

Registered number: 00155305

ABF (No.3) Limited

Annual Report and Financial Statements

12 September 2020



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Strategic Report for the Period from 15 September 2019 to 12 September 2020

The directors present their Strategic Report on ABF (No.3) Limited (the “company”) for the period from 15 September 2019 to 12 September 2020.

Review of the company's business

The principal activity of the company is that of a finance company within the Associated British Foods plc group (the “group”).

During the period, the main activities of the company remained unchanged and the directors anticipate that the company will continue to operate on the same basis.

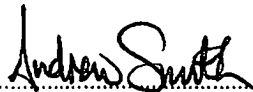
Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties in its role as a financing company within the group. A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a subsidiary, are disclosed on pages 84 to 90 of the 2020 Annual Report, which is available at www.abf.co.uk. This is supplemented by the section on principal risks and uncertainties in the Interim Results Announcement of Associated British Foods plc dated 20 April 2021.

Trading results and transfer to reserves

The company's result for the year is reflected in the Statement of Total Comprehensive Income on page 7. The profit on ordinary activities after taxation amounted to £19,000 (2019: £23,000). No dividends were declared or paid in the current or prior period.

Approved by the Board on 26 May 2021 and signed on its behalf by:



AA Smith
Director

Registered office Weston Centre
10 Grosvenor Street
London
W1K 4QY

Directors' Report for the Period from 15 September 2019 to 12 September 2020

The directors present their Annual Report and the financial statements on ABF (No.3) Limited (the "company") for the period from 15 September 2019 to 12 September 2020.

Dividends

No dividends were declared and paid in the period (2019: £nil). The directors do not recommend the further payment of a dividend.

COVID-19 and going concern

The COVID-19 pandemic has continued across the world and, at the time of approving these financial statements, had no adverse impact on the company.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2021 full year impact cannot yet be known.

The company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the company to trade and meet its liabilities as and when they become due for a period of at least 12 months from the date of signing of these financial statements.

After making due enquiries and considering the impact of COVID-19 and the support available from the intermediate parent company described above, the directors have a reasonable expectation that the company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the impact of COVID-19 on the wider ABF group, the ABF group's directors' assessment of going concern (set out in the 2021 Interim Results Announcement dated 20 April 2021 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to September 2022, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Directors of the company

The directors who held office during the period and as at the date of approval of this Director's report were:

AA Smith

RS Schofield (resigned 24 December 2020)

The following director was appointed after the period end:

RG Cahill (appointed 23 December 2020)

Directors' indemnities

The directors have benefited from the Associated British Foods plc group Directors and Officers Insurance policy. One director benefited from indemnity provisions provided by ABF Investments plc, a subsidiary of Associated British Foods plc, during the financial period, subject to the conditions set out in the Companies Act 2006.

Health and safety

The company, and the broader group of which it forms part, keeps its health, safety and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective.

**Directors' Report for the Period from 15 September 2019 to 12 September 2020
(continued)**

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the reasonable steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Reappointment of auditor

The auditor Ernst & Young LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 26 May 2021 and signed on its behalf by:



AA Smith
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of ABF (No.3) Limited

Opinion

We have audited the financial statements of ABF (No.3) Limited (the "Company") for the 52 week period ended 12 September 2020, which comprise the Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 12 September 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- disclosure of effects of COVID-19

We draw attention to note 1 of the financial statements, which describes the financial and operational consequences the Company faces as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of ABF (No.3) Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Ernst + Young LLP

Jon Killingley (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 May 2021

Statement of Total Comprehensive Income
for the Period from 15 September 2019 to 12 September 2020

	Note	2020 £'000	2019 £'000
Interest received		<u>24</u>	<u>28</u>
Profit before tax		24	28
Taxation	5	<u>(5)</u>	<u>(5)</u>
Profit for the period		19	23
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>19</u>	<u>23</u>

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

Balance Sheet
at 12 September 2020

	Note	2020 £'000	2019 £'000
Current assets			
Debtors	6	2,375	2,351
Current liabilities			
Income tax liability		(13)	(8)
Net assets		<u>2,362</u>	<u>2,343</u>
Capital and reserves			
Share capital	7	66	66
Profit and loss account		<u>2,296</u>	<u>2,277</u>
Shareholders' funds		<u>2,362</u>	<u>2,343</u>

Approved by the Board on 26 May 2021 and signed on its behalf by:



AA Smith
Director

Registered number: 00155305

Statement of Changes in Equity
for the Period from 15 September 2019 to 12 September 2020

	Share capital £'000	Profit and loss account £'000	Total £'000
At 16 September 2018	66	2,254	2,320
Profit for the period	-	23	23
Total comprehensive income	-	23	23
At 14 September 2019	66	2,277	2,343
	Share capital £'000	Profit and loss account £'000	Total £'000
At 15 September 2019	66	2,277	2,343
Profit for the period	-	19	19
Total comprehensive income	-	19	19
At 12 September 2020	66	2,296	2,362

The notes on pages 10 to 13 form an integral part of these financial statements.

Notes to the Financial Statements

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of ABF (No.3) Limited (the “company”) for the 52 week period ended 12 September 2020 were authorised for issue by the board of directors on 26 May 2021.

The company’s financial statements are presented in sterling, rounded to the nearest thousand pounds (£’000), except where otherwise indicated. They are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”) and the Companies Act 2006.

The company has taken advantage of the disclosure exemptions permitted by FRS 101 in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Associated British Foods plc.

COVID-19 and going concern

The COVID-19 pandemic has continued across the world and, at the time of approving these financial statements, had no adverse impact on the company.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2021 full year impact cannot yet be known.

As set out in note 8, the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in its Annual Report dated 3 November 2020 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the company to trade and meet its liabilities as and when they become due for a period of at least 12 months from the date of signing of these financial statements.

After making due enquiries and considering the impact of COVID-19 and the support available from the intermediate parent company described above, the directors have a reasonable expectation that the company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the impact of COVID-19 on the wider ABF group, the ABF group’s directors’ assessment of going concern (set out in the 2021 Interim Results Announcement dated 20 April 2021 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group’s directors’ stress testing of cash flow forecasts through to September 2022, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

The company is a private limited company incorporated in Great Britain and domiciled in England and Wales.

These accounts have been prepared for the 52 week period ended 12 September 2020.

Notes to the Financial Statements (continued)

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Interest

Interest on financial assets held at amortised cost is recognised in the statement of total comprehensive income using the effective interest method.

Financial assets and liabilities

Financial assets are measured initially at fair value plus directly attributable transaction costs and thereafter at amortised cost.

Allowance for doubtful debts is recognised based on management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model).

Interest-bearing loans

All loans are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest method.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

3 Directors' remuneration

Key management, which is limited to the named directors of the company, received no emoluments in respect of their services to this company in either the current or the prior period.

4 Auditor's remuneration

The auditor's remuneration was borne by Associated British Foods plc in both the current and prior period.

Notes to the Financial Statements (continued)

5 Taxation

Tax charged in the profit and loss account

	2020 £'000	2019 £'000
Current taxation		
Current tax	<u>5</u>	<u>5</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK of 19% (2019 - 19%).

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. The legislation to effect these changes was enacted before the balance sheet date and UK deferred tax has accordingly been calculated at 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's/group's deferred tax balances.

6 Debtors

	2020 £'000	2019 £'000
Debtors from intermediate holding company	<u>2,375</u>	<u>2,351</u>

Amounts due from the intermediate holding company for the current and prior year were interest-bearing.

7 Share capital

	Ordinary shares of £1 each	Nominal value £'000
Issued and fully paid		
At 14 September 2019 and 12 September 2020	<u>66,000</u>	<u>66</u>

Notes to the Financial Statements (continued)

8 Holding company

The immediate holding company is ABF Investments plc, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

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 and Wales. The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of these companies. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.