assets

Changes in tangible fixed assets are shown in note 6. The directors are of the opinion that the market value of interests in land and buildings at the end of the period exceeded the amounts at which they are 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:

KG Preedy	
PJ Jackson	(resigned 23 July 2002)
JG Bason	
PA Russell	
RS Mendelsohn	(nee Schofield)

Notification of an interest, or right to subscribe for, shares of this company and shares or debentures of other group companies by PA Russell and JG Bason was 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. RS Mendelsohn notified no interests.

Directors' report

Directors and directors' interests *(continued)*

The following director had the following interests in the ordinary share capital of Associated British Foods plc, as recorded in the Register of directors' interests.

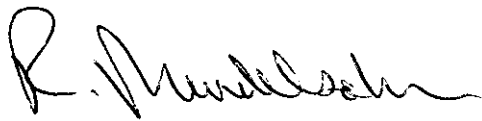
	Ordinary shares of 5 15/22p each at end of period	Ordinary shares of 5 15/22p each at beginning of period
KG Preedy	88	88

The following director had the following outstanding option to acquire ordinary shares in Associated British Foods plc.

	At 15 September 2001 shares of 5 15/22p each	Granted	At 14 September 2002 shares of 5 15/22p each	Exercise price	Date from which exercisable	Expiry date
KG Preedy	20,000	-	20,000	561.5p	28 April 2003	27 April 2008

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

By order of the board



RS Mendelsohn
Secretary

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LQ
5 JUNE 2003

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 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.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of A.B.F. Properties Limited

We have audited the financial statements on pages 5 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 stated in note 6 to the financial statements, properties with a net book value of £290,000 rented to non-group companies are not included in the balance sheet at their open market value in accordance with the requirements of Statement of Standard Accounting Practice No.19 (as amended) but instead have been included at their historic cost and have been depreciated. In the absence of any valuations of these properties, it is not possible for us to quantify the effect of this departure from the standard.

Except for any adjustments that might have been necessary to account for the investment properties as required, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 14 September 2002 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

5 June 2003

Profit and loss account

for the period ended 14 September 2002

	Note	52 week period ended 14 September 2002 £000	52 week period ended 15 September 2001 (restated) £000
Operating profit - continuing operations	3	745	736
Profit on sale of fixed assets		1,097	25,771
Interest receivable and similar income		1	41
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,843	26,548
Tax on profit on ordinary activities	5	(254)	(358)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,589	26,190
Interim dividends		(22,000)	-
		<hr/>	<hr/>
Retained (loss)/profit for the financial year		(20,411)	26,190
Retained profit brought forward		77,415	51,225
		<hr/>	<hr/>
Retained profit carried forward		57,004	77,415
		<hr/>	<hr/>

There is no 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 14 September 2002

	Note	14 September 2002		15 September 2001 (Restated)	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	6		1,299		1,459
Current assets					
Debtors	7	81,043		101,136	
Cash at bank and in hand		4		-	
Creditors: amounts falling due within one year	8	(210)		(58)	
Net current assets			80,837		101,078
Total assets less current liabilities			82,136		102,537
Provisions for liabilities and charges	9		(132)		(122)
Net assets			82,004		102,415
Capital and reserves					
Called up share capital	10		25,000		25,000
Profit and loss account			57,004		77,415
Equity shareholders' funds			82,004		102,415

These financial statements were approved by the board of directors on 5 JUNE 2003 and were signed on its behalf by:



PA Russell
Director

Statement of total recognised gains and losses
for the period ended 14 September 2002

	52 week period ended 14 September 2002 £000	52 week period ended 15 September 2001 (restated) £000
Profit for the financial year	1,589	26,190
Prior year adjustment (as explained in note 2)	(122)	
	<hr/>	
Total gains and losses recognised since last annual report	1,467	
	<hr/>	

Reconciliation of movements in shareholders' funds
for the period ended 14 September 2002

	52 week period ended 14 September 2002 £000	52 week period ended 15 September 2001 (restated) £000
Opening shareholders' funds as previously reported	102,537	76,276
Prior year adjustment	(122)	(51)
	<hr/>	<hr/>
Opening shareholders' funds restated	102,415	76,225
Profit for the financial year	1,589	26,190
Dividends	(22,000)	-
	<hr/>	<hr/>
Closing shareholders' funds	82,004	102,415
	<hr/>	<hr/>

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 14 September 2002.

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 the accounts do not comply with Statement of Standard Accounting Practice No.19 (as amended) in that investment properties are recorded at cost less depreciation. The market value of these properties is not known.

Accounting standards have been applied consistently except that the company has adopted FRS 19 Deferred Taxation during the year.

Under Financial Reporting Standard 1 (revised) 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.

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties, as 90% or more of the voting rights of the company are controlled within the group and the company was included in the consolidated financial statements of the group which are publicly available.

Fixed assets and depreciation

Depreciation is provided on the original cost of assets and is calculated 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. The anticipated life of other assets is generally deemed to be not longer than:

Freehold buildings	-	66 years
Plant and machinery	-	12 years

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not discounted.

FRS 19 "Deferred Taxation" has been adopted in the period. As a result a prior period adjustment was required of £51,000. The effect of this change in policy on reported profit has been to increase the tax charge in the current year by £10,000.

Notes (continued)

3 Operating profit

	52 week period ended 14 September 2002 £000	52 week period ended 15 September 2001 £000
Rents receivable	782	1,178
Less: Rents payable	(38)	(30)
Other property income less costs	1	(407)
Net rental income	745	741
Administrative expenses	-	(5)
Operating profit	745	736
<i>Profit before taxation is stated after charging</i>		
Depreciation and other amounts written off fixed tangible assets:		
Owned	37	59
Leased	5	10
Auditors' remuneration	-	5

The auditors' remuneration was borne by the holding company in the current period.

4 Directors' emoluments

The directors received no emoluments (2001: nil) in respect of their services as directors of this company.

Notes (continued)

5 Taxation on profit on ordinary activities

	52 week period ended 14 September 2002	52 week period ended 15 September 2001 (restated)
	£000	£000
UK corporation tax at 30%	244	287
Deferred taxation	10	71
	<u>254</u>	<u>358</u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	52 week period ended 14 September 2002	52 week period ended 15 September 2001 (restated)
	£000	£000
Profit on ordinary activities before tax	<u>1,843</u>	<u>26,548</u>
Profit on ordinary activities before tax at the standard rate of corporation tax	553	7,964
Expenses not deductible for tax purposes	30	2
Utilisation of losses	(329)	(7,731)
Timing differences	(10)	52
Total current tax	<u>244</u>	<u>287</u>

Notes (continued)

6 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Total £000
Cost				
At beginning of period	1,874	213	62	2,149
Disposals	(217)	-	-	(217)
At end of period	1,657	213	62	1,932
Depreciation				
At beginning of period	588	71	31	690
Charge for period	32	5	5	42
Disposals	(99)	-	-	(99)
At end of period	521	76	36	633
Net book value				
At 14 September 2002	1,136	137	26	1,299
At 15 September 2001	1,286	142	31	1,459

Included in the above are certain investment properties which are rented to non-group companies. These properties have been included at their cost of £408,000 with accumulated depreciation of £118,000 as at 14 September 2002. The open market value of these properties is not known.

Analysis of leasehold land and buildings at net book value

	14 September 2002 £000	15 September 2001 £000
Long leasehold	135	141
Short leasehold	2	1
	137	142

Freehold land of £32,000 (2001: £33,000) is not depreciated.

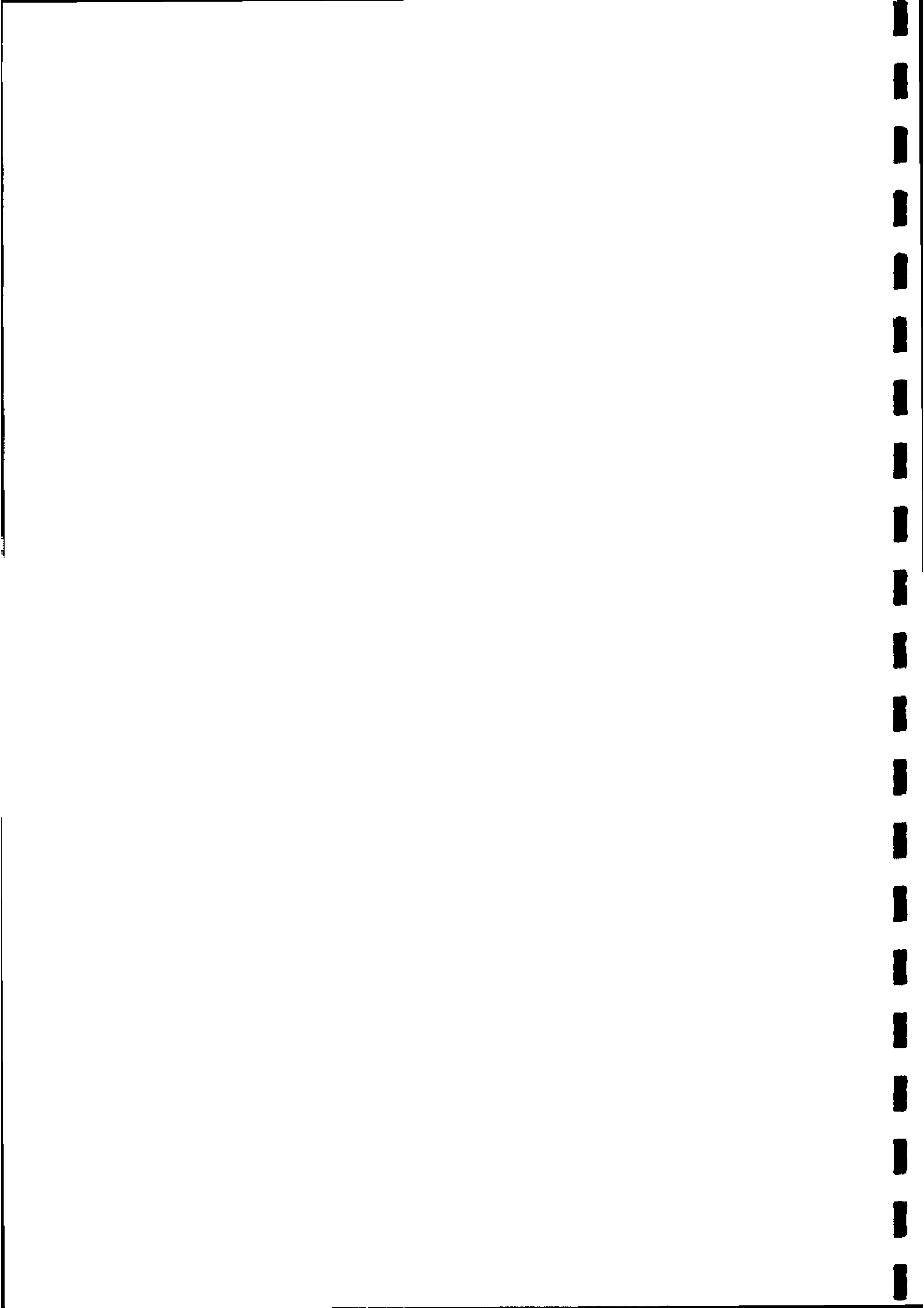
Notes *(continued)*

7 Debtors: amounts falling due within one year

	14 September 2002 £000	15 September 2001 £000
Trade debtors	43	44
Capital debtors	-	1,712
Amounts owed by parent undertaking	65,746	84,118
Amounts owed by other subsidiaries	15,254	15,171
Corporation tax	-	77
Prepayments and accrued income	-	14
	<u>81,043</u>	<u>101,136</u>

8 Creditors

	14 September 2002 £000	15 September 2001 £000
Amounts falling due within one year		
Trade creditors	3	-
Bank loan and overdrafts	-	7
Corporation tax payable	172	-
Accruals and deferred income	8	30
Amounts due to other subsidiaries	27	21
	<u>210</u>	<u>58</u>



Notes *(continued)*

9 Provision for liabilities and charges

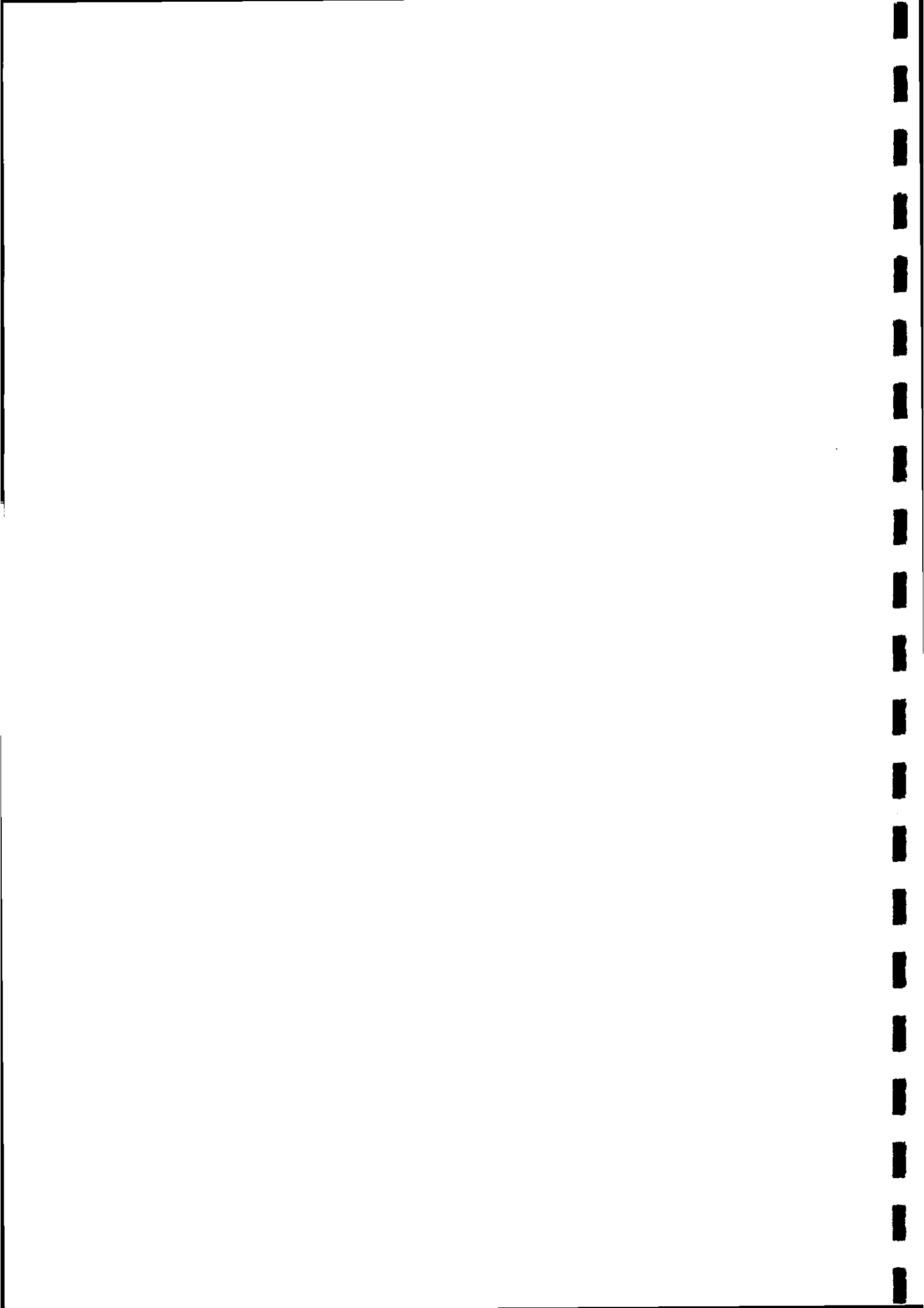
	14 September 2002 £000	15 September 2001 (restated) £000
Accelerated capital allowances	132	131
Other short term timing differences	-	(9)
	<hr/>	<hr/>
Total deferred tax provision	132	122
	<hr/>	<hr/>

Movement on provision for liabilities and charges

	14 September 2002 £000	15 September 2001 (restated) £000
Opening balance	122	51
Amount charged to profit and loss account	10	71
	<hr/>	<hr/>
Closing balance	132	122
	<hr/>	<hr/>

10 Called up share capital

	14 September 2002 £000	15 September 2001 £000
<i>Authorised</i>		
30,000,000 Ordinary shares of £1 each	30,000	30,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
25,000,000 Ordinary shares of £1 each	25,000	25,000
	<hr/>	<hr/>



Notes *(continued)*

11 Contingent liabilities

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

12 Holding company

The ultimate holding company 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 at Companies House.

