

AB Agri Limited (formerly ABNA Limited)
Directors' Report and Financial
Statements
16 September 2006

Registered no: 193800

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AB Agri Limited (formerly ABNA Limited)

Directors' report and financial statements

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AB Agri Limited (formerly ABNA Limited)

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 16 September 2006.

Principal activities

In the course of the period the principal activities of the company were the manufacture and sale of animal feed and agricultural products, the marketing of arable products and livestock, and provision of agricultural services.

Business review

This has been another challenging year but one in which we have made good progress with our targeted growth sectors.

Our feed micro-ingredient business, AB Vista, is rapidly expanding its global footprint, marketing technically proven products, which are sourced from ABF businesses or leading ingredient manufacturers with whom we have a strategic partnership. The product portfolio includes feed enzyme sales in Europe, Africa, North and South America. The introduction of novel products together with further strategic partnerships is expected to result in continued growth in the coming year.

A number of external factors put real pressure on our performance.

Avian Influenza had a major, direct impact on our business. The virus resulted in a reduced market for our feed micro-ingredient products in EU countries where poultry flocks had to be culled. Feed sales in the UK were also reduced as poultry producers reduced flock numbers due to competition from very cheap poultry from EU countries where consumers avoided buying poultry due to misconceptions over food safety.

Unprecedented electricity, gas and DERV price increases cost us an extra £1.8 Million in the UK, which challenged our feed businesses.

AB Agri Limited (formerly ABNA Limited)

Directors' report *(continued)*

Business review (continued)

Our UK feed businesses were re-structured in the late Spring, so that we are better aligned to meet the changing needs of our customers

Despite these challenges and changes, we have continued to outperform the competition in most of our markets

On the 12th of March 2007 ABNA Limited changed its name to AB Agri Limited.

Research and development

The company continued its expenditure on research and development during the period.

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 9. Profit on ordinary activities after taxation amounted to £8,328,000 (2005: £7,019,000). An interim ordinary dividend of £8,000,000 (2005: £nil) was paid in the year. The directors do not recommend payment of a final dividend (2005: £nil). The retained profit of £328,000 (2005: £7,019,000) has been transferred to reserves

Market value of land and buildings

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

AB Agri Limited (formerly ABNA Limited)

Directors' report (*continued*)

Policy and practice on payment of creditors

The company, along with its parent company Associated British Foods plc, follows the code laid down by The Better Payment Practice Group with regard to payments to suppliers. The Better Payment Practice Group was formed in 1997 as a partnership between the public and private sectors and aims to improve the payment culture of the UK business community and to reduce the incidence of late payment of commercial debt. In order to comply with this code the company agrees payment terms with its suppliers at the time it enters into binding purchasing contracts for the supply of goods and services. Its suppliers are in that way made aware of these terms. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The outstanding trade creditors at the balance sheet date, as a proportion of payments to suppliers during the period, represents 18 days purchases (2005, 12 days)

Directors and directors' interests

The directors who held office during the period and at the date of this report were as follows:

R C Cloke	(appointed 13 October 2006)
S Grainger	
J P Greenhalgh	(resigned 13 October 2006)
N Kimberley	
A Murphy	(appointed 18 January 2007)
C S Peck	(resigned 18 January 2007)
H Raine	(resigned 17 October 2006)
D J D Yiend	

The company does not have a designated chairman.

Subsequent to the year-end, on 13 October 2006, John Greenhalgh resigned and Richard Cloke was appointed a director to replace him. Helen Raine also resigned as a director of the company on 17 October 2006.

On 18 January 2007, Christopher Peck resigned and Alan Murphy was appointed to replace him.

None of the directors who held office at the end of the financial period notified any interests in Associated British Foods plc at the end of the period.

AB Agri Limited (formerly ABNA Limited)

Directors' report (*continued*)

Directors and directors' interests (*continued*)

On 16 September 2006 no directors had outstanding options to acquire ordinary shares in Associated British Foods plc.

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Long term incentive plan

In December 2003 D J D Yiend was conditionally allocated 39,292 shares under the Associated British Foods Executive Share Incentive Plan 2003. The share price at the date of allocation was 565.0p and the expected date of release for these shares is 17 December 2006. Full details of the long term incentive plan are provided in the financial statements of the parent company, Associated British Foods plc.

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

Employees

The company is committed to offering equal opportunities to all persons in their recruitment, training and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the company an opportunity for retraining.

Political and charitable contributions

The company made no political contributions during the current or preceding financial periods. Donations to UK charities amounted to £7,000 (2005: £3,000).

Disclosure of information to auditors

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 auditors are unaware, and each director has taken steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AB Agri Limited (formerly ABNA Limited)

Directors' report *(continued)*

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the board


D J D Yiend
Director

Registered Office,
Weston Centre
10 Grosvenor Street
London
W1K 4QY

Date 18 April 2007

AB Agri Limited (formerly ABNA Limited)

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable 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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 then apply them consistently;
- make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

*1 Puddle Dock
London
EC4V 3PD
United Kingdom*

Independent auditors' report to the members of AB Agri Limited (formerly ABNA Limited)

We have audited the financial statements of AB Agri Limited (formerly ABNA Limited) for the period ended 16 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of AB Agri Limited (formerly ABNA Limited) (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 16 September 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

WMS Audit for

KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 April 2007

AB Agri Limited (formerly ABNA Limited)

Profit and loss account

for the 52 week period ended 16 September 2006

	Note	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Turnover			
- continuing operations		500,449	605,264
Operating profit			
- continuing operations	3	3,575	7,409
Loss on sale of fixed assets – continuing operations		(37)	(194)
Loss on sale of discontinued operations	5	-	(2,730)
Other interest receivable and similar income	6	9,239	4,613
Interest payable and similar charges	7	-	(440)
Profit on ordinary activities before taxation	3	12,777	8,658
Tax on profit on ordinary activities	9	(4,449)	(1,639)
Profit for the financial year		8,328	7,019

There were no recognised gains or losses, in the current or preceding financial periods, other than the profit for the financial period

There is no material difference between the profit on ordinary activities and the retained profit for the period stated above, and their historical cost equivalents

AB Agri Limited (formerly ABNA Limited)

Balance sheet at 16 September 2006

	<i>Not e</i>	16 September 2006 £000	17 September 2005 £000
Fixed assets			
Tangible assets	10	40,596	43,594
Investments	12	18,543	18,543
		<u>59,139</u>	<u>62,137</u>
Current assets			
Stocks	13	6,443	6,545
Debtors (including £20,166 (2005 £19,766) due after more than one year)	14	106,912	97,989
Cash at bank and in hand		3,631	7,473
		<u>116,986</u>	<u>112,007</u>
Creditors - amounts falling due within one year	15	(43,290)	(41,496)
Net current assets		<u>73,696</u>	<u>70,511</u>
Total assets less current liabilities		<u>132,835</u>	<u>132,648</u>
Creditors - amounts falling due after more than one year	16	(156)	(190)
Provision for liabilities and charges	17	(5,276)	(5,383)
Net assets		<u>127,403</u>	<u>127,075</u>
Capital and reserves			
Called up share capital	18	102,000	102,000
Profit and loss account	19	25,403	25,075
Shareholders' funds	19	<u>127,403</u>	<u>127,075</u>

These financial statements were approved by the board of directors on 18th April 2007 and were signed on its behalf by



R C Cloke
Director

AB Agri Limited (formerly ABNA Limited)

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 16 September 2006.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date', and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption.

FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. The corresponding amounts in these financial statements are restated in accordance with the new policies.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Associated British Foods plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Associated British Foods plc, within which this company is included, can be obtained from the address given in note 24.

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

Intangible assets

Intangible assets relate to the excess of the fair value of the purchase consideration given over the fair value of the customer lists and trade acquired.

The assets are amortised over the length of time the directors anticipate receiving separately identifiable income streams from the goodwill purchased, this does not exceed 10 years

Fixed assets and depreciation

Depreciation is provided on the original cost of assets and is calculated on a straight line basis at rates sufficient to reduce them to their estimated residual value. No depreciation is provided on freehold land. Leaseholds are written off over the period of the lease or 50 years, whichever is the shorter period. The anticipated useful life of other assets is generally deemed to be not longer than:

Freehold buildings	50 years
Plant, machinery, fixtures and fittings	5-12 years
Vehicles	8 years

Deferred income

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

Leases

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

Research and development

Expenditure on research and development is written off to the profit and loss account in the period in which it is incurred.

AB Agri Limited (formerly ABNA Limited)

Notes *(continued)*

Stocks

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

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

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

Post-retirement benefits

The company participates in group-wide pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Investments

Investments are stated at cost less amounts written off in respect of any impairment in value.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

The company recognises revenue at the point of despatch of goods and for services when they have been provided.

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

3 Operating profit and profit on ordinary activities before taxation

In the opinion of the directors, the company operates in only one business segment, being the manufacture, purchase and sale of agricultural products. Materially all of the company's turnover and results arise from trade within the European Union, principally the United Kingdom. Materially all of the company's net assets are located in the United Kingdom.

Administration expenses in 2005 included an adjustment of £1,727,000 in respect of an FRS11 write back on a property owned by Allied Grain.

Profit on ordinary activities before taxation is stated after charging:

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Depreciation of tangible fixed assets	6,580	6,912
Auditor's remuneration:		
- audit fees	125	138
Hire of plant and machinery		
- rentals payable under operating leases	80	469
Land and building payments under operating leases	283	257
Research and development expenditure	41	102
Loss/(profit) on disposal of fixed assets	56	(975)
Amortisation of intangible assets - goodwill	-	21
Restructuring costs	1,670	300

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Associated British Foods plc.

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

4 Directors and employees

The average weekly number of employees, including directors, of the company during the period was 927 (2005: 1,163). In the opinion of the directors, all employees fall into a single category.

The aggregate payroll costs of these persons were as follows:

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Wages and salaries	24,569	29,266
Social security costs	2,242	2,479
Pension costs	3,274	2,933
	<hr/>	<hr/>
	30,085	34,678
	<hr/>	<hr/>

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Directors' emoluments	1,047	1,102
Compensation for loss of office	-	258
	<hr/>	<hr/>
	1,047	1,360
	<hr/>	<hr/>

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

4 Directors and employees (continued)

Of the directors' emoluments £253,000 (2005: £295,000) was paid by other group companies on behalf of AB Agri Limited (formerly ABNA Limited). The aggregate emoluments of the highest paid director was £253,000 (2005: £295,000), this figure includes company pension contributions of £10,000 (2005: £49,000) that were made on their behalf

	Number	Number
Retirement benefits are accruing to the following number of directors under defined benefit schemes	5	6
	<u> </u>	<u> </u>

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

5 Loss on sale/termination of business

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Disposals		
Purchased goodwill	-	175
Tangible fixed assets	-	13,847
Stock	-	27,654
Debtors	-	39,589
Cash	-	(4,675)
Creditors	-	(22,184)
	<hr/>	<hr/>
Net assets disposed	-	54,406
Provisions	-	1,837
Loss on disposal	-	(2,730)
	<hr/>	<hr/>
Total consideration	-	53,513
	<hr/>	<hr/>
Satisfied by		
Cash consideration	-	54,598
Deferred consideration	-	(1,085)
	<hr/>	<hr/>
	-	53,513
	<hr/>	<hr/>

The loss on sale/termination of business in 2005 arose primarily due to the following:

- In April 2005, the company contributed the assets of the Allied Grain and Kings businesses into Frontier, a joint venture with Cargill plc.
- In June 2005, the company sold its SugaRich feed business to Factory Services UK Limited

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

6 Other interest receivable and similar income

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Interest receivable on finance leases	77	75
Other interest receivable	9,162	4,538
	<u>9,239</u>	<u>4,613</u>

7 Interest payable and similar charges

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Interest payable on other loans	-	(440)
	<u>-</u>	<u>(440)</u>

8 Dividends

The aggregate amount of dividends comprises

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	8,000	-
	<u>8,000</u>	<u>-</u>

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

9 Tax on profit on ordinary activities

Analysis of tax charge

	16 September 2006 £000	17 September 2005 £000
<i>UK corporation tax</i>		
Current tax on income for the period	3,904	3,220
<i>Deferred tax (see note 17)</i>		
Creation/(reversal) of timing differences	545	(1,068)
Adjustment in respect of previous years	-	(513)
Tax on profit on ordinary activities	<u>4,449</u>	<u>1,639</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2005 higher) than the standard rate of corporation tax in the UK 30% (2005 30%). The differences are explained below.

	16 September 2006 £000	17 September 2005 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	12,777	8,658
Current tax at 30% (2005 30%)	3,833	2,597
Effects of:		
Expenses not deductible for tax purposes	616	(445)
Capital allowances for period higher than depreciation	(545)	1,068
Total current tax charge (see above)	<u>3,904</u>	<u>3,220</u>

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

10 Tangible assets

	Land and Freehold Buildings	Long Leasehold Buildings	Plant, Machinery Fixtures and Fittings, Vehicles	Total
	£000	£000	£000	£000
<i>Cost or valuation</i>				
At beginning of period	22,357	1,120	78,415	101,892
Additions	566	-	5,068	5,634
Disposals	(637)	-	(2,081)	(2,718)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	22,286	1,120	81,402	104,808
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	9,005	614	48,679	58,298
Charge for the period	623	95	5,862	6,580
Disposals	(52)	-	(614)	(666)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	9,576	709	53,927	64,212
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 16 September 2006	12,710	411	27,475	40,596
	<hr/>	<hr/>	<hr/>	<hr/>
At 17 September 2005	13,352	506	29,736	43,594
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land of £2,431,000 is not depreciated (2005 £3,109,000).

Included in the net book value of £27,475,000 in respect of plant, machinery, fixtures, fittings and vehicles is £nil (2005 £nil) in respect of assets held under finance leases

11 Capital commitments

Capital commitments at the end of the financial period, for which no provision has been made, amounted to £272,000 (2005 £879,000)

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

12 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning and end of period	18,543

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

	Country of registration	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
ABN (Overseas) Limited	England and Wales	Investment company	100% Ordinary
ABN (Scotland) Limited	Scotland	Non-trading	100% Ordinary
Courtyard Beef UK Limited	England and Wales	Non trading	100% Ordinary

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

13 Stocks

	16 September 2006 £000	17 September 2005 £000
Raw materials and consumables	4,784	4,834
Finished goods and goods for resale	1,659	1,711
	6,443	6,545

AB Agri Limited (formerly ABNA Limited)

Notes *(continued)*

14 Debtors

	16 September 2006 £000	17 September 2005 £000
<i>Amount falling due within one year</i>		
Trade debtors	75,908	68,875
Amounts owed by group undertakings	381	404
Other debtors	1,948	4,732
Prepayments and accrued income	8,506	4,208
Loan receivable	3	4
	<hr/>	<hr/>
	86,746	78,223
<i>Amount falling due after one year</i>		
Amounts owed by group undertakings	19,666	19,266
Loan receivable	500	500
	<hr/>	<hr/>
	106,912	97,989
	<hr/>	<hr/>

Other debtors falling due after one year include amounts due in respect of commercial vehicles.

As at 16 September 2006 and 17 September 2005, the loan receivable falling due after one year relates to 2008 loan stock held with Welsh Feed Producers Ltd. The 2008 loan stock is secured and carries a variable rate of interest, payable at the discretion of Welsh Feed Producers Ltd. Welsh Feed Producers Ltd did not pay any interest during the current or preceding financial periods.

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

15 Creditors - amounts falling due within one year

	16 September 2006 £000	17 September 2005 £000
Trade creditors	22,458	19,350
Bank loans and overdraft	435	235
Amounts owed to group undertakings	3,946	3,140
Taxation and social security	2,794	1,589
Accruals and deferred income	13,657	17,182
	<u>43,290</u>	<u>41,496</u>

16 Creditors - amounts falling due after more than one year

	16 September 2006 £000	17 September 2005 £000
Accruals and deferred income	156	190
	<u>156</u>	<u>190</u>

The above amount is made up of Government grants as follows

At beginning of period	190
Released to profit and loss account	(34)
	<u>156</u>
At end of period	<u>156</u>

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

17 Provision for liabilities and charges

	Deferred tax £000	Other £000	Total £000
At 17 September 2005	3,823	1,560	5,383
Provision created	545	1,468	2,013
Utilised	19	(2,139)	(2,120)
	<hr/>	<hr/>	<hr/>
At 16 September 2006	4,387	889	5,276
	<hr/>	<hr/>	<hr/>

	16 September 2006 £000	17 September 2005 £000
Deferred taxation		
<i>Analysis by component</i>		
Accelerated capital allowances	4,387	3,823
	<hr/>	<hr/>

Other provisions include redundancies, reorganisation costs and future known costs relating to previous disposal/terminations of businesses.

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

18 Called up share capital

	16 September 2006 £000	17 September 2005 £000
Authorised		
Equity: Ordinary shares of £1 each	120,000	120,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	102,000	102,000
	<u> </u>	<u> </u>

19 Reconciliation of movements in shareholders' funds

	Share Capital £000	Profit and loss account £000	Total £000
At beginning of period	102,000	25,075	127,075
Profit for the period	-	8,328	8,328
Dividends on shares classified in shareholders' funds	-	(8,000)	(8,000)
	<u> </u>	<u> </u>	<u> </u>
At end of period	102,000	25,403	127,403
	<u> </u>	<u> </u>	<u> </u>

20 Contingent liabilities

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

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

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

21 Commitments

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

	16 September 2006		17 September 2005	
	Land and buildings £000	Other assets £000	Land and Buildings £000	Other assets £000
<i>Operating leases which expire:</i>				
Within one year	63	27	14	35
Between one and five years	100	-	28	156
After five years	-	-	147	-
	<u>163</u>	<u>27</u>	<u>189</u>	<u>191</u>

22 Pension costs

The company is a member of the two group pension schemes providing benefits based on final pensionable pay. Because the company is unable to identify its share of the Schemes' assets and liabilities on a consistent basis, as permitted by *FRS 17: Retirement Benefits* the scheme is accounted for as if the scheme was a defined contribution scheme. The current actuarial valuation carried out as at 5 April 2005 indicated a deficit of £7m which ABF plc made good in September 2005.

On 30 September 2002 the scheme was closed to new members, with defined contribution arrangements introduced for these members. For the defined contribution scheme, the pension costs are the contributions paid.

The latest full actuarial valuation of the pension schemes were carried out at 5 April 2005 and was updated for IAS 19 purposes to 16 September 2006 by an independent qualified actuary. Further details on the pension schemes are included within the accounts of Associated British Foods plc, which are available from Companies House.

The pension charge for the year amounted to £3 274 million (2005 £2 983 million).

AB Agri Limited (formerly ABNA Limited)

Notes (continued)

23 Related party transactions

Transactions with the group's related parties, as defined by Financial Reporting Standard 8, are summarised below.

	2006 £000	2005 £000
Sales on normal trading terms	373	670
Purchases on normal trading terms	71,822	32,835
Amounts due from Frontier Agriculture Limited	90	29
Amounts due to Frontier Agriculture Limited	7,048	1,856

24 Holding company

The ultimate parent undertaking and controlling party as defined by FRS 8 is Wittington Investments Limited which is incorporated in Great Britain and registered in England 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 ABF Investments plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY.