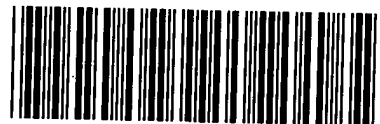


Wittington Investments Limited

Registered number 00366054

Strategic Report, Directors' Report and Financial Statements 12 September 2015

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Strategic Report

Group Business Model and Strategy

The business of Wittington Investments Limited (the 'Company') is the management of investments in a wide range of assets. Of these, the most significant, accounting for some 97% of its consolidated profits before taxation, is its 54.5% shareholding in Associated British Foods plc ('ABF'), which is quoted on The London Stock Exchange.

The Company is managed in six different business segments, being the ABF Group, Other Retail, Real Estate, Hotels, Private Equity and Other Investments. Operational decisions are made by managers in each of the business segments as, in our experience, these decisions are most successful when made by the people who have the best understanding of their markets. The corporate centre aims to provide a framework within which these managers have the freedom and decision-making authority to pursue opportunities as they arise. Short lines of communication ensure prompt, incisive and unambiguous decision making while maintaining appropriate levels of monitoring and support.

The corporate centre agrees strategy and budgets with the businesses and closely monitors their performance. The group balance sheet is managed to ensure long-term financial stability for the group. The Company operates to high ethical standards and encourages an open and honest culture in all its dealings to ensure that core values are fully implemented throughout the group. The group takes a long term approach to investment and is committed to increasing shareholder value through sound business decisions which will deliver sustainable growth in earnings and dividends.

Business Strategies

ABF Group

ABF is a diversified international food, ingredients and retail group with sales of £12.8bn, 124,000 employees and operations in 48 countries across Europe, southern Africa, the Americas, Asia and Australia. Further details can be found in ABF's Annual Report 2015 which can be found at www.abf.co.uk.

Grocery

Each of the grocery businesses pursues an independent strategy, appropriate to its particular market position and stage of development. All of the businesses are committed to the consistent development of their brands, and consumer research is conducted locally and internationally to establish consumer needs and ensure appropriately targeted investment. Production facilities are well maintained and a long term approach is taken to capital investment. Appropriate acquisitions strengthen or complement existing businesses.

Sugar

AB Sugar is an advanced manufacturer with the simple vision to be a world-leading sugar business. It aims to achieve sustainable growth through excellence in agriculture and operations including the use of new technologies and the further expansion of co-product opportunities.

Agriculture

AB Agri consistently strives to improve the sustainability of food production. It operates through individual, entrepreneurial businesses to grow their interests independently and through a strong network of contacts across the entire food supply chain. Organic growth is achieved through innovative product development and extending into new geographical territories. AB Agri also seeks complementary acquisitions to strengthen its portfolio of businesses and its technical capability.

Ingredients

The Ingredients business is dedicated to understanding the key requirements of customers and their end-use markets in order to ensure a relevant supply of ingredients, systems, products and technology to create value. It aims to grow by providing outstanding customer service backed by a high level of investment in technology, innovation, research and development.

Retail

Primark offers great value for money which it achieves by incurring no advertising costs; buying in vast quantities and passing on the cost savings to customers; keeping overheads to a minimum but investing in state of the art logistics; and by not compromising high quality standards. Although Primark does not own the companies or factories that produce its merchandise, it recognises its responsibility to the workers in those factories, and to its customers, to ensure that its products are made in good working conditions.

Strategic Report *(continued)*

WIL Group

Other Retail

Other Retail comprises Fortnum & Mason plc and Heal's plc, two long-established retailers.

Fortnum & Mason

The growth strategy is to build a sustainable and profitable business through providing an exceptional customer experience through all channels, continuing to develop the product offerings, developing the digital and international businesses and investing in people, property and systems.

Heal's

Following a strategic review of the business, management believes that the future focus will be a greater online presence combined with limited showrooms/stores to supplement this offering.

Real Estate

Wittington invests in high-quality investment properties in the retail, office and distribution sectors across the UK. It also takes strategic positions in selective development opportunities, alongside local partners or sector specialists, where it can use its balance sheet and long-term time horizon to unlock the potential in those sites.

Hotels

As an extension of its Real Estate strategy, Wittington invests in hotels. It looks for properties with fundamentally high quality real-estate backing and with a broad mix of customers from corporate, event and leisure markets.

Private Equity

Wittington invests both directly and via externally managed funds in private equity. This is a long term asset class and exposures are managed to provide a diverse portfolio by sector, geography and age of company. It also invests selectively in special situations.

Other Investments

Other investments are principally composed of liquid investments in short-dated investment grade bonds and listed equities, which provides portfolio diversification and enables liquidity and portfolio needs to be met.

Business Review

ABF Group

Grocery

Grocery operating profit increased by 5% at constant currency with Twinings Ovaltine and the US vegetable oils business well ahead of last year. Revenues were 3% lower and were held back by commodity price deflation, leading to an increase in margin. Adjusted operating profit was £285m (2014 £269m).

Sugar

Revenue and adjusted operating profit were substantially lower than last year, primarily driven by further declining EU sugar prices, and the underlying decline in profit was greater given the non-repeat of last year's restructuring charge. In light of the structural changes in the world's sugar industry, AB Sugar remains focused on delivering significant cost reduction across its businesses through an ongoing performance improvement programme, but reductions in the year could not compensate for the impact of lower prices. Sugar prices in the EU stabilised towards the end of the financial year and there has been some price recovery for the 2015/16 marketing year. Adjusted operating profit was £43m (2014 £189m).

Agriculture

AB Agri had another excellent year with adjusted operating profit 18% ahead of last year at constant currency. The decline in revenue reflected softer commodity prices. However, cash margins in the UK feed business were maintained and the profit growth was delivered by the higher margin business. Adjusted operating profit was £60m (2014 £50m).

Ingredients

Revenues were 3% ahead of last year at constant currency, and the increase in operating profit was substantial, driven by stronger trading across all businesses and a focus on overhead reduction. Adjusted operating profit was £76m (2014 £41m).

Retail

Sales at Primark were 13% ahead of last year at constant currency, mainly driven by an increase in retail selling space of 9%. Like for like sales were 1% ahead of last year, reflecting a strong performance across a number of countries. During this financial year, Primark has opened almost one million sq ft of selling space, including its first store in the US. Adjusted operating profit was £673m (2014 £662m).

Strategic Report *(continued)*

WIL Group

Other Retail

Fortnum & Mason

Turnover grew by 19% to £89m (2014: £75m) and profit on ordinary activities before taxation increased by 31% to £5.0m (2014: £3.8m). The improved performance was a result of strong trading through our stores, restaurants and online with the emphasis on excellent customer service and outstanding products and menus, along with continued improvement in product margin. The business also benefited from continued capital investment including the opening of a company run store in Heathrow Terminal 5, refurbishment of our beauty floor at Piccadilly and new website.

Heal's

Sales increased by 4% compared with the prior year and 12% on a like for like basis, excluding opening and closing stores. This was a result of the turnaround project described below together with a further improvement in prevailing economic conditions in the UK. A major turnaround project began in 2013, in which stores were refurbished and stock cleared. These projects continued during 2015 where the business continued to develop its strategy and began focusing more on furniture sales and rationalising its home accessories offer. Following the strategic review, the portfolio of stores was reviewed and 2 stores were closed during the year. At the same time a new store with a smaller square footage, with a focus on lighting, was opened in London's Bayswater district.

Hotels

Grand Hotel, Brighton

The hotel performed well during the year recording good levels of occupancy and rising room rates. We anticipate making further investments to enhance the property to ensure it retains its market leading position.

Richmond Hill Hotel

As previewed in last year's Annual Report, the hotel underwent a major refurbishment programme during the year which saw 82 rooms completely redeveloped from January to August. This inevitably caused significant disruption to the business both by reducing the rooms available and from the impact of building works on other activities. The project was completed on time for the hotel to welcome guests to the new rooms in September 2015. Therefore profit for the year to 12 September 2015 was substantially lower than for the prior year but we expect this to recover during the current financial year.

Real Estate

During the year, Wittington Investments (Properties) Ltd purchased one freehold property in Hatton Garden, London and sold one property in Harrogate. Wittington Investments (Developments) Limited took the opportunity to sell a small office building in Chelmsford, which generated very good project-level returns.

Private Equity

The directly-held and externally managed investments in private equity performed satisfactorily during the year. Total returns from externally managed funds were good. In the direct portfolio, Wittington realised substantial value from its investment in Sweaty Betty as part of the sale of this company to new investors. We have rolled forward a significant stake. During the year Wittington made one further commitment to a new private equity fund raised by a manager with whom Wittington has already invested.

Other Investments

Our portfolios of liquid securities, primarily short-dated bonds and treasuries, performed in line with expectations during the year. The small listed equities portfolio performed in line with the FTSE 100 index.

ABF Corporate Responsibility

Corporate Responsibility continues to focus on four areas: responsible stewardship of our environment; being responsible for our people; being a responsible neighbour; and being responsible for promoting good health. Further information is available in the ABF CR Update 2015 www.abf.co.uk/responsibility

ABF has reported total greenhouse gas emissions of 9,607,000 tonnes of carbon dioxide, which is consistent with the gross amount emitted last year despite increased production output. Further details can be found in the ABF 2015 Annual Report at www.abf.co.uk

As a matter of good practice, ABF risk assesses the impact its operations may have on the protection and respect of human rights, particularly under the jurisdiction of governments that have a lesser commitment to the protection of human rights. Further details can be found in the ABF CR Update 2015 www.abf.co.uk/responsibility

Strategic Report *(continued)*

Principal Risks and Uncertainties

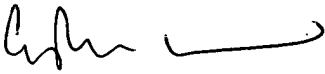
Given the relative importance of the holding in ABF in the context of the Wittington group of companies, the Directors' consider that the principal risks facing ABF can be considered a good proxy for those affecting the group overall.

ABF Principal Risks and Uncertainties

Each business is responsible for its own risk management assessment which is reported to the group's Director of Financial Control annually. The decentralised business model empowers the boards and management of the businesses to identify, evaluate and manage the risks they face on a timely basis. At the ABF level, key risks and internal control procedures are reviewed by the ABF board. The board reviews annually the material financial and non-financial risks facing the business and, on a rolling cycle basis, reviews the effectiveness of the risk management process and the resources that individual businesses devote to them. The principal risks currently identified are:

External Risks: movement in exchange rates and inflation; fluctuations in commodity and energy prices; operating in global markets; and health and nutrition concerns.

Operational Risks: workplace health and safety; product safety and quality; use of natural resources and managing environmental impact; supply chain and ethical business practices; and breaches of IT and information security.



Guy Weston
Chairman

Company Number 00366054

20 January 2016
Weston Centre
10 Grosvenor Street
London
W1K 4QY

Directors' Report

The directors present their annual report and audited financial statements for the year ended 12 September 2015, in accordance with section 415 of the Companies Act 2006. The Board considers that the Company's Annual Report and Accounts 2015, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess the Company's performance, business model and strategy.

Results and Dividends

The consolidated income statement is on page 9. Profit for the financial period amounted to £541m (2014 - £802m) and dividends to £69m (2014 - £63m). Dividends are detailed in note 8. A dividend of £51.50 per share (£44m) was paid after the year end on 28 September 2015 to shareholders on the register on 16 September 2015. Also following a decision to change the timing of future dividend payments, an additional interim dividend of £36.50 per share (£31m) was paid on 15 January 2016 to shareholders on the register on 15 December 2015. Neither of these dividends are therefore included in the results for the year. Profit for the financial period attributable to equity shareholders amounted to £307m (2014 - £434m).

Directors

The Directors who held office throughout the year were as follows:

Guy Weston (Chairman)
Emma Adamo
Sir Harry Djanogly
Stephen Hancock
Kate Hobhouse
Charles Mason
W. Galen Weston
G. Grainger Weston
George Weston

Garth Weston was appointed a director on 15 December 2015.

The Company Secretary throughout the year was Amanda Geday.

Directors' Indemnities

Three directors of operating subsidiaries benefited from qualifying third-party indemnity provisions provided by the ABF Investments plc during the financial year and at the date of the report. One director within the ABF group benefitted from a qualifying pension scheme indemnity provision during the financial year and at the dates of this report. Other than these, there were no qualifying third party indemnity provisions provided by the Company or its subsidiaries during the financial year and as at the date of this report.

Employees

Employees are the Group's most important resource and it therefore abides by the following principles:

Equal Opportunities – the group is committed to offering equal opportunities in recruitment, training, career development, and promotion to all people, having regard to their particular aptitudes and abilities.

Health and Safety – health and safety are considered as equal in importance to that of any other function of the Group and its business objectives.

Harassment – the Group will not tolerate sexual, mental or physical harassment in the workplace.

Human Rights – managers must take account of the core International Labour Organization labour conventions and strive to observe the UN Universal Declaration of Human Rights. It remunerates fairly with respect to skills, performance, its peers and local conditions.

Communication – employees and their representatives are briefed and consulted on all relevant matters on a regular basis in order to take their views into account in decision-making and to achieve a common awareness of all the economic and financial factors affecting the performance of the Group.

Security – the security of staff and customers is paramount and the Group will at all times take the necessary steps to minimise risks to their safety.

Controlling Interest

Details of a controlling interest in the shares of the Company are given in note 28. Other than as noted, so far as is known, no other person holds or is beneficially interested in a disclosable holding in the Company.

Directors' Report *(continued)*

Branches

The Company, through various subsidiaries, has established branches in a number of different countries in which the group operates.

Post-balance sheet events

Significant events affecting the group that have arisen between 12 September 2015 and the date of this report and that require disclosure are described in note 29 on page 66.

Political Donations

The Company did not make any political donations in the year.

Financial risk management

Details of the group's use of financial instruments, together with information on our risk objectives and policies and our exposure to price, credit, liquidity, cash flow and interest rate risks, can be found in note 18 on page 39.

Disclosure of information to auditors

The Directors of the Company 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 all the reasonable steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. For these purposes, relevant audit information means information needed by the Company's auditors in connection with the preparation of their report on page 8.

Auditors

KPMG Audit plc will resign as auditor of the Company with effect from 21 January 2016 and a notice of resignation will be deposited with the Registrar of Companies with effect from that date. A recommendation to appoint Ernst & Young LLP as auditors of the Company will be proposed at the forthcoming AGM.

Corporate Governance

Maintaining effective corporate governance is fundamental to the Board's ability to discharge its duties to shareholders. The ABF Board considers that ABF has, throughout the year ended 12 September 2015, applied the main principles and complied with the provisions set out in the UK Corporate Governance Code, with one exception, which it explains in its Report.

The Board acknowledges its responsibilities for the group's system of internal control to facilitate the identification, assessment and management of risk, the protection of shareholders' investments and the group's assets. The directors recognise that they are responsible for providing a return to shareholders, which is consistent with the responsible assessment and mitigation of risks. Effective controls ensure that the group's exposure to avoidable risk is minimised, that proper accounting records are maintained, that the financial information used within the business is reliable and that the consolidated accounts preparation and financial reporting processes comply with all relevant regulatory reporting requirements. The directors confirm that there is a process for identifying, evaluating and managing the risks faced by the group and the operational effectiveness of the related controls. They also confirm that they have regularly reviewed the system of internal controls.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future.



Guy Weston
Chairman

Company Number 00366054

20 January 2016
Weston Centre
10 Grosvenor Street
London
W1K 4QY

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. 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.

Independent Auditor's Report to the Members of Wittington Investments Limited

We have audited the financial statements of Wittington Investments Limited for the year ended 12 September 2015 set out on pages 9 to 66. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 12 September 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

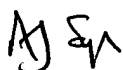
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Anthony Sykes (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc,
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
20 January 2016

Consolidated income statement
for period ended 12 September 2015

	<i>Note</i>	<i>Total 2015 £m</i>	<i>Total 2014 £m</i>
Continuing operations			
Revenue	30	12,943	13,063
Operating costs before exceptional item	3	(11,946)	(11,974)
Exceptional item		(98)	-
		<hr/>	<hr/>
		899	1,089
 Share of profit after tax from joint ventures and associates	13	 48	 13
Profits less losses on disposal of non-current assets		9	(11)
		<hr/>	<hr/>
Operating profit		956	1,091
Adjusted operating profit		1,100	1,161
Profits less losses on disposal of non-current assets		9	2
Amortisation of non-operating intangibles	9	(55)	(72)
Exceptional item		(98)	-
 Profit less losses on sale and closure of businesses	23	 (164)	 (2)
		<hr/>	<hr/>
Profit before interest		792	1,089
Financial income	6	14	35
Financial expense	6	(64)	(80)
Other financial expense	6	(5)	-
		<hr/>	<hr/>
Profit before taxation		737	1,044
Adjusted profit before taxation		1,045	1,116
Profits less losses on disposal of non-current assets		9	2
Amortisation of non-operating intangibles	9	(55)	(72)
Exceptional item		(98)	-
Profits less losses on sale and closure of businesses	23	(164)	(2)
 Taxation – UK (excluding tax on exceptional item)		 (91)	 (122)
Taxation – UK (on exceptional item)		22	-
Taxation – Overseas		(127)	(120)
		<hr/>	<hr/>
	7	(196)	(242)
		<hr/>	<hr/>
Profit for the period		541	802
		<hr/>	<hr/>
Attributable to:			
Equity holders of the parent		307	434
Non-controlling interests		234	368
		<hr/>	<hr/>
Profit for the period		541	802
		<hr/>	<hr/>

Consolidated statement of comprehensive income
for 52 weeks ended 12 September 2015

	2015	2014
	£m	£m
<i>Profit for the period recognised in the income statement</i>	541	802
<i>Other comprehensive income</i>		
<i>Remeasurements of defined benefit schemes</i>	27	(25)
<i>Deferred tax associated with defined benefit schemes</i>	(5)	3
	<hr/>	<hr/>
<i>Items that will not be reclassified to profit or loss</i>	22	(22)
<i>Effect of movements in foreign exchange</i>	(457)	(275)
<i>Net gain on hedge of net investment in foreign subsidiaries</i>	22	25
<i>Deferred tax associated with movements in foreign exchange</i>	2	-
<i>Current tax associated with movements in foreign exchange</i>	1	2
<i>Reclassification adjustments for movements in foreign exchange on subsidiaries disposed</i>	(8)	-
<i>Movement of cash flow hedging position</i>	(56)	55
<i>Deferred tax associated with movement in cash flow hedging position</i>	11	(11)
<i>Share of other comprehensive income of joint ventures and associates</i>	(2)	(5)
	<hr/>	<hr/>
<i>Items that are or may be subsequently reclassified to profit or loss</i>	(487)	(209)
	<hr/>	<hr/>
<i>Other comprehensive income for the period</i>	(465)	(231)
	<hr/>	<hr/>
<i>Total comprehensive income for the period</i>	76	571
	<hr/>	<hr/>
<i>Attributable to:</i>		
<i>Equity shareholders</i>	98	335
<i>Non-controlling interest</i>	(22)	236
	<hr/>	<hr/>
<i>Total comprehensive income for the period</i>	76	571
	<hr/>	<hr/>

Consolidated balance sheet
at 12 September 2015

	<i>Note</i>	2015 £m	2014 £m
Non-current assets			
Intangible assets	9	1,367	1,467
Property, plant and equipment	10	4,624	4,789
Biological assets	11	83	96
Investment property	12	167	164
Investments in joint ventures	13	199	196
Investments in associates	13	32	32
Employee benefits assets	14	125	90
Deferred tax assets	15	125	152
Other receivables	16	23	164
Total non-current assets		6,745	7,150
Current assets			
Inventories	17	1,838	1,645
Biological assets	11	70	109
Trade and other receivables	16	1,196	1,318
Derivative assets	18	74	74
Other financial assets	18	508	503
Cash and cash equivalents	19	1,141	885
Total current assets		4,827	4,534
Total assets		11,572	11,684
Current liabilities			
Loans and overdrafts	20	(330)	(360)
Trade and other payables	21	(2,256)	(2,081)
Derivative liabilities	18	(33)	(15)
Income tax		(126)	(192)
Provisions	22	(38)	(73)
Total current liabilities		(2,783)	(2,721)
Non-current liabilities			
Loans	20	(613)	(656)
Provisions	22	(28)	(29)
Deferred tax liabilities	15	(236)	(269)
Employee benefits liabilities	14	(141)	(133)
Total non-current liabilities		(1,018)	(1,087)
Total liabilities		(3,801)	(3,808)
Net assets		7,771	7,876

Consolidated balance sheet (*continued*)
at 12 September 2015

	2015	2014
	£m	£m
Equity		
Issued capital	1	1
Share premium	382	382
Other reserves	52	52
Translation reserve	(58)	140
Hedging reserve	(6)	16
Retained earnings	4,305	4,045
	<hr/>	<hr/>
Total equity attributable to equity shareholders	4,676	4,636
Non-controlling interest	3,095	3,240
	<hr/>	<hr/>
Total equity	7,771	7,876
	<hr/>	<hr/>

These financial statements were approved by the board of directors on 20 January 2016 and were signed on its behalf by:



Guy Weston
Director

Company Number 00366054

Consolidated cash flow statement for period ended 12 September 2015

		2015	2014
		£m	£m
Cash flows from operating activities	<i>Note</i>		
Profit before taxation		737	1,044
Profits less losses on disposal of non-current assets		(9)	11
Profits less losses on sale and closure of businesses	23	164	2
Financial income		(14)	(35)
Financial expense		64	80
Other financial expense		5	(14)
Share of profit after tax from joint ventures and associates	13	(48)	(13)
Amortisation	9	81	94
Depreciation	10	408	405
Exceptional item		98	-
Impairment of property, plant & equipment	10	-	1
Net change in the fair value of assets		1	(27)
Share-based payment expense		11	15
Pension cost less contributions		7	5
Increase in inventories		(307)	(121)
Decrease in receivables		15	10
Increase in payables		229	208
Purchase less sales of current biological assets	11	(2)	(3)
(Decrease)/Increase in provisions		(28)	13
		<hr/>	<hr/>
Cash generated from the operations		1,412	1,675
Income taxes paid		(234)	(251)
		<hr/>	<hr/>
Net cash from operating activities		1,178	1,424
		<hr/>	<hr/>
Cash flows from investing activities			
Dividends received from joint ventures and associates		50	17
Purchase of property, plant & equipment		(599)	(732)
Purchase of intangibles		(31)	(32)
Purchase of non-current biological assets	11	(1)	-
Sale of property, plant & equipment		72	17
Purchase of investment properties		(8)	(27)
Purchase of subsidiaries, joint ventures and associates		(55)	(8)
Sale of subsidiaries, joint ventures and associates		13	15
Sale of investment properties		5	32
Loans to joint ventures		(7)	(15)
Interest and dividends received		16	18
		<hr/>	<hr/>
Net cash from investing activities		(545)	(715)
		<hr/>	<hr/>
Cash flows from financing activities			
Dividends paid to non-controlling interests		(139)	(138)
Dividends paid to equity shareholders		(69)	(63)
Interest paid		(67)	(78)
Financing:			
(Increase)/decrease in other current asset investments		(6)	87
Decrease in short-term loans		(106)	(158)
(Increase)/Decrease in long-term loans		3	(22)
Sale of shares in subsidiary undertakings to non-controlling interests		11	1
Movements from changes in own shares held		-	(59)
		<hr/>	<hr/>
Net cash from financing activities		(373)	(430)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		260	279
Cash and cash equivalents at the beginning of the period		765	518
Effect of movements in foreign exchange		(1)	(32)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	19	1,024	765
		<hr/>	<hr/>

Consolidated statement of changes in equity

	Issued capital £m	Share premium £m	Other reserves £m	Translation reserve £m	Hedging reserve £m	Retained Earnings £m	Total £m	Non- controlling interests £m	Total Equity £m
Balance as at 14 September 2013(restated)	1	382	52	250	(7)	3,709	4,387	3,160	7,547
Total comprehensive income									
Profit for the period recognised in the income statement	-	-	-	-	-	434	434	368	802
Remeasurements of defined benefit schemes (restated)	-	-	-	-	-	(14)	(14)	(11)	(25)
Deferred tax associated with defined benefit schemes	-	-	-	-	-	2	2	1	3
Items that will not be reclassified to profit or loss	-	-	-	-	-	(12)	(12)	(10)	(22)
Effect of movements in foreign exchange	-	-	-	(122)	-	-	(122)	(153)	(275)
Net gain on hedge of net investment in foreign subsidiaries	-	-	-	14	-	-	14	11	25
Current tax associated with movements in foreign exchange	-	-	-	1	-	-	1	1	2
Movement in cash flow hedging position	-	-	-	-	29	-	29	26	55
Deferred tax associated with movement in cash flow hedging position	-	-	-	-	(6)	-	(6)	(5)	(11)
Share of other comprehensive income of joint ventures and associates	-	-	-	(3)	-	-	(3)	(2)	(5)
Items that are or may be subsequently reclassified to profit or loss	-	-	-	(110)	23	-	(87)	(122)	(209)
Other comprehensive Income	-	-	-	(110)	23	(12)	(99)	(132)	(231)
Total comprehensive income	-	-	-	(110)	23	422	335	236	571
Transactions with owners									
Dividends paid to equity shareholders	-	-	-	-	-	(63)	(63)	-	(63)
Movement in own shares held	-	-	-	-	-	(24)	(24)	(20)	(44)
Current tax associated with share-based payments	-	-	-	-	-	1	1	1	2
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(138)	(138)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	1	1
Total transactions with owners	-	-	-	-	-	(86)	(86)	(156)	(242)
Balance as at 13 September 2014	1	382	52	140	16	4,045	4,636	3,240	7,876
Total comprehensive income									
Profit for the period recognised in the income statement	-	-	-	-	-	307	307	234	541
Remeasurements of defined benefit schemes	-	-	-	-	-	14	14	13	27
Deferred tax associated with defined benefit schemes	-	-	-	-	-	(3)	(3)	(2)	(5)
Items that will not be reclassified to profit or loss	-	-	-	-	-	11	11	11	22
Effect of movements in foreign exchange	-	-	-	(205)	(1)	-	(206)	(251)	(457)
Net gain on hedge of net investment in foreign subsidiaries	-	-	-	12	-	-	12	10	22
Deferred tax associated with movements in foreign exchange	-	-	-	-	-	-	-	2	2
Current tax associated with movements in foreign exchange	-	-	-	-	-	-	-	1	1
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	-	-	-	(4)	-	-	(4)	(4)	(8)
Movement in cash flow hedging position	-	-	-	-	(27)	-	(27)	(29)	(56)
Deferred tax associated with movement in cash flow hedging position	-	-	-	-	6	-	6	5	11
Share of other comprehensive income of joint ventures and associates	-	-	-	(1)	-	-	(1)	(1)	(2)
Items that are or may be subsequently reclassified to profit or loss	-	-	-	(198)	(22)	-	(220)	(267)	(487)
Other comprehensive Income	-	-	-	(198)	(22)	11	(209)	(256)	(465)
Total comprehensive income	-	-	-	(198)	(22)	318	98	(22)	76
Transactions with owners									
Dividends paid to equity shareholders	-	-	-	-	-	(69)	(69)	-	(69)
Movement in own shares held	-	-	-	-	-	6	6	5	11
Current tax associated with share-based payments	-	-	-	-	-	2	2	2	4
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(138)	(138)
Acquisition of non-controlling interests	-	-	-	-	-	3	3	8	11
Total transactions with owners	-	-	-	-	-	(58)	(58)	(123)	(181)
Balance as at 12 September 2015	1	382	52	(58)	(6)	4,305	4,676	3,095	7,771

Notes

(forming part of the financial statements)

1 Accounting policies

Wittington Investments Limited (the "Company") is a company incorporated in the UK.

The consolidated financial statements for the 52 weeks ended 12 September 2015 consolidate those of the Company and its subsidiaries (together referred to as the "group") and the group's interest in associates and jointly controlled entities. The parent company financial statements present information about the Company as a separate entity and not about its group.

Statement of compliance

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS").

The Company has elected to prepare its parent Company financial statements under UK Generally Accepted Accounting Principles.

Basis of preparation

The going concern basis has been applied in these accounts. The consolidated financial statements are presented in sterling, rounded to the nearest million. They are prepared on the historical cost basis except that biological assets and certain financial instruments are stated at fair value. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements under Adopted IFRS requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on experience. Actual results may differ from these estimates. Judgements made by management in the application of Adopted IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment next year are discussed in Accounting estimates and judgements detailed in note 2.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The accounting policies set out below have been applied to all periods presented, except where detailed otherwise.

Details of new accounting standards which came into force in the year are set out at the end of this note.

The consolidated financial statements of the group are prepared to the Saturday nearest to 15 September. Accordingly these financial statements have been prepared for the 52 weeks ended 12 September 2015. To avoid delay in the preparation of the consolidated financial statements, the results of certain subsidiaries, joint ventures and associates are included up to 31 August 2015. The results of Illovo are included for the period to 30 September each year in line with Illovo's local reporting date and that of a UK subsidiary, Fortnum and Mason plc, is made up to 12 July 2015. Adjustments are made as appropriate for significant transactions or events occurring between 12 September and these other balance sheet dates.

The group has considerable financial resources, good access to debt markets, a diverse range of businesses and a wide geographic spread. It is therefore well placed to manage business risks successfully.

Basis of consolidation

The consolidated financial statements include the results of the Company and all of its subsidiary undertakings from the date that control commences to the date that control ceases. The consolidated financial statements also include the group's share of the after tax results, other comprehensive income and net assets of its joint arrangements on an equity-accounted basis from the point at which joint control or significant influence respectively commences, to the date that it ceases.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to direct the activities of an entity so as to significantly affect the returns of that entity.

Changes in the group's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity.

All the group's joint arrangements are joint ventures, which are entities over whose activities the group has joint control, typically established by contractual agreement and requiring the venturers' unanimous consent for strategic financial and operating decisions.

Associates are those entities in which the group has significant influence, being the power to participate in the financial and operating policy decisions of the entity, but which does not amount to control or joint control.

Where the group's share of losses exceed its interest in a joint venture or associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments in behalf of an investee.

Notes (continued)

1 Accounting policies (continued)

Control, joint control and significant interest are generally assessed by reference to equity shareholdings and voting rights. The group owns 51% stake in Illovo, which itself owns majority stakes in its non-South African businesses. Although the group's ultimate interest in these and non-South African businesses is less than 50%, they are consolidated as they are subsidiaries of a subsidiary.

Business combinations

On the acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities acquired, reflecting conditions at the date of acquisition. Adjustments to fair values include those made to bring accounting policies into line with those of the group. Provisional fair values are finalised within 12 months of the business combination date and, where significant, are adjusted by restatement of the comparative period in which the acquisition occurred. Non-controlling interests are measured at the proportionate share of the net identifiable assets acquired.

Existing equity interests in the acquiree are remeasured to fair value as at the date of the business combination, with any resulting gain or loss taken to the income statement.

Goodwill arising on a business combination is the excess of the remeasured carrying amount of any existing equity interest plus the fair value of consideration payable for the additional stake over the fair value of the share of net identifiable assets and liabilities acquired (including separately identified intangible assets), net of non-controlling interests. Total consideration does not include acquisition costs, which are expensed as incurred.

Contingent consideration is measured at fair value at the date of the business combination, classified as a liability or equity (usually as a liability), and subsequently accounted for in line with that classification. Changes in contingent consideration classified as a liability resulting other than from the finalisation of provisional fair values are accounted for in the income statement.

Revenue

Revenue represents the invoiced value of sales made to customers after deduction of discounts, sales taxes and a provision for returns. Discounts include sales rebates, price discounts, customer incentives, certain promotional activities and similar items. Revenue does not include sales between group companies. Revenue is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer and when it can be measured reliably.

In the food businesses, revenue from the sale of goods is generally recognised on dispatch or delivery to customers, dependent on shipping terms. Discounts and returns are provided for as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required to meet claims by customers, taking into account contractual and legal obligations, historical trends and past experience.

In the retail business, revenue from the sale of goods is recognised when the customer purchases goods in-store. Returns are provided for as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required to meet claims by customers, taking into account historical trends and past experience.

Borrowing costs

Borrowing costs are accounted for using the effective interest method. The group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying items of property, plant and equipment as part of their cost. Interest capitalised is taxed under current or deferred tax as appropriate.

Exceptional Items

Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement.

Foreign currencies

In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate prevailing at the balance sheet date. Any resulting differences are taken to the income statement.

On consolidation, assets and liabilities of foreign operations that are denominated in foreign currencies are translated into sterling at the rate of exchange at the balance sheet date. Income and expense items are translated into sterling at weighted average rates of exchange.

Differences arising from the retranslation of opening net assets of group companies, together with differences arising from the restatement of the net results of group companies from average rates to rates at the balance sheet date, are taken to the translation reserve in equity.

Notes (continued)

1 Accounting policies (continued)

Pensions and other post-employment benefits

The group's principal pension schemes are defined benefit plans. In addition the group has defined contribution plans and other unfunded post-employment liabilities. For defined benefit plans, the amount charged in the income statement is the cost of benefits accruing to employees over the year, plus any benefit improvements granted to members by the group during the year. It also includes net interest expense or income calculated by applying the liability discount rate to the net pension asset or liability. For each plan, the difference between the market value of assets and the present value of liabilities is disclosed as an asset or liability in the balance sheet.

Any related deferred tax (to the extent recoverable) is disclosed separately in the balance sheet. Remeasurements are recognised immediately in other comprehensive income. Surpluses are recognised only to the extent that they are recoverable. Movements in irrecoverable surpluses are recognised immediately as remeasurement in other comprehensive income.

Contributions payable by the group in respect of defined contribution plans are charged to operating profit as incurred. Other unfunded post-employment liabilities are accounted for as for defined benefit pension plans.

Share-based payments

The fair value of share awards at grant date is recognised as an employee expense, with a corresponding increase in equity, spread over the period during which the employees become unconditionally entitled to the shares. The amount recognised is adjusted to reflect expected and actual levels of vesting except where the failure to vest is as a result of not meeting a market condition.

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items taken directly to other comprehensive income.

Current tax is the tax expected to be payable on the taxable income for the year, using tax rates enacted or substantially enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill; initial recognition of assets or liabilities affecting neither accounting nor taxable profit other than those acquired in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Financial assets and liabilities

Financial asset and financial liabilities, except for other non-current investments and derivatives, are measured initially at fair value, plus directly attributable transaction costs, and thereafter at amortised cost. Other non-current investments (classified under other non-current receivables) comprise available-for-sale investments measured at market prices where available. Where quoted market prices in an active market are not available, and where fair value cannot be reliably measured, unquoted equity instruments are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise bank and cash balances, call deposits and short-term investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Derivative financial instruments

Derivatives are used to manage the group's economic exposure to financial and commodity risks. The principal instruments used are foreign exchange and commodity contracts, futures, swaps or options (the 'hedging instrument'). The group does not use derivatives for speculative purposes.

Derivatives are recognised in the balance sheet, at fair value, based on market prices or rates, or calculated using either discounted cash flow or option pricing models.

Notes (continued)

1 Accounting policies (continued)

Derivative financial instruments (continued)

Changes in the value of derivatives are recognised in the income statement unless they qualify for hedge accounting, when recognition of any change in fair value depends on the nature of the item being hedged.

The purpose of hedge accounting is to mitigate the impact on the group's income statement of changes in foreign exchange or interest rates and commodity prices, by matching the impact of the hedged risk and the hedging instrument in the income statement.

Changes in the value of derivatives used as hedges of future cash flows are recognised through other comprehensive income in the hedging reserve, with any ineffective portion recognised immediately within operating profit in the income statement.

When the future cash flow results in the recognition of a non-financial asset or liability, the gains and losses previously recognised in the hedging reserve are included in the initial measurement of that asset or liability. Otherwise gains and losses previously recognised in the hedging reserve are recognised in the income statement at the same time as the hedged transaction.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in the hedging reserve is retained in the hedging reserve until the forecast transaction occurs. Gains or losses on hedging instruments relating to an underlying exposure that no longer exists are taken directly to the income statement.

Hedges of the group's net investment in foreign operations principally comprise borrowings in the currency of the investment's net assets.

The group economically hedges foreign currency exposure on recognised monetary assets and liabilities but does not normally seek hedge accounting under IAS 39. Any derivatives that the group holds to hedge this exposure are classified as 'held for trading' within derivative assets and liabilities. Changes in the fair value of such derivatives and the foreign exchange gains and losses arising on the related monetary items are recognised within operating profit.

Intangible assets other than goodwill

Non-operating intangible assets are intangible assets that arise on business combinations and typically include technology, brands, customer relationships and grower agreements. Operating intangible assets are acquired in the ordinary course of business and typically include computer software, land use rights and emissions trading licences.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment charges.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are generally deemed to be no longer than:

Technology and brands	– up to 15 years
Customer relationships	– up to 5 years
Grower agreements	– up to 10 years

Goodwill

Goodwill is defined under 'Business combinations' on page 16. Certain commercial assets associated with the acquisition of a business are not capable of being recognised in the acquisition balance sheet. In such circumstances, goodwill is recognised, which may include, but is not necessarily limited to, workforce assets and the benefits of expected future synergies.

Goodwill is not amortised but is subject to an annual impairment review.

Research and development

Research expenditure is expensed as incurred. Development expenditure is capitalised if the product or process is technically and commercially feasible, but is otherwise expensed as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment charges.

Impairment

The carrying amounts of the group's intangible assets and property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangibles without a finite life, the recoverable amount is estimated at each balance sheet date.

An impairment charge is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Impairment charges recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to that CGU and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Notes (continued)

1 Accounting policies (continued)

Impairment (continued)

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Reversals of impairment

An impairment charge in respect of goodwill is not subsequently reversed. For other assets, an impairment charge is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment charge had been recognised.

Property, plant & equipment

Items of property, plant & equipment are stated at cost less accumulated depreciation and impairment charges.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant & equipment sufficient to reduce them to their estimated residual value. Land is not depreciated. Estimated useful lives are generally deemed to be no longer than:

Freehold buildings	66 years
Plant and equipment, fixtures and fittings	
- sugar factories, yeast plants, mills and bakeries	20 years
- other operations	12 years
Vehicles	10 years

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a series of payments, the right to use a specific asset for an agreed period of time.

Where the group is a lessee and has substantially all the risks and rewards of ownership of an asset, the arrangement is considered a finance lease. Finance leases are recognised as assets of the group within property, plant and equipment at the inception of the lease at the lower of fair value and the present value of the minimum lease payments. Depreciation on leased assets is charged to the income statement on the same basis as owned assets. Payments made under finance leases are apportioned between capital repayments and interest expense charged to the income statement. Other leases where the group is a lessee are treated as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, as is the benefit of lease incentives.

Where the group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Biological assets

Biological assets are measured at fair value less costs to sell. Cane roots and growing cane are valued at fair value determined on the following bases:

Cane roots – escalated average cost, using appropriate inflation-related indices, of each year of planting adjusted for the remaining expected life.

Growing cane – estimated sucrose content valued at the estimated sucrose price for the following season, less the estimated costs for harvesting and transport. When harvested, growing cane is transferred to inventory at fair value less costs to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes raw materials, direct labour and expenses and an appropriate proportion of production and other overheads, calculated on a first-in first-out basis.

Inventories for the retail businesses are valued at the lower of cost and net realisable value using the retail method, calculated on the basis of selling price less the appropriate trading margin. All retail inventories are finished goods.

Notes (continued)

1 Accounting policies (continued)

Investments

Investments in debt and equity securities

Equity financial instruments held by the group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value as determined by independent valuers every five years and by the directors at other times. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Any gain or loss arising from a change in fair value is recognised in the income statement.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the income statement.

If the use of an investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for accounting purposes.

New accounting policies

IFRS 12 *Disclosure of Interest in Other Entities* is applied for the first time in 2015. It requires disclosure of information on the group's economic interests. The new and amended disclosures are given principally in notes 28.

New accounting policies

The group has adopted the following new and amended IFRSs and IFRIC interpretations with no material impact apart from minor disclosure changes (all effective from 14 September 2014):

- IFRS 10 *Consolidated Financial Statements*;
- IFRS 11 *Joint Arrangements*;
- *Annual Improvements to IFRSs 2010-2012 and 2011-2013*; and
- IAS 28 *Investments in Associates and Joint Ventures*.

The group is also assessing the impact of the following revised standards and interpretations or amendments that are not yet effective. Where already endorsed by the EU, these changes will be adopted on the effective dates noted. Where not yet endorsed by the EU, the adoption date is less certain. The impact of these standards is currently under review (all effective from 13 September 2015 unless otherwise stated):

- *Annual Improvements to IFRSs 2012-2014 effective 2017 financial year*;
- IFRS 9 *Financial Instruments: Classification and Measurement* effective 2019 financial year (not yet endorsed by the EU);
- IFRS 15 *Revenue from Contracts with Customers* effective 2018 financial year (not yet endorsed by the EU); and
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* effective 2017 financial year, which changes the accounting requirements for bearer plants (cane roots, in the case of the group) (not yet endorsed by the EU); and

Notes *(continued)*

2 Accounting estimates and judgements

Key sources of estimation uncertainty

In applying the accounting policies detailed on pages 15 to 20, management has made estimates in a number of areas and the actual outcome may differ from those calculated. Key sources of estimation uncertainty at the balance sheet date with the potential for material adjustment to the carrying value of assets and liabilities within the next financial year, are set out below.

Forecasts and discount rates

The carrying value of a number of items on the balance sheet are dependent on estimates of future cash flows arising from the group's operations which, in some circumstances, are discounted to arrive at a net present value.

Assessment for impairment involves comparing the book value of an asset with its recoverable amount (being the higher of value in use and fair value less costs to sell). Value in use is determined with reference to projected future cash flows discounted at an appropriate rate. Both the cash flows and the discount rate involve a significant degree of estimation uncertainty.

The realisation of deferred tax assets is dependent on the generation of sufficient future taxable profits. The group recognises deferred tax assets to the extent that it is considered probable that sufficient tax profits will be available in the future. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Post-retirement benefits

The group's defined benefit pension schemes and similar arrangements are assessed annually in accordance with IAS 19. The accounting valuation, which has been assessed using assumptions determined with independent actuarial advice, resulted in a net liability of £16m being recognised as at 12 September 2015. The size of this net liability is sensitive to the market value of the assets held by the schemes, to the discount rate used in assessing liabilities, to the actuarial assumptions (which include price inflation, rates of pension and salary increases, mortality and other demographic assumptions) and to the level of contributions. Further details are included in note 14.

Biological assets

Cane roots valuation requires an estimation by management of the average number of ratoons expected from each root. The carrying value of cane roots is disclosed in note 11.

For the growing cane valuation, estimated sucrose content requires management to assess the expected cane and sucrose yields for the following season considering weather conditions and harvesting programmes; estimated sucrose price requires management to assess into which markets the forthcoming crop will be sold and assess domestic and export prices as well as the related foreign currency exchange rates. The carrying value of growing cane is disclosed in note 11.

Taxation

The group makes provision for open tax issues including, in a number of jurisdictions, routine tax audits which are by nature complex and can take a number of years to resolve. Provisions are based on management's interpretation of tax law in each country and reflect the best estimate of the liability. The group believes it has made adequate provision for such matters.

Notes (continued)

3 Operating costs and gross profit

	Notes	Total 2015 £m	Total 2014 £m
Operating costs			
Costs of sales before exceptional items (including amortisation of intangibles)		9,844	9,855
Distribution costs		1,264	1,276
Administration expenses		838	843
		<u>11,946</u>	<u>11,974</u>
Exceptional costs		98	-
		<u>12,044</u>	<u>11,974</u>
Operating costs are stated after charging/(crediting):			
Employee benefits expense	4	2,091	2,033
Amortisation of non-operating intangibles	9	55	72
Amortisation of operating intangibles	9	26	22
Profits less losses on disposal of non-current assets		(8)	26
Depreciation of owned property, plant & equipment	10	408	405
Exceptional impairment of non-current loans and receivables		98	-
Impairment of property, plant and equipment	10	-	1
Operating lease payments under property leases		197	179
Operating lease payments for hire of plant & equipment		15	15
Other operating income		(29)	(34)
Gain on disposal of investment property	12	(1)	(13)
Research and development expenditure		37	38
Fair value gains on financial assets and liabilities held for trading		(11)	(12)
Fair value losses on financial assets and liabilities held for trading		12	5
Foreign exchange gains on operating activities		(68)	(33)
Foreign exchange losses on operating activities		69	43

The exceptional item is a £98m non-cash charge to impair the group's shareholder loans to Vivergo Fuels which, at the time of the impairment, was a joint venture in which the group's equity interest was 47%. Vivergo Fuels is based in the UK and is included in the Sugar segment. The impairment was as a consequence of the continuing fall in crude oil and bioethanol prices and the further weakening of the euro against sterling, both of which affected the group's assessment of the recoverability of the shareholder loans. An exceptional tax credit of £22m arose on this item.

Notes (continued)

3 Operating costs and gross profit (continued)

	2015 £m	2014 £m
Auditors remuneration		
Fees payable to the Company's auditors and its associates in respect of the audit		
Group audit of these financial statements	-	-
Audit of the Company's subsidiaries pursuant to legislation	5.7	5.9
	<hr/>	<hr/>
Total audit remuneration	5.7	5.9
	<hr/>	<hr/>
Fees payable to the Company's auditors and its associates in respect of non-audit related services		
Audit-related assurance services	0.3	0.3
Tax compliance services	0.7	0.8
Tax advisory services	1.0	1.3
Information technology services	0.2	0.1
All other services	0.3	0.8
	<hr/>	<hr/>
Total non-audit relate remuneration	2.5	3.3
	<hr/>	<hr/>
Fees payable to the Company's auditors and its associates in respect of the group's pension schemes		
Audit of the pension schemes	0.1	0.1
	<hr/>	<hr/>

4 Employees

	2015	2014
Average number of employees		
United Kingdom	43,546	43,104
Europe & Africa	60,629	54,852
The Americas	4,421	4,210
Asia Pacific	16,570	17,205
	<hr/>	<hr/>
	125,166	119,371
	<hr/>	<hr/>
	<hr/>	<hr/>
	£m	£m
Employee benefits expense		
Wages and salaries	1,752	1,696
Social security contributions	204	196
Contributions to defined contribution schemes	14 77	77
Charge for defined benefit schemes	14 47	49
Equity-settled share-based payment schemes	11	15
	<hr/>	<hr/>
	2,091	2,033
	<hr/>	<hr/>

Notes (continued)

5 Directors' remuneration

	2015 £000	2014 £000
Aggregate directors' emoluments	3,748	8,079
Pension to former directors and widows of former directors	303	190
	<u>4,051</u>	<u>8,269</u>

The aggregate emoluments of the highest paid director were £3,057,000 (2014 - £7,470,000). He is a member of a group pension scheme and his annual accrued pension at the period end was £512,670 (2014 - £477,000).

	Number of directors 2015	2014
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	<u>3</u>	<u>3</u>

6 Interest and other financial income and expense

	2015 £m	2014 £m
Finance Income		
Cash and cash equivalents	13	23
Gain on re-measurement of investments at fair value through profit and loss	-	6
Dividends receivable	1	3
Profit on sale of investment	-	3
	<u>14</u>	<u>35</u>
Financial expense		
Bank loans and overdrafts	35	40
All other borrowings	25	32
Fair value loss on current asset investment	3	6
Finance leases	1	1
Other payables	-	1
	<u>64</u>	<u>80</u>
Expected return on employee benefit scheme assets	14	140
Interest charge on employee benefit scheme liabilities	14	(139)
Interest charge on irrecoverable surplus	14	(1)
	<u>-</u>	<u>-</u>
Net financial income in respect of employee benefit schemes	-	-
Net foreign exchange losses on financing activities	(5)	-
	<u>(5)</u>	<u>-</u>
Total other financial expense	<u>(5)</u>	<u>-</u>

Notes (continued)

7 Income tax expense

	2015 £m	2014 £m
Current tax expense		
UK – corporation tax at 20.5% (2014: 22.1%)	76	141
Overseas - corporation tax	109	148
UK – (over)/under-provided in prior periods	(9)	4
Overseas - over-provided in prior periods	(15)	(2)
Total current tax expense	161	291
Deferred tax expense		
UK deferred tax	(6)	(17)
Overseas deferred tax	25	(19)
UK – under/(over) provided in prior years	8	(6)
Overseas – under/(over) provided in prior years	8	(7)
Total income tax expense in income statement	196	242
Reconciliation of effective tax rate		
Profit before taxation	737	1,044
Less share of profit from joint ventures and associates	(48)	(13)
Profit before taxation excluding share of profit from joint ventures and associates	689	1,031
Normal tax charge at UK corporation tax rate of 20.5% (2014: 22.1%)	141	228
Effect of higher and lower tax rates on overseas earnings	(29)	(11)
Effect of changes in tax rates on income statement	3	4
Expenses not deductible for tax purposes	60	23
Disposal of assets covered by tax exemptions or unrecognised capital losses	23	2
Deferred tax not recognised	10	7
Adjustments in respect of prior periods	(9)	(11)
Other tax adjustments	(3)	-
	196	242
Income tax recognised directly in equity		
Deferred tax associated with defined benefit schemes	5	(3)
Current tax associated with share-based payments	(4)	(2)
Deferred tax associated with movements in cash flow hedging position	(11)	11
Deferred tax associated with movements in foreign exchange	(2)	-
Current tax associated with movements in foreign exchange	(1)	(2)
	(13)	4

A tax credit of £22m arising on the exceptional impairment charge in the year is included in UK current tax.

The UK corporation tax rate was reduced to 20% with effect from 1 April 2015 and UK deferred tax has been calculated using a rate of 20%. Further reductions in the corporation tax rate to 19% and 18% in April 2007 and April 2020 respectively have been substantively enacted since the balance sheet date. Accordingly, the effect of these changes on UK deferred tax balances will be included in 2015/16.

Deferred taxation balances are analysed in note 15.

Notes (continued)

8 Dividends

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Per share		
<i>First interim</i>	<i>49</i>	<i>44</i>
<i>Second interim</i>	<i>31</i>	<i>29</i>
	<hr/>	<hr/>
	<i>80</i>	<i>73</i>
	<hr/>	<hr/>
	<i>£m</i>	<i>£m</i>
Total		
<i>First interim</i>	<i>42</i>	<i>38</i>
<i>Second interim</i>	<i>27</i>	<i>25</i>
	<hr/>	<hr/>
	<i>69</i>	<i>63</i>
	<hr/>	<hr/>

An interim dividend of £51.50 per share (£44m) was paid after the year end on 28 September 2015 to shareholders on the register on 16 September 2015. Following a decision to change the timing of future dividend payments, an additional interim dividend of £36.50 per share (£31m) was paid on 15 January 2016 to shareholders on the register on 15 December 2015.

Notes (continued)

9 Intangible assets

Cost	Goodwill £m	Technology £m	Brands £m	Non-operating Customer relationships £m	Grower Agreements £m	Other £m	Operating Other £m	Total £m
At 14 September 2013	1,266	227	370	102	140	7	225	2,337
Acquisitions – externally purchased	-	-	-	-	-	-	42	42
Acquired through previous business combinations	-	-	-	4	-	-	-	4
Other disposals	-	-	-	-	-	-	(12)	(12)
Effect of movements in foreign exchange	(43)	(32)	(8)	(9)	(17)	(1)	(7)	(117)
At 13 September 2014	1,223	195	362	97	123	6	248	2,254
Acquisitions – externally purchased	-	-	-	-	-	-	42	42
Acquired through business combinations	5	-	45	8	-	-	-	58
Businesses disposed	(46)	-	-	-	-	-	(11)	(57)
Other disposals	-	-	-	-	-	-	(16)	(16)
Effect of movements in foreign exchange	(36)	(15)	(5)	(10)	(18)	(1)	(14)	(99)
At 12 September 2015	1,146	180	402	95	105	5	249	2,182
At 14 September 2013	29	227	208	96	98	7	91	756
Amortisation for the year	-	-	52	7	13	-	22	94
Impairment on closure of business	4	-	-	-	-	-	-	4
Other disposals	-	-	-	-	-	-	(3)	(3)
Effect of movements in foreign exchange	-	(32)	(5)	(10)	(12)	(1)	(4)	(64)
At 13 September 2014	33	195	255	93	99	6	106	787
Amortisation for the year	-	-	29	2	24	-	26	81
Businesses disposed	-	-	-	-	-	-	(2)	(2)
Impairment on closure of business	-	-	-	-	-	-	11	11
Other disposals	-	-	-	-	-	-	(5)	(5)
Effect of movements in foreign exchange	-	(15)	(4)	(10)	(18)	(1)	(9)	(57)
At 12 September 2015	33	180	280	85	105	5	127	815
Net book value								
At 14 September 2013	1,237	-	162	6	42	-	134	1,581
At 13 September 2014	1,190	-	107	4	24	-	142	1,467
At 12 September 2015	1,113	-	122	10	-	-	122	1,367

Notes (continued)

9 Intangible assets (continued)

Impairment

As at 12 September 2015, the consolidated balance sheet included goodwill of £1,113m (2014: £1,190m). Goodwill is allocated to the group's cash-generating units (CGU's), or groups of CGU's that are expected to benefit from the synergies of the business combination that gave rise to the goodwill, as follows:

<i>CGU or group of CGUs</i>	<i>Primary reporting segments</i>	<i>Discount rate</i>	<i>2015 £m</i>	<i>2014 £m</i>
<i>ACH</i>	<i>Grocery</i>	<i>13.4%</i>	<i>248</i>	<i>236</i>
<i>AB Mauri</i>	<i>Ingredients</i>	<i>14.66%</i>	<i>268</i>	<i>291</i>
<i>Twinings Ovaltine</i>	<i>Grocery</i>	<i>10.0%</i>	<i>119</i>	<i>119</i>
<i>Capullo</i>	<i>Grocery</i>	<i>14.8%</i>	<i>58</i>	<i>58</i>
<i>Illovo</i>	<i>Sugar</i>	<i>14.71%</i>	<i>102</i>	<i>121</i>
<i>AB World Foods</i>	<i>Grocery</i>	<i>11.4%</i>	<i>78</i>	<i>78</i>
<i>North China Sugar</i>	<i>Sugar</i>	<i>-</i>	<i>-</i>	<i>45</i>
<i>Other (not individually significant)</i>	<i>Various</i>	<i>Various</i>	<i>240</i>	<i>242</i>
			<i>1,113</i>	<i>1,190</i>

A CGU, or group of CGUs, to which goodwill has been allocated must be assessed for impairment annually, or more frequently if events or circumstances indicate that the carrying amount may not be recoverable.

The carrying value of goodwill has been assessed with reference to value in use to perpetuity reflecting the projected cash flows of each of the CGUs or group of CGUs. These projections are based on the most recent budget, which has been approved by the board and reflects management's expectations of sales growth, operating costs and margin, based on past experience and external sources of information. Long-term growth rates for periods not covered by the annual budget reflect the products, industries and countries in which the relevant CGU or group of CGUs, operate.

For some recently acquired intangible assets, management expects to achieve growth over the next three to five years in excess of the long-term growth rates for the applicable country or region. In these circumstances, budgeted cash flows are extended, generally to between three and five years, using specific growth assumptions and taking into account the specific business risks.

The key assumptions on which the cash flow projections for the most recent budget are based relate to discount rates, growth rates and expected changes in volumes, selling prices and direct costs.

The cash flow projections have been discounted using the group's pre-tax weighted average cost of capital adjusted for country, industry and market risk. The rates used were in the range between 9.5% and 14.8% (2014: between 10.1% and 15.7%).

The growth rates to perpetuity beyond the initial budgeted cash flows, applied in the value in use calculations for goodwill allocated to each CGUs or groups of CGUs that are significant to the total carrying value of goodwill, were in the range between 0% and 4%, consistent with the inflation factors included in the discount rates applied (2014: between 0% and 5%).

Changes in volumes, selling prices and direct costs are based on past results and expectations of future changes in the market.

Sensitivity to changes in key assumptions

Impairment testing is dependent on management's estimates and judgements, particularly as they relate to the forecasting of future cash flows, the discount rates selected, and expected long-term growth rates. Each of the group's CGUs had significant headroom under the annual impairment review with the exception of AB Mauri.

Notwithstanding a substantial improvement in profit in the current year, particularly in the US, Canada, Brazil and HispanoAmerica, AB Mauri has experienced increased competitive pressure in a number of markets around the world. Management has reviewed detailed forecasts for this business for a period of ten years to reflect the time required for completion of the dry yeast production strategy, and has concluded that the assets are not impaired. Key drivers of the forecast improvement in performance include improved reach and competitiveness in the global dry yeast market from the new yeast factory in Mexico, implementation of a number of margin improvement initiatives, particularly in cost reduction and the continuing growth in the global bakery ingredients business. Headroom was \$190m on a CGU carrying value of \$947m (2014: headroom of \$306m on a CGU carrying value of \$1,078m). The geographic diversity and varying local economic environments of AB Mauri's operations mean that the critical assumptions underlying the detailed forecasts used in the impairment model are wide ranging. It is therefore impractical to provide meaningful sensitivities to these assumptions other than the discount rate. The discount rate used was 14.66% (2014: 12.7%) and would have to increase to more than 16.73% (2014: 15.0%) before the value in use fell below the CGU carrying value. Estimates of long-term growth rates beyond the forecast periods were 2% to 3% (2014: 2.5% to 3%) per annum dependent on the location.

Notes (continued)

9 Intangible assets (continued)

For all goodwill other than AB Mauri, management has concluded that no reasonably possible change in key assumptions on which it has determined value in use would cause the carrying values to materially exceed value in use.

10 Property, plant & equipment

	<i>Land and buildings £m</i>	<i>Plant and machinery £m</i>	<i>Fixtures and fittings £m</i>	<i>Assets under construction £m</i>	<i>Total £m</i>
Cost					
<i>At 14 September 2013</i>	<i>2,385</i>	<i>3,286</i>	<i>1,672</i>	<i>150</i>	<i>7,493</i>
<i>Acquisitions- externally purchased</i>	<i>148</i>	<i>131</i>	<i>330</i>	<i>149</i>	<i>758</i>
<i>Acquired through business combinations</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>2</i>
<i>Other disposals</i>	<i>(8)</i>	<i>(91)</i>	<i>(61)</i>	<i>-</i>	<i>(160)</i>
<i>Transfers from assets under construction</i>	<i>28</i>	<i>111</i>	<i>3</i>	<i>(142)</i>	<i>-</i>
<i>Effect of movements in foreign exchange</i>	<i>(79)</i>	<i>(159)</i>	<i>(40)</i>	<i>(7)</i>	<i>(285)</i>
<i>At 13 September 2014</i>	<i>2,475</i>	<i>3,279</i>	<i>1,904</i>	<i>150</i>	<i>7,808</i>
<i>Acquisitions- externally purchased</i>	<i>79</i>	<i>115</i>	<i>313</i>	<i>126</i>	<i>633</i>
<i>Acquired through business combinations</i>	<i>2</i>	<i>2</i>	<i>-</i>	<i>-</i>	<i>4</i>
<i>Businesses disposed</i>	<i>(28)</i>	<i>(46)</i>	<i>-</i>	<i>-</i>	<i>(74)</i>
<i>Other disposals</i>	<i>(59)</i>	<i>(45)</i>	<i>(38)</i>	<i>-</i>	<i>(142)</i>
<i>Transfers from assets under construction</i>	<i>21</i>	<i>107</i>	<i>4</i>	<i>(132)</i>	<i>-</i>
<i>Effect of movements in foreign exchange</i>	<i>(103)</i>	<i>(223)</i>	<i>(74)</i>	<i>(18)</i>	<i>(418)</i>
<i>At 12 September 2015</i>	<i>2,387</i>	<i>3,189</i>	<i>2,109</i>	<i>126</i>	<i>7,811</i>
Depreciation and impairment					
<i>At 14 September 2013</i>	<i>524</i>	<i>1,688</i>	<i>656</i>	<i>-</i>	<i>2,868</i>
<i>Depreciation for the period</i>	<i>49</i>	<i>189</i>	<i>167</i>	<i>-</i>	<i>405</i>
<i>Impairment</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1</i>
<i>Other disposals</i>	<i>(2)</i>	<i>(56)</i>	<i>(61)</i>	<i>-</i>	<i>(119)</i>
<i>Effect of movements in foreign exchange</i>	<i>(29)</i>	<i>(94)</i>	<i>(13)</i>	<i>-</i>	<i>(136)</i>
<i>At 13 September 2014</i>	<i>543</i>	<i>1,727</i>	<i>749</i>	<i>-</i>	<i>3,019</i>
<i>Depreciation for the period</i>	<i>43</i>	<i>196</i>	<i>169</i>	<i>-</i>	<i>408</i>
<i>Businesses disposed</i>	<i>(9)</i>	<i>(18)</i>	<i>-</i>	<i>-</i>	<i>(27)</i>
<i>Other disposals</i>	<i>(16)</i>	<i>(26)</i>	<i>(38)</i>	<i>-</i>	<i>(80)</i>
<i>Effect of movements in foreign exchange</i>	<i>(43)</i>	<i>(74)</i>	<i>(16)</i>	<i>-</i>	<i>(133)</i>
<i>At 12 September 2015</i>	<i>518</i>	<i>1,805</i>	<i>864</i>	<i>-</i>	<i>3,187</i>
<i>Net book value at 14 September 2013</i>	<i>1,861</i>	<i>1,598</i>	<i>1,016</i>	<i>150</i>	<i>4,625</i>
<i>Net book value at 13 September 2014</i>	<i>1,932</i>	<i>1,552</i>	<i>1,155</i>	<i>150</i>	<i>4,789</i>
<i>Net book value at 12 September 2015</i>	<i>1,869</i>	<i>1,384</i>	<i>1,245</i>	<i>126</i>	<i>4,624</i>

	<i>2015 £m</i>	<i>2014 £m</i>
<i>Net book value of finance lease assets</i>	<i>10</i>	<i>10</i>
<i>Land and buildings at net book value comprise:</i>		
<i>- Freehold</i>	<i>1,360</i>	<i>1,399</i>
<i>- Long leasehold</i>	<i>301</i>	<i>322</i>
<i>- Short leasehold</i>	<i>98</i>	<i>103</i>
	<i>1,759</i>	<i>1,824</i>
<i>Capital expenditure commitments – contracted but not provided for</i>	<i>323</i>	<i>324</i>

Notes (continued)

10 Property, plant & equipment (continued)

Impairment

The methodology used to assess property, plant and equipment for impairment is the same as that described for impairment assessments for goodwill. See note 9 for further details.

An impairment of A\$150m (£98m) was recorded in 2012 in the Australian meat business. Although further progress was made in the current year to reduce the factory cost base and improve efficiency, high-cost raw materials in the first half of the year held back the rate of profit improvement. Following a detailed assessment, management has concluded that the carrying value of the assets in the meat business is not further impaired. Headroom was A\$30m on a CGU carrying value of A\$284m (2014 – headroom of A\$26m on a CGU carrying value of A\$286m). The discount rate used was 10.5% (2014: 10.5%). Estimates of long-term growth rates beyond the forecast periods were 2.0% (2014: 2.0%) per annum. A sensitivity of 1/-1% applied to volume assumptions after 2017 impacts headroom by +/-A\$14m.

Low prices in the EU Sugar businesses led to a substantial fall in operating profit and resulted in them being assessed for impairment. Headroom in Azucarera in Spain was €116m on a CGU carrying value of €392m. The discount rate was 12.83%. A sensitivity of +/-1% applied to the sugar pricing in 2020 and beyond impacts headroom by +/-€16m. Headroom in British Sugar was £228m on a CGU carrying values of £514m. The discount rate used was 9.7%. A sensitivity of +/-1% applied to sugar pricing in 2020 and beyond impacts headroom by +/-£42m.

Low bread process and strong competition in the UK bakery sector led to lower profitability at Allied Bakeries and resulted in the need for an assessment of impairment. Headroom was £27m on a CGU carrying value of £294m. The discount rate used was 10.95%. A sensitivity of +/-1% applied to bread volumes impacts headroom by +/-£17m.

11 Biological assets

	<i>Growing cane £m</i>	<i>Current Other £m</i>	<i>Total £m</i>	<i>Non-current Cane roots £m</i>
At 14 September 2013	103	9	112	97
Transferred to inventory	(72)	(25)	(97)	-
Purchases	-	3	3	-
Changes in fair value	80	26	106	12
Effect of movements in foreign exchange	(15)	-	(15)	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
At 13 September 2014	96	13	109	96
Transferred to inventory	(95)	(29)	(124)	-
Purchases	-	2	2	1
Changes in fair value	87	21	108	12
Effect of movements in foreign exchange	(24)	(1)	(25)	(26)
	<hr/>	<hr/>	<hr/>	<hr/>
At 12 September 2015	64	6	70	83
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

11 Biological assets (continued)

<i>Cane roots</i>	<i>Area under cane at the end of the period (hectares)</i>		<i>Expected life (years)</i>		<i>Inflation rate</i>	
	2015	2014	2015	2014	2015	2014
<i>South Africa</i>	8,519	8,176	10	10	6%	6%
<i>Malawi</i>	19,940	19,908	8	8	22%	25%
<i>Zambia</i>	16,896	16,994	7	7	7%	8%
<i>Swaziland</i>	8,876	8,646	9	9	6%	6%
<i>Tanzania</i>	9,605	9,643	8	8	6%	6%
<i>Mozambique</i>	6,108	6,176	8	8	5%	5%
	<u>69,944</u>	<u>69,543</u>				

Growing cane

The following assumptions have been used in the determination of the estimated sucrose tonnage at 12 September 2015:

	<i>South Africa</i>	<i>Malawi</i>	<i>Zambia</i>	<i>Swaziland</i>	<i>Tanzania</i>	<i>Mozambique</i>
<i>Expected area to harvest (hectares)</i>	5,277	19,611	16,671	8,647	9,576	5,907
<i>Estimated yield (tonnes cane/hectare)</i>	66.3	101.3	114.6	94.0	81.0	85.8
<i>Average maturity of cane</i>	45.1%	68.5%	65.7%	67.7%	46.2%	71.6%

The following assumptions were used in the determination of the estimated sucrose tonnage at 13 September 2014:

	<i>South Africa</i>	<i>Malawi</i>	<i>Zambia</i>	<i>Swaziland</i>	<i>Tanzania</i>	<i>Mozambique</i>
<i>Expected area to harvest (hectares)</i>	4,499	19,401	16,686	8,383	9,676	5,966
<i>Estimated yield (tonnes cane/hectare)</i>	69.5	106.1	118.8	97.2	84.2	87.5
<i>Average maturity of cane</i>	57.0%	66.7%	67.3%	66.7%	50.0%	66.7%

Sensitivities

The 1% change in the unobservable inputs could increase or decrease the fair value of cane roots and growing cane as follows:

	<i>2015</i>		<i>2014</i>	
	<i>+1% £m</i>	<i>-1% £m</i>	<i>+1% £m</i>	<i>-1% £m</i>
<i>Inflation rate (cane roots)</i>	0.7	(0.7)	0.7	(0.7)
<i>Estimated sucrose content (growing cane)</i>	1.0	(1.0)	1.1	(1.1)
<i>Estimated sucrose price (growing cane)</i>	1.4	(1.4)	1.4	(1.4)

12 Investment property

	<i>£m</i>
<i>At 14 September 2013</i>	137
<i>Additions</i>	48
<i>Disposals</i>	(21)
	<u>164</u>
<i>At 13 September 2014</i>	164
<i>Additions</i>	8
<i>Disposals</i>	(5)
	<u>167</u>
<i>At 12 September 2015</i>	<u>167</u>

Notes (continued)

12 Investment property (continued)

Investment properties are included at directors' valuation, which is based on independent advice, at open market value. Investment properties primarily comprise commercial property leased to third parties. Annual rental income amounts to £8m. No contingent rents are charged.

13 Investments in joint ventures and associates

	<i>Joint Ventures</i> £m	<i>Associates</i> £m
At 14 September 2013	198	36
Acquisitions	5	-
Disposals	-	(2)
Profit for the period	8	5
Dividends received	(13)	(4)
Effect of movements in foreign exchange	(2)	(3)
	<hr/>	<hr/>
At 13 September 2014	196	32
Acquisitions	3	-
Transfer to subsidiary	4	-
Profit for the period	44	4
Dividends received	(47)	(3)
Effect of movements in foreign exchange	(1)	(1)
	<hr/>	<hr/>
At 12 September 2015	199	32
	<hr/>	<hr/>

Details of joint ventures and associates are listed in note 28.

Included in the consolidated financial statements are the following items that represent the group's share of the assets, liabilities and profit of joint ventures and associates:

	<i>Joint venture</i> 2015 £m	2014 £m	<i>Associates</i> 2015 £m	2014 £m
Non-current assets	94	246	15	16
Current assets	296	302	157	128
Current liabilities	(166)	(199)	(139)	(111)
Non-current liabilities	(42)	(170)	(2)	(2)
Goodwill	17	17	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	199	196	32	32
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	1,245	1,260	74	81
Profit for the period	44	8	4	5
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

14 Employee entitlements

The group operates a number of defined benefit and defined contribution retirement benefit schemes in the UK and overseas. The defined benefit schemes expose the group to a variety of actuarial risks including demographic assumptions such as mortality and financial assumptions such as discount rate, inflation risk and market (investment) risk. The group is not exposed to any unusual, entity-specific or scheme-specific risks. All schemes comply with local legislative requirements.

UK defined benefit scheme

The group's principal UK defined benefit scheme is the Associated British Foods Pension Scheme, which is a funded final salary scheme that is closed to new members. Defined contribution arrangements are in place for other employees. The UK defined benefit schemes represent 92% (2014: 91%) of the group's defined benefit scheme assets and 89% (2014: 89%) of the defined benefit scheme liabilities. The Scheme is governed by a trustee board which is independent of the group and which agrees a schedule of contributions with the Company each time a formal funding valuation is performed.

The most recent triennial funding valuation of the Scheme was carried out as at 5 April 2014, using the current unit method, and revealed a surplus of £79m. The market value of the Scheme assets was £3,085m, representing 103% of members' accrued benefits after allowing for expected future salary increases.

The Scheme's assets are managed using a risk-controlled investments strategy, which includes a liability-driven investment policy which seeks to match, where appropriate, the profile of the liabilities. This includes the use of derivative instruments to hedge inflation, interest and foreign exchange risks. The Scheme utilises both market and solvency triggers to develop the level of hedges in place. To date, the Scheme is fully hedged for 31% of inflation sensitivity and 24% of interest rate risk. It is intended to hedge 80% of total exposure.

The Scheme is forbidden by the trust deed from holding direct investments in equity of the Company, although it is possible that the Scheme may hold indirect interest through the investments in some equity funds. The Scheme owns the freehold of an office building in London which is leased to the group at open market rent. The fair value of this building is £7m (2014: £6m)

Overseas defined benefit schemes

The group also operates defined benefit pension schemes in a number of overseas businesses, which are primarily funded final salary schemes, as well as a small number of unfunded post-retirement medical benefit schemes, which are accounted for in the same way as defined benefit retirement schemes.

Defined contribution schemes

The group operates a number of defined contribution schemes for which the charge was £37m in the UK and £40m overseas, totalling £77m (2014: UK £39m, overseas £38m, total £77m)

Actuarial Assumptions

The principal actuarial assumptions for the group's defined benefit schemes at the end of the year were:

	2015	2015	2014	2014
	UK	Overseas	UK	Overseas
	%	%	%	%
Discount rate	3.8	0.9-16.3	4.1	1.5-15.7
Inflation	3.3	1-7.4	3.4	0.8-9.2
Rate of increase in salaries	3.8	0-12.0	3.9	0.5-10.7
Rate of increase for pensions in payment	3.1	0-4.5	3.2	1.2-6.3
Rate of increase for pensions in deferment (where provided)	2.8	0-2.0	2.9	1.2-6.3

The mortality assumptions used to value the UK defined benefit schemes are derived from the S2 mortality tables with improvements in line with the 2013 projection model prepared by the Continuous Mortality Investigation of the UK actuarial profession, with no rating for males and a +0.7 year rating for females, both with a long-term trend of 1.5%. These mortality assumptions take account of experience to date, and assumptions for further improvements in life expectancy of scheme members. Examples of the resulting life expectancies in the UK defined benefit schemes are as follows:

	2015		2014	
	Male	Female	Male	Female
Life expectancy from age 65 (in years)				
Member aged 65 in 2015 (2014)	22.7	25.4	22.7	25.2
Member aged 65 in 2035 (2034)	25.0	27.7	24.8	27.6

Notes (continued)

14 Employee entitlements (continued)

Other demographic assumptions for the UK defined benefit schemes are set having regard to the latest trends in scheme experience and other relevant data. The assumptions are reviewed and updated as necessary as part of the periodic funding valuation of the schemes.

For the overseas schemes, regionally appropriate assumptions for mortality, financial and demographic factors have been used.

A sensitivity analysis on the principal assumptions used to measure UK defined benefit scheme liabilities at 12 September 2015 is:

	Change in assumptions	Impact on scheme liabilities
Discount rate	decrease/increase by 0.5%	increase/decrease by 9.2%
Inflation	increase/decrease by 0.5%	increase/decrease by 8.2%
Rate of increase in salaries	increase/decrease by 0.5%	increase/decrease by 1.8%
Rate of mortality	reduce by one year	increase by 3.1%

A sensitivity to the rate of increase in pensions in payment and pensions deferment is represented by the inflation sensitivity, as all pensions increases and deferred revaluations are linked to inflation.

The sensitivity analysis above has been determined based on reasonable possible changes in the respective assumptions occurring at the end of the period and may not be representative of the actual change. It is based on a change in the specific assumption while holding all other assumptions constant. When calculating the sensitivities, the same method used to calculate scheme liabilities recognised in the balance sheet has been applied. The method and assumptions used in preparing the sensitivity analysis have not changed since the prior year.

Balance sheet

	2015			2014		
	UK £m	Overseas £m	Total £m	UK £m	Overseas £m	Total £m
<i>Equities</i>	1,213	127	1,340	1,243	146	1,389
<i>Government bonds</i>	669	36	705	543	41	584
<i>Corporate and other bonds</i>	627	56	683	628	55	683
<i>Property</i>	259	10	269	229	6	235
<i>Cash and other assets</i>	575	62	637	535	59	594
<i>Scheme assets</i>	3,343	291	3,634	3,178	307	3,485
<i>Scheme liabilities</i>	(3,253)	(391)	(3,644)	(3,120)	(396)	(3,516)
<i>Aggregate net deficit</i>	90	(100)	(10)	58	(89)	(31)
<i>Irrecoverable surplus (a)</i>	-	(6)	(6)	-	(12)	(12)
<i>Net pension asset /(liability)</i>	90	(106)	(16)	58	(101)	(43)
<i>Analysed as</i>						
<i>Scheme in surplus</i>	120	5	125	87	3	90
<i>Schemes in deficit</i>	(30)	(111)	(141)	(29)	(104)	(133)
	90	(106)	(16)	58	(101)	(43)
<i>Unfunded liability included in the present value of scheme liabilities above</i>	(30)	(43)	(73)	(29)	(48)	(77)

Notes (continued)

14 Employee entitlements (continued)

(a) The surplus in the plans is only recoverable to the extent that the group can benefit from either refunds formally agreed or from future contribution reductions.

Corporate or other bonds relating to UK schemes of £627m includes £49m (2014: £46m) of assets whose valuation is not derived from quoted market prices. The valuation for all other equity assets, government bonds, corporate and other bonds is derived from quoted market prices. The carrying value of UK property assets is based on 31 March market valuation, adjusted for purchases, disposals and price indexation between the valuation and the balance sheet dates. Cash and other assets contains £185m (2014: £127m) of assets whose valuation is not derived from quoted market prices.

For financial reporting in the group's accounts, liabilities are assessed by actuaries using the projected unit method. The accounting value is different from the result obtained using the funding basis, mainly due to different assumptions used to project scheme liabilities.

The defined benefit scheme liabilities comprise 28% (2014: 33%) in respect of active participants, 23% (2014: 20%) for deferred participants and 49% (2014: 47%) for pensioners.

The weighted average duration of the defined benefit scheme liabilities at the end of the year is 18 years (UK schemes – 18 years and overseas schemes – 18 years)

Income statement

The charge to the income statement for employee benefit schemes comprises:

	2015 £m	2014 £m
<i>Charged to operating profit:</i>		
<i>Defined benefit plans</i>		
Current service cost	(48)	(48)
Past service cost	(2)	(1)
Gain on settlements	3	-
<i>Defined contribution schemes</i>	(77)	(77)
	<hr/>	<hr/>
<i>Total operating cost</i>	(124)	(126)
	<hr/>	<hr/>
<i>Reported in other finance income/(expense):</i>	1	-
<i>Net interest income/(expense) on net pension asset/(liability)</i>	(1)	-
	<hr/>	<hr/>
<i>Net impact on profit before tax</i>	(124)	(126)
	<hr/>	<hr/>

Cash flow

Group cash flow in respect of employee benefits schemes comprises contributions paid to funded schemes of £39m (2014: £41m) and benefits paid in respect of unfunded plans of £nil (2014: £nil). Contributions to funded defined benefit plans are subject to periodic review. Contributions to defined contribution schemes amounted to £76m (2014: £76m).

Total contributions to funded plans and benefit payments by the group in respect of unfunded plans in 2016 are currently expected to be approximately £28m in the UK and £9m overseas, totalling £37m (2014: UK £29m, overseas £8m, totalling £37m).

Notes (continued)

14 Employee entitlements (continued)

Other comprehensive income

Remeasurements of the net asset/liability recognised in other comprehensive income are as follows:

	2015 £m	2014 £m
<i>Return on scheme assets excluding amounts included in net interest in the income statement</i>	118	211
<i>Actuarial losses arising from changes in financial assumptions</i>	(151)	(262)
<i>Actuarial gains/(losses) arising from changes in demographic assumptions</i>	(6)	5
<i>Experience gains on scheme liabilities</i>	60	21
<i>Change in unrecognised surplus</i>	6	-
	<hr/>	<hr/>
<i>Remeasurements of the net pension asset/(liability)</i>	27	(25)
	<hr/>	<hr/>

Reconciliation of change in assets and liabilities

	2015 Assets £m	2014 Assets £m	2015 Liabilities £m	2014 Liabilities £m	2015 Net £m	2014 Net £m
<i>At beginning of year</i>	3,485	3,233	(3,516)	(3,236)	(31)	(3)
<i>Current service cost</i>	-	-	(48)	(48)	(48)	(48)
<i>Employee contributions</i>	10	10	(10)	(10)	-	-
<i>Employer contributions</i>	39	41	-	-	39	41
<i>Benefit payments</i>	(135)	(138)	135	138	-	-
<i>Settlements</i>	(6)	(2)	9	2	3	-
<i>Past service costs</i>	-	-	(2)	(1)	(2)	(1)
<i>Interest income/(expense)</i>	140	148	(139)	(148)	1	-
<i>Return on plan assets less interest income</i>	118	211	-	-	118	211
<i>Actuarial loss arising from changes in financial assumptions</i>	-	-	(151)	(262)	(151)	(262)
<i>Actuarial gain/(loss) arising from changes in demographic assumptions</i>	-	-	(6)	5	(6)	5
<i>Actuarial gain arising from experience on scheme liabilities</i>	-	-	60	21	60	21
<i>Acquisitions</i>	-	-	-	(1)	-	(1)
<i>Effect of movements in foreign exchange</i>	(17)	(18)	24	24	7	6
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>At end of year</i>	3,634	3,485	(3,644)	(3,516)	(10)	(31)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Reconciliation of change in irrecoverable surplus

	2015	2014
<i>At beginning of year</i>	(12)	(12)
<i>Change recognised in other comprehensive income</i>	6	-
<i>Interest charge on irrecoverable surplus</i>	(1)	-
<i>Effect of movements in foreign exchange</i>	1	-
	<hr/>	<hr/>
<i>At end of year</i>	(6)	(12)
	<hr/>	<hr/>

Notes (continued)

15 Deferred tax assets and liabilities

	<i>Property, plant and equipment</i>	<i>Intangible assets</i>	<i>Employee benefits</i>	<i>Financial assets and liabilities</i>	<i>Other temporary differences</i>	<i>Tax value of carry-forward losses</i>	<i>Total</i>
	£m	£m	£m	£m	£m	£m	£m
At 14 September 2013 (restated)	148	92	(7)	(2)	12	(83)	160
<i>Amount charged/ (credited) to the income statement</i>	(6)	(6)	(5)	-	(42)	6	(53)
<i>Amount charged to other comprehensive income</i>	-	-	(3)	11	-	-	8
<i>Acquired through business combinations</i>	-	1	-	-	-	-	1
<i>Effect of changes in tax rate on income statement.</i>	5	-	-	-	1	(2)	4
<i>Effect of movements in foreign exchange</i>	(5)	(1)	-	-	(1)	4	(3)
At 13 September 2014	142	86	(15)	9	(30)	(75)	117
<i>Amount charged/ (credited) to the income statement</i>	(6)	4	(2)	-	28	6	30
<i>Amount charged to other comprehensive income</i>	-	-	5	(11)	(2)	-	(8)
<i>Acquired through business combinations</i>	(42)	4	-	-	-	-	(38)
<i>Businesses disposed</i>	-	-	-	-	-	5	5
<i>Effect of changes in tax rate on income statement.</i>	(1)	-	-	-	5	1	5
<i>Effect of movements in foreign exchange</i>	(9)	1	2	-	(4)	10	-
At 12 September 2015	84	95	(10)	(2)	(3)	(53)	111

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purposes:

	2015 £m	2014 £m
- Deferred tax assets	(125)	(152)
- Deferred tax liabilities	236	269
	111	117

The recoverability of deferred tax assets is supported by the expected level of future profits in the countries concerned. Other deferred tax assets totalling £86m (2014: £88m) that have not been recognised on the basis that their future economic benefit is uncertain.

In addition, there are temporary differences of £1,992m (2014: £2,122m) relating to investments in subsidiaries. No deferred tax has been provided in respect of these differences, since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the future.

Notes (continued)

16 Trade and other receivables

	2015	2014
	£m	£m
Non-current - other receivables		
Loans and receivables	19	160
Other non-current investments	4	4
	<hr/> 23	<hr/> 164
Current – trade and other receivables		
Trade receivables	903	979
Other receivables	123	140
Accrued income	12	31
	<hr/> 1,038	<hr/> 1,150
Prepayments and other non-financial receivables	158	168
	<hr/> 1,196	<hr/> 1,318

The directors consider that the carrying amount of receivables approximates fair value.

For details of credit risk exposure on trade and other receivables, see note 18.

Trade and other receivables include £19m (2014: £14m) in respect of finance lease receivables, with £16m in non-current loans and receivables and £3m in current other receivables (2014: £11m in non-current loans and receivables and £3m in current other receivables). Minimum lease payments receivable are £3m within one year £16m between one and five years (2014: £3m within one year, £11m between one and five years).

The finance lease receivable relates to property, plant & equipment leased to a joint venture of the group (see note 25).

17 Inventories

	2015	2014
	£m	£m
Raw materials and consumables	283	334
Work in progress	28	23
Finished goods and goods held for resale	1,527	1,288
	<hr/> 1,838	<hr/> 1,645
Write down of inventories	(102)	(78)

Notes (continued)

18 Financial Instruments

a) Carrying amount and fair values of financial assets and liabilities.

		2015 £m	2014 £m
Financial assets			
Cash and cash equivalents	19	1,141	885
Loans and receivables:			
Trade and other receivables	16	1,038	1,119
Other non-current receivables (fair value 2015: £23m, 2014: £143m)	16	23	164
At fair value through profit and loss			
Other financial investments		508	503
Derivative assets not designated in a cash flow hedging relationship:			
- currency derivatives		3	8
Designated net investment hedging relationships			
Derivative assets designated as net investment hedging instruments:			
- currency derivatives		33	2
Designated cash flow hedging relationships			
Derivative assets designated and effective as cash flow hedging instruments:			
- currency derivatives		37	50
- commodity derivatives		1	14
Total financial assets		2,784	2,745
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	21	(1,940)	(1,809)
Secured loans	20	(98)	(67)
Unsecured loans and overdrafts (fair value 2015: £889m; 2014: £999m)	20	(833)	(937)
Finance leases (fair value 2015: £17m; fair value 2014: £17m)		(12)	(12)
Deferred consideration		(7)	(2)
At fair value through profit and loss			
Derivative liabilities not designated in a cash flow hedging relationship:			
- currency derivatives		(6)	(3)
- commodity derivatives		(1)	(1)
Designated cash flow hedging relationships			
Derivative liabilities designated and effective as cash flow hedging instruments:			
- currency derivatives		(19)	(3)
- commodity derivatives		(7)	(8)
Total financial liabilities		(2,923)	(2,842)
Net financial liabilities		(139)	(97)

Except where stated, carrying amount is equal to fair value.

Notes (continued)

18 Financial Instruments (continued)

The methods and assumptions used to estimate fair values of financial assets and liabilities are as follows:

Financial asset/liability	Fair value determination
Cash and cash equivalents	Fair values have been stated at book values due to short maturities or otherwise immediate or short-term access and realisability.
Trade receivables, other receivables and accrued income	
Trade payables, other payables and accruals	
Other non-current investments (recorded within other non-current receivables)	These comprise minority shareholdings held primarily in privately owned, unquoted companies, where there is no active market available to value them. Where the fair value of the equity instruments cannot be reliably measured, they are recorded at cost.
	Where shareholdings are held in publicly quoted companies, bid price is used to estimate fair value.
Other long-term receivables	Fair values for these level 2 financial instruments have been estimated by discounting expected future cash flows (see below).
Loans, overdrafts and debenture stock	
Finance leases	
Derivatives	Fair values are typically determined either by reference to third party valuations (usually from a bank), or by reference to readily observable market prices.
	The group's derivatives primarily cover a period of no more than 12 months from the balance sheet date, and information derived from an active market is therefore, almost always available to assist with the valuation of derivatives.
Deferred consideration	Deferred consideration is measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and is discounted to present value where the effect is material. Consequently, the fair value is equivalent to book value.

Valuation of financial instruments carried at fair value

Financial instruments carried at fair value in the balance sheet comprise other non-current investments and derivatives. The group classifies these financial instruments using a fair value hierarchy that reflects the relative significance of both objective evidence and subjective judgements on the inputs used in making the fair value measurements:

- Level 1: financial instruments are valued using observable inputs that reflect unadjusted quoted market prices in an active market for identical instruments. An example of an item in this category is a widely traded equity instrument with a normal quoted market price.
- Level 2: financial instruments are valued using techniques based on observable inputs, either directly (i.e. market prices and rates) or indirectly (i.e. derived from market prices and rates). An example of an item in this category is a currency derivative, where forward exchange rates and yield curve data, which are observable in the market, are used to derive fair value.
- Level 3: financial instruments are valued using techniques involving significant unobservable inputs.

Notes (continued)

18 Financial Instruments (continued)

b) Derivatives

All derivatives are classified as current on the face of the balance sheet. The tables below analyses the carrying amount of derivatives and their contractual/notional amounts, together with an analysis of derivatives by the level in the fair value hierarchy into which their fair value measurement method is categorised.

	2015				2014			
	Contractual / notional amounts £m	Level 1 £m	Level 2 £m	Total £m	Contractual / notional amounts £m	Level 1 £m	Level 2 £m	Total £m
Financial Assets								
Currency derivatives	1,311	-	73	73	1,805	-	60	60
Commodity derivatives	24	1	-	1	178	9	5	14
	1,335	1	73	74	1,983	9	65	74
Financial Liabilities								
Currency derivatives	929	-	(25)	(25)	402	-	(6)	(6)
Commodity derivatives	108	(1)	(7)	(8)	113	(2)	(7)	(9)
	1,037	(1)	(32)	(33)	515	(2)	(13)	(15)

c) Cash flow hedging reserve movements

The following table identifies the movements in the cash flow hedging reserve during the year, and the periods in which the cash flows are expected to occur. The periods in which the cash flows are expected to impact profit or loss are materially the same.

	2015			2014		
	Currency derivatives £m	Commodity derivatives £m	Total £m	Currency derivatives £m	Commodity derivatives £m	Total £m
Opening balance	(30)	(4)	(34)	16	(6)	10
(Gains)/losses recognised in the hedging reserve	(174)	20	(154)	46	(1)	45
Amount removed from the hedging reserve and included in the income statement:					-	
- revenue	39	-	39	8	-	8
- cost of sales	-	(16)	(16)	-	(8)	(8)
- other financial income	13	1	14	11	-	11
Amount removed from the hedging reserve and included in non-financial asset:						
- inventory	164	9	173	(124)	13	(111)
Deferred tax	(7)	(4)	(11)	13	(2)	11
Effect of movement in foreign exchange	1	-	1	-	-	-
Closing balance	6	6	12	(30)	(4)	(34)
Cash flows are expected to occur:						
- within six months	3	5	8	(27)	(4)	(31)
- between six months and one year	-	1	1	(7)	-	(7)
- between one and two years	1	-	1	-	-	-
- between two and five years	1	-	1	1	-	1
- after five years	1	-	1	3	-	3
	6	6	12	(30)	(4)	(34)

Of the closing balance of £12m, £11m is attributable to equity shareholders and £1m to non-controlling interests (2014: £(29)m attributable to equity shareholders and £(5)m attributable to non-controlling interests). Of the net movements including foreign exchange in the year of £46m, £40m is attributable to equity shareholders and £6m to non-controlling interests (2014: £(42)m attributable to equity shareholders and £(2)m to non-controlling interests).

Notes (continued)

18 Financial Instruments (continued)

d) Financial risk identification and management

The group is exposed to the following financial risks from its use of financial instruments:

- market risk;
- credit risk; and
- liquidity risk

The group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Risk management policies and systems have been established and are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group sources and sells products and manufactures goods in many locations around the world. These operations expose the group to potentially significant price volatility in the financial and commodity markets. Trading and risk management teams have been established in the group's major businesses to manage this exposure by entering into a range of products, including physical and financial forward contracts, futures and, where appropriate, options. These teams work closely with group Treasury and report regularly to executive management.

Treasury operations and commodity procurement are conducted within a clearly defined framework of board-approved policies and guidelines to manage the group's financial and commodity risks. Treasury works closely with the group's procurement teams to manage commodity risks. Treasury policy seeks to ensure that adequate financial resources are available to the group at all times, for the management and development of the group's businesses, whilst effectively managing its market risk and credit risk. The group's risk management policy explicitly forbids the use of financial or commodity derivatives (outside its risk management framework of mitigating financial and commodity risks) for speculative purposes.

e) Foreign currency translation

The group presents its financial statements in sterling. As a result of its worldwide operations, the group is exposed to foreign currency translation risk where overseas operations have a functional currency other than sterling. Changes in foreign currency exchange rates impact the translation into sterling of both the income statement and net assets of these foreign operations.

Where appropriate, the group finances its operations by borrowing locally in the functional currency of its operations. This reduces net asset values reported in functional currencies other than sterling, thereby reducing the economic exposure to fluctuations in foreign currency exchange rates on translation.

The group also finances its operations by obtaining funding at group level through external borrowings and, where they are not in sterling, these borrowings may be designated as net investment hedges. This enables gains and losses arising on retranslation of these foreign currency borrowings to be charged to other comprehensive income, providing a partial offset in equity against the gains and losses arising on translation of the net assets of foreign operations.

The group does not actively hedge the translation impact of foreign exchange rate movements on the income statement (other than via the partial economic hedge arising from the servicing costs on non-sterling borrowings).

The group designates certain of its intercompany loan arrangements as quasi-equity for the purposes of IAS 21. The effect of the designation is that any foreign exchange volatility arising within the borrowing entity and/or the lending entity is accounted for directly within other comprehensive income.

The group has \$280m of borrowings (2014: \$280m) that have been designated as hedges of its net investment in foreign operations in US dollars.

A net foreign exchange loss of £7m (2014 – gain of £29m) on retranslation of these loans has been taken to the translation reserve on consolidation, all of which is attributable to equity shareholders. The group also held currency forwards and cross currency swaps that have been designated as hedges of its net investments in Australian dollars and euros, whose change in fair value of £29m has been credited to the translation reserve, all of which is attributable to equity shareholders (2014 - £4m debited to the translation reserve).

f) Market risk

Market risk is the risk of movements in the fair value of future cash flows of a financial instrument or forecast transaction as underlying market prices change. The group is exposed to changes in the market price of commodities, interest rates and foreign exchange rates. These risks are known as "transaction" (or recognised) exposures and "economic" (or forecast) exposures.

Notes (continued)

18 Financial Instruments (continued)

(i) Commodity price risk

Commodity price risk arises from the procurement of raw materials and the consequent exposure to changes in market prices.

The group purchases a wide range of commodities in the ordinary course of business. Exposure to changes in the market price of certain of these commodities, including wheat, edible oils, soya beans, meat, sugar raws, cocoa, rice, tea and energy is managed through the use of forward physical contracts and hedging instruments, including futures and options contracts, primarily to convert floating or indexed prices to fixed prices. The use of such contracts to hedge commodity exposures is governed by the group's risk management policies and is continually monitored by group Treasury. Commodity derivatives also provide a way to meet customers' pricing requirements whilst achieving a price structure consistent with the group's overall pricing strategy.

Some of the group's commodity derivatives are treated as 'own use' contracts, since they are both entered into, and continue to be held, for the purposes of the group's ordinary operations, and the group takes physical delivery of the commodity concerned. 'Own use' contracts do not require accounting entries until the commodity purchase actually crystallises. Certain other commodity derivatives are accounted for as cash flow hedges, but some are not eligible for treatment as 'own use' contracts and are not contracts for which the strict requirements of hedge accounting can be satisfied. This occurs typically where the group does not take physical delivery of the commodity concerned. Such commodity derivatives are used only where the business believes they provide an economic hedge of an underlying exposure. These instruments are classified as held for trading and are marked to market through the income statement.

The majority of the group's forward physical contracts and commodity derivatives have original maturities of less than one year.

The group does not have significant sensitivities in respect of the accounting for its on-balance sheet commodity contracts.

(ii) Interest rate risk

Interest rate risk comprises two primary elements:

- interest price risk results from financial instruments bearing fixed interest rates. Changes in floating interest rates therefore affect the fair value of these fixed rate financial instruments; and
- interest cash flow risk results from financial instruments bearing floating rates. Changes in floating interest rates affect cash flows on interest receivable or payable.

The group's policy is to maintain floating rate debt for a significant proportion of its bank finance, although it periodically assesses its position with respect to interest price and cash flow.

At 12 September 2015, £636m (67%) (2014 - £593m (58%)) of total debt was subject to fixed rates of interest, the majority of which is the US private placement loans of £601m (2014 - £579m).

Floating rate debt comprises bank borrowings bearing interest rates fixed in advance, for various time periods up to 12 months, by reference to official market rates (e.g. LIBOR).

The group does not have significant sensitivities to the impact of interest rates on derivative valuations, nor to the impact of interest rates on floating rate borrowings.

(iii) Foreign currency risk

The group conducts business worldwide and consequently in many foreign currencies. As a result, it is exposed to movements in foreign currency exchange rates which affect the group's transaction costs. The group also publishes its finance statements in sterling and is therefore exposed to movements in foreign exchange rates on the translation of the results and underlying net assets of its foreign operations into sterling.

Translation risk is discussed in section e) above.

Transaction risk

Currency transaction exposure occurs where a business makes sales and purchases in a currency other than its functional currency. It also arises where monetary assets and liabilities of a business are not denominated in its functional currency, and where dividends or surplus funds are remitted from overseas. The group's policy is to match transaction exposures wherever possible, and to hedge actual exposures and firm commitments as soon as they occur by using forward foreign currency contracts. All foreign currency instruments contracted with non-group entities to manage transaction exposures are undertaken by group Treasury or, where foreign currency controls restrict group Treasury acting on behalf of subsidiaries, under its guidance. Identification of transaction exposures is the responsibility of each business.

Notes (continued)

18 Financial Instruments (continued)

The group uses derivatives (principally forward foreign currency contracts and time options) to hedge its exposure to movements in exchange rates on its foreign currency trade receivables and payables. The group does not seek formal fair value hedge accounting for such transaction hedges. Instead, such derivatives are classified as held for trading and marked to market through the income statement. This offsets the income statement impact of the retranslation of the foreign currency trade receivables and payables.

Economic (forecast) risk

The group also uses forward foreign currency contracts to hedge its exposure to movements in exchange rates on its highly probable forecast foreign currency sales and purchases on a rolling 12-month basis. The group does not formally define the proportion of highly probable forecast sales and purchases to hedge, but agrees an appropriate percentage on an individual basis with each business by reference to the group's risk management policies and prevailing market conditions. The group documents currency derivatives used to hedge its forecast transactions as cash flow hedges. To the extent that cash flow hedges are effective, gains and losses are deferred in equity until the forecast transaction occurs, at which point the gains and losses are recycled either to the income statement or to the non-financial asset acquired.

The majority of the group's currency derivatives have original maturities of less than one year.

The group's most significant currency transaction exposures are:

- sugar prices in British Sugar to movements in the sterling/euro exchange rate;
- sugar prices in Illovo to movements in the South African rand/US dollar/euro exchange rates; and
- sourcing for Primark – costs are denominated in a number of currencies, predominantly sterling, euros and US dollars.

Elsewhere, a number of businesses make sales and purchase a variety of raw materials in foreign currencies (primarily US dollars and euros), giving rise to transaction exposures. In all other material respects, businesses tend to operate in their functional currencies..

The analysis of the group's foreign currency exposure to financial assets and liabilities by currency of denomination is as follows:

	2015				
	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
FINANCIAL ASSETS					
Cash and cash equivalents	1	35	4	8	48
Trade and other receivables	-	22	50	12	84
	1	57	54	20	132
FINANCIAL LIABILITIES					
Secured bank loans	(30)	(286)	(40)	(10)	(366)
Unsecured bank loans and overdrafts	(8)	(444)	-	(3)	(455)
	(38)	(730)	(40)	(13)	(821)
CURRENCY DERIVATIVES					
Gross amounts receivable	73	1,207	91	104	1,475
Gross amounts payable	(2)	(96)	(638)	(66)	(802)
	71	1,111	(547)	38	673
Total	34	438	(533)	45	(16)

Notes (continued)

18 Financial Instruments (continued)

	2014				
	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
FINANCIAL ASSETS					
Cash and cash equivalents	8	12	1	14	35
Trade and other receivables	-	23	52	9	84
	8	35	53	23	119
FINANCIAL LIABILITIES					
Secured bank loans	(25)	(186)	(31)	(12)	(254)
Unsecured bank loans and overdrafts	(9)	(420)	(1)	(1)	(431)
	(34)	(606)	(32)	(13)	(685)
CURRENCY DERIVATIVES					
Gross amounts receivable	63	1,377	35	168	1,643
Gross amounts payable	(1)	(126)	(660)	(110)	(897)
	62	1,251	(625)	58	746
Total	36	680	(604)	68	180

The following major exchange rates applied during the period:

	Average rate		Closing rate	
	2015	2014	2015	2014
US dollar	1.55	1.66	1.54	1.62
Euro	1.34	1.22	1.37	1.25
Rand	18.42	17.43	20.99	17.86
Renminbi	9.62	10.18	3.83	9.96
Australian dollar	1.96	1.80	2.18	1.80

Sensitivity analysis

The following sensitivity analysis illustrates the impact that a 10% strengthening of the group's operating currencies against local functional currencies would have had on profit and equity. The analysis covers currency translation exposures at year end on businesses' financial assets and liabilities that are not denominated in the functional currencies of those businesses. A similar but opposite impact would be felt on both profit and equity if the group's main operating currencies weakened against local functional currencies by a similar amount.

The exposure to foreign exchange gains and losses on translating the financial statements of subsidiaries into sterling is not included in this sensitivity analysis, as there is no impact on the income statement, and the gains and losses are recorded directly in the translation reserve in equity (see below for a separate sensitivity). This sensitivity is presented before taxation and non-controlling interests.

	Impact on profit for the period 2015	Impact on total equity 2015	Impact on profit for the period 2014	Impact on total equity 2014
10% strengthening against other currencies of	+/- £m	+/- £m	+/- £m	+/- £m
Sterling	(2)	3	(1)	3
US dollar	17	52	3	74
Euro	4	(60)	1	(61)
Other	4	7	1	3

Notes (continued)

18 Financial Instruments (continued)

A second sensitivity analysis calculates the impact on the group's profit before tax if the average rates used to translate the results of the group's foreign operations into sterling were adjusted to show a 10% strengthening of sterling. A similar but opposite impact would be felt on profit before tax if sterling weakened against the other currencies by a similar amount.

	Impact on profit for the period 2015	Impact on profit for the period 2014
	+/- £m	+/- £m
10% strengthening of sterling against		
US dollar	(10)	(6)
Euro	(20)	(22)
Rand	2	(1)
Renminbi	7	3
Australian dollar	(2)	(2)

g) Credit risk

Credit risk is the risk that counterparties to financial instruments do not perform according to the terms of the contract or instrument. The group's businesses are exposed to counterparty credit risk when dealing with customers, and from certain financing activities.

The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive fair value by counterparty at 12 September 2015. The group considers its maximum exposure to credit risk to be:

	2015	2014
	£m	£m
Cash and cash equivalents	1,141	885
Other financial investments	508	503
Loans and receivables (refer to note 18a)	1,061	1,283
Derivative assets at fair value through profit and loss	3	8
Derivative assets in designated net investment hedging relationships	33	2
Derivative assets in designated cash flow hedging relationships	38	64
	2,784	2,745

The majority of cash balances and short-term deposits are held with strong investment-grade banks or financial institutions.

The group uses market knowledge, changes in credit ratings and other techniques to identify significant changes to the financial profile of its counterparties.

Trade and other receivables

Concentrations of credit risk are limited as a result of the group's large and diverse customer base. The group has an established credit policy applied by each business under which the credit status of each new customer is reviewed before credit is advanced. This includes external credit evaluations where possible and in some cases bank references. Credit limits are established for all significant or high-risk customers, which represent the maximum amount permitted to be outstanding without requiring additional approval from the appropriate level of management. Outstanding debts are continually monitored by each business. Credit limits are reviewed on a regular basis and at least annually. Customers that fail to meet the group's benchmark creditworthiness may only transact with the group on a prepayment basis. Aggregate exposures are monitored at group level.

Many of the group's customers have been transacting with the group for many years and the incidence of bad debts has been low. Where appropriate, goods are sold subject to retention of title so that, in the event of non-payment, the group may have a secured claim. The group does not typically require collateral in respect of trade and other receivables.

The group provides for impairment of financial assets including trade and other receivables based on known events, and makes a collective provision for losses yet to be identified, based on historical data. The majority of the provision comprises specific amounts.

Notes (continued)

18 Financial Instruments (continued)

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region of origin was:

	2015	2014
	£m	£m
UK	403	439
Europe & Africa	214	239
The Americas	146	154
Asia Pacific	275	318
	16	1,038
	1,038	1,150

Trade receivables can be analysed as follows:

	2015	2014
	£m	£m
Not overdue	783	831
Up to 1 month past due	88	126
Between 1 and 2 months past due	23	21
Between 2 and 3 months past due	7	8
More than 3 months past due	24	29
Provision for doubtful debts	(22)	(36)
	903	979

Based on past experience, the group believes that no impairment allowance is necessary in respect of trade receivables that are not past due.

Trade and other receivables are stated net of the following provision for irrecoverable amounts.

	2015	2014
	£m	£m
Opening balance	36	35
Amounts provided for during the period	6	5
Amounts released during the year	(13)	(4)
Amounts utilised during the year	(4)	(3)
Acquisitions	-	4
Effect of movements in foreign exchange	(3)	(1)
Closing balance	22	36

No trade and other receivables (2014: none) were written-off directly to the income statement in the period.

The directors consider that the carrying amount of trade and other receivables approximates fair value.

Cash and cash equivalents

Banking relationships are generally limited to those banks that are members of the core relationship group. These banks are selected for their credit status, global reach and their ability to meet the businesses' day-to-day banking requirements. The credit ratings of these institutions are monitored on a continuing basis. In locations where the core relationship banking group cannot be used, operating procedures, including choice of bank, opening of bank accounts and repatriation of funds, must be agreed with group Treasury. The group has not recorded impairments against cash, cash equivalents, nor have any recoverability issues been identified with such balances. Such items are typically recoverable on demand or in line with normal banking arrangements.

Other financial assets

Other non-current investments are typically equity investments with no fixed maturity or recoverability date. No impairment issues have been identified with respect to other non-current investments.

A £98m impairment charge was recorded in the year against the group's shareholder loans to Vivergo Fuels which, at the time of the impairment, was a joint venture in which the group's equity interest was 47%. When the group subsequently acquired a further 47% of Vivergo Fuels for a controlling interest, the non-cash charge of £75m included remeasurement to £nil of the remaining £55m of shareholder loans and £20m of accrued interest (within current trade and other receivables).

Since derivative assets are recorded at fair value, either through profit and loss for those not in a designated cash flow hedging relationship, or otherwise through the hedging reserve, no impairment issues have been identified.

Notes (continued)

18 Financial Instruments (continued)

h) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its obligations associated with its financial liabilities as they fall due. Group Treasury is responsible for monitoring and managing liquidity and ensures that the group has sufficient headroom in its committed facilities to meet unforeseen or abnormal requirements. The group also has access to uncommitted facilities to assist with short-term funding requirements.

Available headroom is monitored via the use of detailed cash flow forecasts prepared by each business, which are reviewed at least quarterly, or more often, as required. Actual results are compared to budget and forecast each period, and variances investigated and explained. Particular focus is given to management of working capital.

Details of the group's borrowing facilities are given in section i).

The following table analyses the contractual undiscounted cash flows relating to financial liabilities at the balance sheet date and compares them to carrying amounts:

		2015					Contracted amount	Carrying amount
Note		Due within 6 months	Due between 6 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years		
		£m	£m	£m	£m	£m	£m	£m
Non-derivative financial liabilities								
Trade and other payables	21	(1,924)	(16)	-	-	-	(1,940)	(1,940)
Secured loans	20	(8)	(32)	(41)	(17)	-	(98)	(98)
Unsecured loans and overdrafts	20	(208)	(111)	(40)	(264)	(345)	(968)	(833)
Finance leases	25	(1)	-	(1)	(2)	(37)	(41)	(12)
Deferred consideration	22	(1)	(1)	(1)	(4)	-	(7)	(7)
Derivative financial liabilities								
- Currency derivatives (net payment)		(7)	(3)	-	-	-	(10)	(25)
- Commodity derivatives (net payment)		(30)	(14)	(2)	-	-	(46)	(8)
Total financial liabilities		(2,179)	(177)	(85)	(287)	(382)	(3,110)	(2,923)

		2014					Contracted amount	Carrying amount
Note		Due within 6 months	Due between 6 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years		
		£m	£m	£m	£m	£m	£m	£m
Non-derivative financial liabilities								
Trade and other payables	21	(1,800)	(9)	-	-	-	(1,809)	(1,809)
Secured loans	20	(3)	(1)	(14)	(49)	-	(67)	(67)
Unsecured loans and overdrafts	20	(360)	(29)	(103)	(280)	(333)	(1,105)	(937)
Finance leases	25	(1)	-	(1)	(2)	(38)	(42)	(12)
Deferred consideration	22	(1)	(1)	-	-	-	(2)	(2)
Derivative financial liabilities								
- Currency derivatives (net payment)		(5)	(1)	-	-	-	(6)	(6)
- Commodity derivatives (net payment)		(32)	(8)	(1)	-	-	(41)	(9)
Total financial liabilities		(2,202)	(49)	(119)	(331)	(371)	(3,072)	(2,842)

The above tables do not include forecast data for liabilities which may be incurred in the future but which were not contracted at 12 September 2015.

Notes (continued)

18 Financial Instruments (continued)

The principal reasons for differences between carrying values and contractual undiscounted cash flows are coupon payments on the fixed rate debt to which the group is already committed, future interest payments on the group's finance leases, and cash flows on derivative financial instruments which are not aligned with their fair value.

i) Borrowing facilities

The group has substantial borrowing facilities available to it. The undrawn committed facilities available at 12 September 2015, in respect of which all conditions precedent have been met amounted to £1,380m (2014: £1,406m):

	2015			2014		
	Facility £m	Drawn £m	Undrawn £m	Facility £m	Drawn £m	Undrawn £m
£1.2bn syndicated facility	1,200	-	1,200	1,200	-	1,200
US private placing	601	601	-	579	579	-
European Investment Bank	-	-	-	120	120	-
Illovo	187	84	103	198	93	105
Azucarera	102	29	73	130	29	101
Other	65	61	4	51	51	-
	2,155	775	1,380	2,278	872	1,406

Uncommitted facilities available at 12 September 2015 were:

	2015			2014		
	Facility £m	Drawn £m	Undrawn £m	Facility £m	Drawn £m	Undrawn £m
Money market lines	100	-	100	100	-	100
Illovo	105	75	30	65	41	24
China banking	353	35	318	362	57	305
Other	141	46	95	117	34	83
	699	156	543	644	132	512

In addition to the above facilities, there are also £212m (2014: £225m) of undrawn and available credit lines for the purposes of issuing letters of credit and guarantees in the normal course of business.

The group also has £12m (2014: £12m) of finance lease liabilities which are not included in the tables above, but which are included in the group's loans and overdrafts in note 20.

The group has £1.2bn syndicated facility which matures in July 2020 with an option to extend by a further year. In addition to the bank debt, the Company has £601m of private placement notes in issue to institutional investors in the US and Europe. At 12 September 2015, these had an average remaining duration of 4.7 years and an average fixed coupon of 5.1%. The other significant core committed debt facilities comprise local committed facilities in Illovo and Azucarera.

Uncommitted bank borrowing facilities are normally reaffirmed by the banks annually, although they can theoretically be withdrawn at any time.

Refer to note 10 for details for the group's capital commitments and to note 26 for a summary of the group's guarantees.

j) Capital management

The capital structure of the group is presented in the balance sheet. The statement of changes in equity provides details on equity and note 20 provide details on loans and overdrafts. Short and medium-term funding requirements are provided by a variety of loan and overdraft facilities, both committed and uncommitted, with a range of counterparties and maturities. Longer term funding is sourced from a combination of these facilities, the private placement notes and committed syndicated loan facilities.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to enable successful future development of the business. The board monitors return on capital by division and determines the overall level of dividends payable to shareholders.

From time to time the trustee of the Employee Share Ownership Plan Trust purchases the Company's shares in the market to satisfy awards under the group's long-term incentive plan. Once purchased, shares are not sold back into the market. The group does not have a defined share buy-back plan.

There were no changes to the group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes (continued)

19 Cash and cash equivalents

	2015	2014
	£m	£m
<i>Cash at bank and in hand</i>	725	587
<i>Cash equivalents</i>	416	298
	<hr/>	<hr/>
<i>Cash and cash equivalents</i>	1,141	885
<i>Reconciliation to the cash flow statement</i>		
<i>Bank overdrafts</i>	(117)	(120)
	<hr/>	<hr/>
<i>Cash and cash equivalents in the cash flow statement</i>	1,024	765
	<hr/> <hr/>	<hr/> <hr/>

Cash at bank and in hand generally earns interest at rates based on the daily bank deposit rate.

Cash and cash equivalents comprise;

- (i) deposits placed on money markets for periods up to three months which earn interest at the respective short-term deposit rate; and
- (ii) funds invested with fund managers that have a maturity of less than or equal to three months and are at fixed rates.

The carrying amount of cash and cash equivalents approximates fair value.

Notes (continued)

20 Loans and overdrafts

	Notes	2015 £m	2014 £m
Current loans and overdrafts			
Secured loans		39	4
Unsecured loans and overdrafts		291	356
		<u>330</u>	<u>360</u>
Non-current loans			
Secured loans		59	63
Unsecured loans		542	581
Finance lease	25	12	12
		<u>613</u>	<u>656</u>
	18	<u>943</u>	<u>1,016</u>
Secured loans			
- USD floating rate		19	-
- GBP floating rate		47	51
- EUR floating rate		3	-
- Other floating rate		27	16
- Other fixed rate		2	-
Unsecured bank loans and overdrafts			
- Bank overdrafts		117	120
- GBP floating rate		4	113
- GBP fixed rate		177	159
- USD floating rate		18	29
- USD fixed rate		444	421
- EUR floating rate		29	29
- RMB floating rate		35	58
- Other floating rate		8	7
- Other fixed rate		1	1
Finance lease liabilities (fixed rate)		12	12
		<u>943</u>	<u>1,016</u>

Secured bank loans comprise amounts borrowed from commercial banks and are secured by floating charges over the assets of subsidiaries. Bank overdrafts generally bear interest at floating rates.

21 Trade and other payables

	2015 £m	2014 £m
Trade payables	1,033	917
Accruals	907	892
	<u>1,940</u>	<u>1,809</u>
Deferred income and other non-financial payables	316	272
	<u>2,256</u>	<u>2,081</u>

For payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

Notes (continued)

22 Provisions

	Restructuring	Deferred consideration	Other	Total
	£m	£m	£m	£m
At 13 September 2014	61	2	39	102
Created	8	6	6	20
Utilised	(22)	(1)	(7)	(30)
Released	(5)	-	(18)	(23)
Effect of movements in foreign exchange	(1)	-	(2)	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
At 12 September 2015	41	7	18	66
	<hr/>	<hr/>	<hr/>	<hr/>
Current	26	2	10	38
Non-current	15	5	8	28
	<hr/>	<hr/>	<hr/>	<hr/>
	41	7	18	66
	<hr/>	<hr/>	<hr/>	<hr/>

Financial liabilities within provisions comprised deferred consideration in both years (see note 18).

Restructuring

Restructuring provisions relate to the cash costs, including redundancy, associated with the group's announced reorganisation plans.

Deferred consideration

Deferred consideration comprises estimates of amounts due to the previous owners of businesses acquired by the group which are often linked to performance or other conditions.

Other

Other provisions mainly comprise litigation claims and warranty claims arising from the sale and closure of businesses. The extent and timing of the utilisation of these provisions is more uncertain given the nature of the claims and the period of warranties.

Notes (continued)

23 Acquisitions and disposals

Acquisitions - 2015

Acquisitions had the following effect on the group's assets and liabilities:

	Pre-acquisition carrying values £m	Recognised values on acquisition £m
Net assets		
Intangible assets	32	53
Property, plant and equipment	4	4
Inventories	10	10
Trade and other receivables	18	18
Cash and cash equivalents	8	8
Trade and other payables	(38)	(40)
Loan interest	(48)	(3)
Overdrafts	(3)	(3)
Loans	(323)	(18)
Taxation	82	20
Net assets and liabilities and total consideration	(258)	49
Goodwill		5
Non-controlling interests		1
Total consideration		55
Satisfied by		
Cash consideration		57
Deferred consideration		6
Interest in joint venture		(8)
		55
Net cash		
Cash consideration		57
Cash and cash equivalents acquired		(8)
Overdrafts acquired		3
		52

In October 2014, the group acquired Dorset Cereals in the UK for gross cash consideration of £68m, but with cash acquired of £8m. Non-operating intangible assets of £21m in respect of brand and customer relationships together with the related deferred tax were recognised as fair value adjustments.

In May 2015, the group acquired BP's 47% interest in Vivergo Fuels in the UK, in which the group already held an equity-accounted joint venture interest of 47%. Fair value adjustments comprised the valuation of shareholder loan obligations and associated interest accruals together with the related tax consequences.

A non-cash charge of £75m was recorded in line with accounting requirements to remeasure the group's interest at fair value prior to the acquisition. This was charged to loss on sale and closure of business.

The acquisitions contributed aggregate revenues of £81m and an adjusted loss before tax of £1m for the period between the dates of acquisition and 12 September 2015. Aggregate contributions to revenue and adjusted profit before tax had the acquisitions occurred at the beginning of the period have not been disclosed, as appropriate financial information prepared under Adopted IFRS is not available.

Acquisitions - 2014

During 2014, the group acquired a bakery ingredients business in western Europe and a small animal feed specialist in the UK, which together increased net assets by £8m, satisfied by cash consideration of £7m and deferred consideration of £1m. Cash and cash equivalents of £5m were acquired with the businesses.

Pre-acquisition carrying amounts were the same as recognised values on acquisition apart from a £4m non-operating intangible asset recognised in respect of customer relationships. The acquisitions contributed aggregate revenues of £27m and adjusted profit before tax of £1m for the period between the dates of acquisition and 13 September 2014. Aggregate contributions to revenue and adjusted profit before tax had the acquisitions occurred at the beginning of the period were not disclosed, as appropriate financial information prepared under Adopted IFRS was not available.

Notes (continued)

23 Acquisitions and disposals (continued)

The cash consideration net of cash acquired with the businesses was £2m which compares with a cash outflow of £8m on the purchase of subsidiaries, joint ventures and associates shown in the cash flow statement. The difference related to a £5m investment in an existing joint venture and £1m of deferred consideration paid in respect of prior year acquisitions.

Disposals - 2015

The group sold and closed businesses which had the following impact on adjusted operating profit by segment:

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Sugar					
- North China	-	-	-	(100)	(100)
- Vivergo Fuels	(75)	-	-	-	(75)
- Other (including warranties)	-	4	(11)	1	(6)
	(75)	4	(11)	(99)	(181)
Grocery (warranties)	6	-	-	-	6
Agriculture (warranties)	3	-	-	-	3
Other investments	8	-	-	-	8
	(58)	4	(11)	(99)	(164)

The group sold Yi'an and BoCheng beet sugar factories in Heilongjiang province in north China and restructured the associate head office in Beijing. This reduced the group's assets and liabilities as follows:

	£m
Net assets	
Intangible assets	9
Property, plant and equipment	47
Inventories	3
Trade and other payables	(1)
Loans	(1)
Taxation	5
Net assets and liabilities and total consideration	62
Goodwill	46
Non-controlling interests	(2)
Recycle of effect of movements in foreign exchange	(8)
Profits less losses on sale and closure of businesses	(100)
Total consideration	(2)
Satisfied by	
Cash consideration	3
Provisions made	(5)
	(2)
Net cash	
Cash consideration	3

The group incurred a net £75m non-cash charge arising on the acquisition of BP's 47% interest in Vivergo Fuels. Accounting standards require the remeasurement of the group's interest at fair value prior to the acquisition, resulting in a loss on the deemed disposal of the group's original interest prior to its immediate re-acquisition at fair value.

Also in the Sugar segment, an intangible asset with a carrying value of £11m was written off on closure of a small business in North America.

£14m of warranty provisions relating to disposals made in previous years are no longer required and were released during the year. These comprised £6m in Grocery (all in the UK), £5m in Sugar (£4m in Europe & Africa and £1m in Asia Pacific) and £3m in Agriculture (all in the UK).

The cash consideration received for the disposal was £3m which compares with a cash inflow of £5m on the sale of subsidiaries, joint ventures and associates shown in the cash flow statement. The difference relates to deferred consideration received in respect of prior year disposals.

Disposals - 2014

During 2014, the group disposed of its interest in a US associate in the Ingredients segment for a profit of £7m. Cash consideration was £12m, deferred consideration was £1m, share of net assets disposed was £2m and provisions made were £4m. In addition, a charge of

Notes (continued)

23 Acquisitions and disposals (continued)

£9m was made in the Ingredients segment in China and India for restructuring costs associated with business closures, including a £4m impairment of goodwill.

The net cash of £13m differs from the cash inflow of £15m on the sale of subsidiaries, joint ventures and associates shown in the cashflow statement. The £2m difference relates to deferred consideration received in respect of disposals made in previous years.

24 Share-based payments

The group had the following equity-settled share-based payment plans in operation during the period:

Associated British Foods Executive Share Incentive Plan 2003 ('the Share Incentive Plan')

The Share Incentive Plan was approved and adopted by the Company at the annual general meeting held on 5 December 2003. It takes the form of conditional allocations of shares which will be released if, and to the extent that, certain performance targets are satisfied over a three year performance period. The Share Incentive Plan expired in December 2013, with the last grant of allocations made in November 2013. Conditional shares allocated under the Share Incentive Plan will vest under the terms of that plan.

Associated British Foods Long Term Incentive Plan ('the LTIP')

The LTIP was approved and adopted by the Company at the annual general meeting held on 6 December 2013. It takes the form of conditional allocations of shares which will be released if, and to the extent that, performance targets are satisfied, typically over a three-year performance period.

Further information regarding the operation of the above plans can be found in the Remuneration report in the annual report and accounts of Associated British Foods plc on pages 74 to 89.

Total conditional allocations under the group's equity-settled share-based payment plans are as follows:

	<i>Balance outstanding at the beginning of the period</i>	<i>Granted/ awarded</i>	<i>Vested</i>	<i>Expired/ lapsed</i>	<i>Balance outstanding at the end of the period</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
2015	4,365,341	911,832	(1,572,229)	(374,588)	3,330,356
2014	5,013,465	1,177,056	(932,626)	(892,554)	4,365,341

Employee Share Ownership Plan Trust

Ordinary shares subject to allocation under the group's equity-settled share-based payment plans are held in a separate Employee Share Ownership Plan Trust. The Trust is funded by the Company. Voting rights attached to shares held by the Trust are exercisable by the trustee, who is entitled to consider any recommendation made by a committee of the Company. At 12 September 2015 the trust held 1,490,218 (2014: 3,062,447) ordinary shares of the Company. The market value of these shares at the period end was £46m (2014: £80m). The Trust has waived its right to dividends. Movements in the year were releases of 1,572,229 (2014: releases of 932,626 and purchases of 2,000,000).

Fair values

The weighted average fair value of conditional grants made was determined by taking the market value of the shares at the time of the grant and discounting for the fact that dividends are not paid during the vesting period. The weighted average fair value of the conditional shares allocated during the year was 2,873 pence (2014 – 2,226 pence) and the weighted average share price was 3,089 pence (2014 – 2,393 pence). The dividend yield used was 2.5%.

Notes (continued)

25 Lease commitments

Operating leases

The group acts as a lessee, lessor and sub-lessor both for land & buildings and plant & machinery under operating leases.

Rental receipts of £10m (2014: £8m) were recognised in the income statement in the period relating to operating leases. The total of future minimum sublease receipts expected to be received are £53m (2014: £61m). Under the terms of the lease agreements, no contingent rents are payable.

The future minimum lease payments under the operating leases are as follows:

	2015	2015	2015	2014	2014	2014
	land and	Plant and	Total	land and	Plant and	Total
	buildings	equipment		buildings	equipment	
	£m	£m	£m	£m	£m	£m
<i>Within one year</i>	207	11	218	202	11	213
<i>Between one and five years</i>	826	17	843	800	26	826
<i>After five years</i>	2,502	-	2,502	2,354	2	2,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,535	28	3,563	3,356	39	3,395
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Finance leases

Finance lease liabilities are payable as follows:

	Minimum	Interest	Principal	Minimum	Interest	Principal
	lease			lease		
	payments			payments		
	2015	2015	2015	2014	2014	2014
	£m	£m	£m	£m	£m	£m
<i>Within one year</i>	1	1	-	1	1	-
<i>Between one and five years</i>	3	2	1	3	2	1
<i>After five years</i>	37	26	11	38	27	11
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	41	29	12	42	30	12
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

26 Contingencies

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

The group has adopted the amendments to IAS 39 in relation to financial guarantee contracts which apply for periods commencing on or after 1 January 2006. Where group companies enter into financial guarantee contracts to guarantee the indebtedness of other group companies, the group considers these to be insurance arrangements and has elected to account for them as such in accordance with IFRS 4. In this respect, the guarantee contract is treated as a contingent liability until such time as it becomes probable that the relevant group company issuing the guarantee will be required to make a payment under the guarantee.

As at 12 September 2015, group companies have provided guarantees in the ordinary course of business amounting to £1,397m (2014: £916m).

Notes (continued)

27 Related party transactions

The Wittington Investments Limited group's related parties, as defined by IAS 24, the nature of the relationship and the extent of transactions with them are summarised below:

	Sub note	2015 £'000	2014 £'000
Dividends paid by Wittington Investments Limited and Associated British Foods plc ("ABF") and received in a beneficial capacity by:			
(i) Trustees of The Garfield Weston Foundation	1	17,665	16,243
(ii) Directors of Wittington Investments Limited who are not Trustees of The Foundation	2	2,110	1,972
(iii) A member of the Weston family employed within the Wittington group	3	1,253	1,145
<hr/>			
Sales to fellow subsidiary undertakings on normal trading terms	6	108	93
Sales to joint ventures and associates on normal trading terms	6	48,280	51,585
Purchases from joint ventures and associates on normal trading terms	6	330,950	388,762
Amounts due from joint ventures and associates	6	21,937	185,528
Amounts due to associates and joint ventures	6	30,811	39,735
<hr/>			

1. The Garfield Weston Foundation ("The Foundation") is an English charitable trust, established in 1958 by the late W Garfield Weston. The Foundation holds, as at 12 September 2015, 683,073 shares in Wittington Investments Limited representing 79.2% of the Company's issued share capital and is, therefore, the Company's ultimate controlling party. At 12 September 2015, Trustees of the Foundation comprised two children and two grandchildren of the late W. Garfield Weston and five of the late Garry H Weston's children.
2. Details of the directors of Wittington Investments Limited are given on page 5. Directors' remuneration is disclosed in note 5.
3. A member of the Weston family who is employed by the group and was not a director of Wittington Investments Limited during the year and is not a Trustee of The Foundation.
4. A spouse of one of the directors of Wittington Investments Ltd was paid a salary and consultancy fee of £156,841 during the year by a subsidiary within the Wittington group.
5. During the year Habendum Property Management Limited, a related party by virtue of Stephen Hancock's directorship, invoiced Wittington Investments (Properties) Limited, management charges to the value of £356,233 (2014: £260,031). There are no amounts outstanding at the year end.
6. Details of the group's subsidiary undertakings and joint ventures are set out in note 28.

Notes (continued)

28 Group entities

Subsidiary undertakings

A list of the group's subsidiaries as at 12 September 2015 is given below. The entire share capital of subsidiaries is held within the group except where the group's ownership percentages are shown. These percentages give the group's ultimate interest and therefore allow for the situation where subsidiaries are owned by partly owned intermediate subsidiaries. Where subsidiaries have different classes of shares, this is largely for historical reasons and the effective percentage holdings given represent both the group's voting rights and equity holding. All subsidiaries are consolidated in the group's financial statements.

Name	Country	%	Name	Country	%
A.B. Exploration Limited	United Kingdom		AB Mauri (Canada) Limited	Canada	
A.B.F. Holdings Limited	United Kingdom		AB Mauri (UK) Limited	United Kingdom	
A.B.F. Nominees Limited	United Kingdom		AB Mauri Belgium NV	Belgium	
A.B.F. Properties Limited	United Kingdom		AB Mauri Camellia Pty Limited	Australia	
AB (Harbin) Food Ingredients Company Limited	China		AB Mauri Europe Limited	United Kingdom	
AB Agri Animal Nutrition (Jilin) Co., Ltd	China		AB Mauri Food Inc.	United States	
AB Agri Animal Nutrition (Nantong) Co., Ltd	China		AB Mauri Food, S.A	Spain	
AB Agri Limited	United Kingdom		AB Mauri Food (Shanghai) Company Ltd	China	90
AB Agri, LLC (in liquidation)	Russian Federation		AB Mauri France SAS	France	
AB Azucarera Iberia, S.L. Sociedad Unipersonal	Spain		AB Mauri Hispanoamerica S.A.	Argentina	
AB Bio-Tech (Harbin) Company Limited (in liquidation)	China		AB Mauri India (Private) Limited	India	
AB Brasil Indústria e Comércio de Alimentos Ltda	Brazil		AB Mauri Investments (Asia) Pte Ltd	Singapore	
AB Calsa S.A.	Ecuador		AB Mauri Italy S.p.A.	Italy	
AB CALSA S.A. de C.V	Mexico		AB Mauri Lanka (Private) Limited	Sri Lanka	
AB CALSA SERVICOS, S. DER.L.DEC.V	Mexico		AB Mauri Malaysia Sdn. Bhd.	Malaysia	52
AB Enzimas Brasil Comercial Ltda	Brazil		AB Mauri Middle East FZE	United Arab Emirates	
AB Enzymes GmbH	Germany		AB Mauri Netherlands B.V.	Netherlands	
AB Enzymes Oy	Finland		AB Mauri Netherlands European Holdings B.V	Netherlands	
AB Enzymes Trading (Shanghai) Co. Ltd	China		AB Mauri Overseas Holdings Limited	Australia	
AB Food & Beverages (Thailand) Ltd	Thailand		AB Mauri Pakistan (PRIVATE) Limited	Pakistan	60
AB Food & Beverages Australia Pty. Limited	Australia		AB Mauri Pakistan Pty Limited	Australia	
AB Food & Beverages Philippines, Inc	Philippines	99	AB Mauri Philippines, Inc.	Philippines	
AB Food and Beverages Taiwan, Inc.	Taiwan		AB Mauri Portugal, S.A.	Portugal	96
AB Foods Australia Limited	United Kingdom		AB Mauri Properties Pty Limited	Australia	
AB Foods Luxembourg S.a r.l. (in liquidation)	Luxembourg		AB Mauri ROW Holdings Pty Limited	Australia	
AB Foods Polska Spółka z Ograniczona odpowiedzialnoscia (AB Foods Polska SP. z o.o.)	Poland		AB Mauri Spain, S.L.U.	Spain	
AB Ingredients Limited	United Kingdom		AB Mauri South America Pty Limited	Australia	
AB Mauri (Beijing) Food Sales and Marketing Company Limited	China		AB Mauri South West Asia Pty Limited	Australia	

Notes (continued)

28 Group entities (continued)

Name	Country	%	Name	Country	%
AB Mauri Technology & Development Pty Limited	Australia		ABF North America Holdings, Inc.	United States	
AB Mauri Technology Pty Limited	Australia		ABF Overseas Limited	United Kingdom	
AB Mauri Vietnam Limited	Vietnam	66	ABF Overseas Limited, Sucursal en España	Spain	
AB Sugar China Holdings Limited	United Kingdom		ABF Twinings Beverages (Shanghai) Limited	China	
AB Sugar China Limited	United Kingdom		ABF UK Finance Limited	United Kingdom	
AB Sugar Limited	United Kingdom		ABF US Finance Limited	United Kingdom	
AB Technology Limited	United Kingdom		ABF US Holdings Limited	United Kingdom	
AB Tip Top (Wuhan) Baking Co Ltd	China		ABF US Investments Limited	United Kingdom	
AB Vista Asia Pte., Limited	Singapore		ABF Victoria Park	United Kingdom	
AB Vista Brasil Comércio De Alimentação Animal Ltda	Brazil		ABF Wynyard Park Limited Partnership	Australia	
AB Vista Iberia, S.L	Spain		Abitec Corporation	United States	
AB Vista, Inc.	United States		ABN (Overseas) Limited	United Kingdom	
AB World Foods (Holdings) Limited	United Kingdom		ABN (Scotland) Limited	United Kingdom	
AB World Foods Asia Ltd	Thailand		ABNA (Shanghai) Feed Co., Ltd.	China	
AB World Foods Limited	United Kingdom		ABNA (Tiajin) Feed Co. Ltd	China	
AB World Foods Pty Ltd	Australia		ABNA Feed (Liaoning) Co., Ltd	China	
Abdale Finance Limited	Ireland		ABNA Feed Company Limited	United Kingdom	
ABF (No. 1) Limited	United Kingdom		ABNA Limited	United Kingdom	
ABF (No. 2) Limited	United Kingdom		ABNA Management (Shanghai) Co., Ltd	China	
ABF (No. 3) Limited	United Kingdom		ABNA Trading (Shanghai) Co., Ltd	China	
ABF Australia Finance Pty Ltd	Australia		ACH Food Companies of Puerto Rico, Inc.	Puerto Rico	
ABF Australia Investments Pty Ltd	Australia		ACH Food Companies, Inc	United States	
ABF Colón Park, S.L.U.	Spain		ACH Foods Mexico, S. de R.L. de C.V.	Mexico	
ABF Deutschland Holdings GmbH	Germany		ACH Jupiter LLC	United States	
ABF Europe Finance Limited	United Kingdom		Agriguard Company, L. L. C.	United States	36
ABF European Holdings & Co SNC	Luxembourg		Agrilines Limited	United Kingdom	
ABF European Holdings Limited	United Kingdom		Agroteo S.A.	Spain	51
ABF Finance Limited	United Kingdom		Alimentos Fleischmann, C.A.,	Venezuela	
ABF Funding	United Kingdom		Allied Bakeries Limited	United Kingdom	
ABF Grain Products Limited	United Kingdom		Allied Foods (NZ) Ltd	New Zealand	
ABF Green Park Limited	United Kingdom		Allied Grain (Scotland) Limited	United Kingdom	
ABF Grocery Limited	United Kingdom		Allied Grain (South) Limited	United Kingdom	
ABF HK Finance Limited	United Kingdom		Allied Grain (Southern) Limited	United Kingdom	
ABF Holdings (Thailand) Ltd.	Thailand		Allied Grain Limited	United Kingdom	
ABF Ingredients Limited	United Kingdom		Allied Mills Limited	United Kingdom	
ABF Investments plc	United Kingdom		Allied Technical Centre Limited	United Kingdom	
ABF Italy Holdings S.r.l.	Italy		Allinson Limited	United Kingdom	
ABF Japan Limited	United Kingdom		Alternative Swine Nutrition, S.L.	Spain	
ABF MXN Finance Limited	United Kingdom		Anzchem NZ Limited	New Zealand	
ABF North America Corp.	United States		Anzchem Pty Limited	Australia	

Notes (continued)

28 Group entities (continued)

Name	Country	%	Name	Country	%
Associated British Foods Asia Pacific Holdings Limited	Hong Kong		Enzymes Leasing Finland Oy	Finland	
Associated British Foods Holdings (China) Co., Ltd	China		Fishers Feeds Limited	United Kingdom	
Associated British Foods Pension Trustees Limited	United Kingdom		Fishers Seeds & Grain Limited	United Kingdom	
Atrium 100 Properties Limited	United Kingdom		Fleischmann Foods S.A.	Colombia	
Atrium 100 Stores Holdings Limited	United Kingdom		Food Investments Limited	United Kingdom	
Atrium 100 Stores Limited	United Kingdom		Food Investments Pty. Limited	Australia	
B.E. International Foods Limited	United Kingdom		Foods International Holding B.V.	Netherlands	
B.V. ABF Delaware, Inc (USA)	United States		Foods International S.A.S.	France	
Banbury Agriculture Limited	United Kingdom		Foods International Vertriebs- und Marketing-Gesellschaft GmbH	Germany	
Bar Circle Ranch Limited	Swaziland	31	G. Costa and Company Limited	United Kingdom	
Beauvallet Investments Limited (dissolved 28 September 2015)	Jersey		G. Costa (Holdings) Limited	United Kingdom	
Bo Tian Sugar Industry Co., Ltd.	China		Gb Plange UK Limited	United Kingdom	
Botian Sugar (Chayou Qianqi) Co., Ltd	China		George Chapman Proprietary Limited	Australia	
Botian Sugar Industry (Zhangbei) Co., Ltd.	China		George Weston Foods (NZ) Limited	New Zealand	
Bonuit Investments Limited	Jersey		George Weston Foods Limited	Australia	
British Sugar (Overseas) Limited	United Kingdom		Germain's (U.K.) Limited	United Kingdom	
British Sugar Consulting Services (Shanghai) Co Ltd	China		Germain's Seed Technology B.V.	Netherlands	
British Sugar plc	United Kingdom		Germain's Seed Technology, Inc.	United States	
BSO (China) Limited	United Kingdom		Germain's Seed Technology, S.A.	Spain	
Calsa Chile Inversiones Limitada	Chile		Glendale Sugar Limited	South Africa	51
CALSA de Peru S.A.C.	Peru		Golden Crumpet Co. Australasia Pty Ltd	Australia	
Carabello Trading and Investments 20 Limited	South Africa	51	Greensted, S.A.	Uruguay	
Cereal Industries Limited	United Kingdom		Guangxi Bo Dong Food Company Limited	China	60
Cereform Limited	United Kingdom		Guangxi Bo Hua Food Company Limited	China	71
CGS Investments (Pty) Limited	South Africa	51	Guangxi Bo Qing Food Company Limited	China	60
Compañía Argentina De Levaduras S.A.I.C.	Argentina		Guangxi Bo Xuan Food Company Limited	China	70
Compañía de Alimentos Latinoamericana de Venezuela (CALSA) S.A.	Venezuela		Guangxi BoAi Agriculture Technical Development Company Limited	China	70
Davjon Food Limited	United Kingdom		Harbin Mauri Yeast Co., Ltd	China	85
Dorset Cereals Limited	United Kingdom		Habei Mauri Food Co., Ltd	China	
Dwangwa Sugar Corporation Limited	Malawi	39	Illovo Distillers (Tanzania) Limited	Tanzania	41
East African Supply (Pty) Limited	South Africa	51	Illovo Distributors (Pty) Limited	South Africa	51
Eastbow Securities Limited	United Kingdom		Illovo Group Financing Services Limited	Mauritius	51
Elsenham Quality Foods Limited	United Kingdom		Illovo Group Holdings Limited	Mauritius	51
			Illovo Group Marketing Services Limited	Mauritius	51

Notes (continued)

28 Group entities (continued)

Name	Country	%	Name	Country	%
Illovo Sugar Limited	Malawi	39	Mauri Research B.V.	Netherlands	
Illovo Swaziland Limited	South Africa	51	Mauri Technology B.V.	Netherlands	
Illovo Sugar (USA) Company	United States	51	Mauri Yeast Australia Pty Limited	Australia	
Illovo Sugar (Zambia) Limited	Zambia	51	Meishan Mauri Yeast Co., Ltd (in liquidation)	China	
Illovo Sugar Espana, S.L.	Spain	51	Mitra Sugar Limited	United Kingdom	51
Illovo Sugar Ireland (in liquidation)	Ireland	51	Mountsfield Park Finance Limited	United Kingdom	
Illovo Sugar Limited	South Africa	51	Moyeni Ranch Limited	Swaziland	31
Illovo Swaziland Limited	Swaziland	31	N&C Enterprises Pty Ltd	Australia	
Illovo Tanzania Limited	Tanzania	51	Nanga Farms PLC	Zambia	33
Illprop (Pty) Limited	South Africa	51	NB Love Industries Pty Ltd	Australia	
Indonesian Yeast Company Pty Limited	Australia		Nere Properties Limited	United Kingdom	
Innovative Baking Technology B.V.	Netherlands		New Zealand Food Industries	New Zealand	
Jacksons of Piccadilly Limited	United Kingdom		Noodsberg Sugar Company Limited	South Africa	51
James Neil Limited	United Kingdom		Nueva Comercial Azucarera, S.A.	Spain	88
Jasol Asia Pacific (Thailand) Ltd	Thailand		Nutrition Services (International) Limited	United Kingdom	
John K. King & Sons Limited	United Kingdom		Nutrition Trading (International) Limited	United Kingdom	
Jordan Bros. (N.I.) Limited	United Kingdom		Nutrition Trading Limited	United Kingdom	
Kilombero Holdings Limited	Mauritius	37	Ohly GmbH	Germany	
Kilombero Sugar Company Limited	Tanzania	28	Ohly Grundbesitz GmbH	Germany	
Kingsgate Food Ingredients Limited	United Kingdom		Palaa Consultores Marketing E Servicos Sociedade Unipessoal LDA	Portugal	51
Korway Foods Limited	United Kingdom		Panyu Mauri Food Co., Ltd.	China	
Korway Holdings Limited	United Kingdom		Parkstone (Jersey) Limited	Jersey	
Lacsa (Pty) Limited	South Africa	53	Parkstone Bakeries Limited	United Kingdom	
LeafTC Limited	United Kingdom		Patak (Spices) Limited	United Kingdom	
Levadura Uruguay S.A.	Uruguay		Patak Food Limited	United Kingdom	
Lojas Primark Portugal- Exploração, Gestão e Administração de Espaços Comerciais S.A.	Portugal		Patak's Breads Limited	United Kingdom	
Malawi Sugar Limited	Malawi	51	Patak's Chilled Foods Limited	United Kingdom	
Maragra Açucar, S.A.	Mozambique	46	Patak's Foods 2008 Limited	United Kingdom	
Mauri Fermentation Argentina Pty Limited	Australia		Patak's Frozen Foods Limited	United Kingdom	
Mauri Fermentation Brazil Pty Limited	Australia		PGP International, Inc.	United States	
Mauri Fermentation Chile Pty Limited	Australia		Portelet Investments Limited (dissolved 28 September 2015)	Jersey	
Mauri Fermentation China Pty Limited	Australia		Premier Nutrition (Nantong) Co., Ltd China		
Mauri Fermentation India Pty Limited	Australia		Premier Nutrition Products Limited	United Kingdom	
Mauri Fermentation Indonesia Pty Limited	Australia		Pride Oils Public Limited Company	United Kingdom	
Mauri Fermentation Malaysia Pty Limited	Australia		Prima	Ireland	
Mauri Fermentation Philippines Pty Limited	Australia		Primark	Ireland	
Mauri Fermentation Vietnam Pty Limited	Australia		Primark (U.K.) Limited	United Kingdom	

Notes (continued)

28 Group entities (continued)

Name	Country	%	Name	Country	%
Primark Austria Limited	United Kingdom		Smitchem (Pty) Limited	South Africa	51
Primark Austria Ltd & Co KG	Austria		Soublier Investments Limited (dissolved 28 September 2015)	Jersey	
Primark Deutschland GmbH	Germany		Speedbake Limited	United Kingdom	
Primark Fashion B.V.	Netherlands		SPI Pharma SAS	France	
Primark France SAS	France		SPI Pharma, Inc.	United States	
Primark GCM LLC	United States		SPI Polyois, LLC	United States	
Primark Holdings	Ireland		Sucoma Holdings Limited	Mauritius	51
Primark Italy S.r.l.	Italy		Sun Blest Crumpet Co. Limited (The)	United Kingdom	
Primark Mode Limited	United Kingdom		Sunblest Bakeries Limited	United Kingdom	
Primark Mode Ltd. & Co. KG	Germany		Surgras S.A.	Argentina	
Primark Netherlands B.V.	Netherlands		Talisman Guernsey Limited	Guernsey	
Primark Pension Administration Services Limited	United Kingdom		The Bakery School Limited	United Kingdom	
Primark Pension Trustees Limited	Ireland		The Billington Food Group Limited	United Kingdom	
Primark Property GmbH	Germany		The Home Grown Sugar Company Limited	United Kingdom	
Primark SA	Belgium		The Jordans & Ryvita Company Limited	United Kingdom	
Primark Senior Executive Pension Trustees Limited	Ireland		The Jordans and Ryvita Company Australia Pty Ltd	Australia	
Primark Stil B.V.	Netherlands		The Natural Sweetness Company Limited	United Kingdom	
Primark Stores Limited	United Kingdom		The Roadmap Company Limited	United Kingdom	
Primark Tiendas, S.L.U.	Spain		The Silver Spoon Company Limited	United Kingdom	
Primark US Corp.	United States		The Weston Biscuit Company Limited	United Kingdom	
Primary Diets Limited	United Kingdom		Tip Top Bakeries Limited	United Kingdom	
Primary Nutrition Limited	United Kingdom		Trident Feeds Limited	United Kingdom	
Proofex Products Company	Ireland		Tukunka Agricultural Limited	Zambia	39
Prospeserv Unipessoal Lda	Portugal	88	Twining Crosfield & Co. Limited	United Kingdom	
Provincial Merchants Limited	United Kingdom		Twinings Japan Co Ltd	Japan	50
PT AB Food & Beverages Indonesia	Indonesia		Twinings North America, Inc	United States	
R. Twining and Company Limited	United Kingdom		Twinings of Ireland Limited	Ireland	
R. Twining and Company Sp. z.o.o.	Poland		Twinings Ovaltine Nigeria Limited	Nigeria	
Relax Limited	Malta	53	Twinings Private Limited	India	
Reynolds Brothers Limited	South Africa	51	Ubombo Sugar Limited	Swaziland	31
Rheinische Presshefe-und Spritwerke GmbH	Germany		Umzimkulu Sugar Company Limited	South Africa	51
Roses Nutrition Ltd.	United Kingdom		UNIFERM Verwaltungs GmbH	Germany	50
S.A. Sugar Distributors (Pty) Limited	South Africa	51	Vistavet (Ireland) Limited	Ireland	
Seedcote Systems Limited	United Kingdom		Vistavet Limited	United Kingdom	
Serpentine Securities Limited	United Kingdom		Vitbe Flour Mills Limited	United Kingdom	
Serrol Ingredients Pty Limited	Australia		Vivergo Fuels Limited	United Kingdom	94
Servicios Alimentos Capullo, S. de R.L. de C.V.	Mexico		W. Jordan & Son (Silo) Limited	United Kingdom	
Shanghai AB Food & Beverages Co., Ltd	China		W. Jordan (Cereals) Limited	United Kingdom	
Sizzlers	Ireland		WA Feeds Pty Ltd	Australia	
Sizzlers Limited	United Kingdom		Wander AG	Switzerland	

Notes (continued)

28 Group entities (continued)

Name	Country	%	Name	Country	%
Wereham Gravel Company Limited (The)	United Kingdom		Worldwing Investments Limited	United Kingdom	
Westmill Foods Europe B.V.	Netherlands		Xinjiang Mauri Food Co., Ltd.	China	90
Westmill Foods Europe GmbH	Germany		Yantai Mauri Yeast co., Ltd.	China	92
Westmill Foods Limited	United Kingdom		Yeast Products Company	Ireland	
Weston Foods Limited	United Kingdom		Zambia Sugar plc	Zambia	39
Weston Research Laboratories Limited	United Kingdom		Ziggys Ireland Limited	Ireland	
Associated British Foods plc	United Kingdom				
Wittington Investments (Properties) Limited	United Kingdom		Wittington Investments (BV III) Limited	United Kingdom	
Wittington Investments (Developments) Limited	United Kingdom		Wittington Investments (Reof) Limited	United Kingdom	
Richmond Hill Hotel (Operations) Limited	United Kingdom		Wittington Investments (17) Limited	United Kingdom	
Wittington Investments (Richmond Hill Hotel) Limited	United Kingdom		Wittington Investments (Dunedin III) Limited	United Kingdom	
Howard Investments Limited	United Kingdom		Wittington Investments (Graphite) Limited	United Kingdom	
Wittington Investments Finance Limited	United Kingdom		Wittington Investments (Apollo) Limited	United Kingdom	
Brighton Grand Hotel Operations Limited	United Kingdom		Wittington Investments (FIPL) Limited	United Kingdom	
Wittington Investments (Brighton Grand) Limited	United Kingdom		Wittington Investments (FAP II) Limited	United Kingdom	
Wittington Investments (WPX) Limited	United Kingdom		WILH (Investments) limited	United Kingdom	
Wittington Investments (OCP) Limited	United Kingdom		George Weston Limited	United Kingdom	
Wittington Investments (Harbourvest) Limited	United Kingdom		Heal's Holdings Ltd	United Kingdom	
Wittington Investments (BV II) Limited	United Kingdom		Heal & Son Limited	United Kingdom	
Wittington Investments (Next Wave) Limited	United Kingdom		Heal's plc	United Kingdom	
Wittington Investments (Dunedin) Limited	United Kingdom		Ambrose Retail Limited	United Kingdom	
Wittington Investments (BSPF) Limited	United Kingdom		Heal's Pensions Fund Trustees Limited	United Kingdom	
Wittington Investments (FAP I) Limited	United Kingdom		Heals Finance Limited	United Kingdom	
Wittington Investments (VOI) Limited	United Kingdom		Fortnum & Mason Plc	United Kingdom	
Wittington Investments (BPA II) Limited	United Kingdom		Fortnum & Mason USA Inc	United States	
Wittington Investments (Careplaces) Limited	United Kingdom		Fortnum & Mason Limited	Ireland	
Wittington Investments (Coller) Limited	United Kingdom		F. & M. Limited	United Kingdom	
Wittington Investments (PPE IV) Limited	United Kingdom		Fortnum & Mason (Export) Limited	United Kingdom	
Wittington Investments (PPE V) Limited	United Kingdom		Fortnum & Mason Hospitality Limited	United Kingdom	
Wittington Investments (Sandaire) Limited	United Kingdom		Fortnum & Mason (London) Limited	United Kingdom	
Wittington Investments (Bestport) Limited	United Kingdom		Fortnums Limited	United Kingdom	
Wittington Investments (WHEB) Limited	United Kingdom		Clinton Farms Limited	United Kingdom	83

Notes (continued)

28 Group entities (continued)

The only material non-controlling interests in the group arise from the group's 51% stake in the Illovo Sugar Limited group, some of whose subsidiaries also have non-controlling interests. Details of the group's ultimate ownership interest in all subsidiaries are given above. Summarised financial information in respect of the Illovo group is set out below, presented before intercompany eliminations with the rest of the group.

	2015 £m	2014 £m
Non-current assets	447	556
Current assets	382	442
Current liabilities	(293)	(287)
Non-current liabilities	(201)	(207)
Equity attributable to equity shareholders	(141)	(217)
Non-controlling interests	194	287
Revenue	705	744
(Loss)/profit for the period attributable to equity shareholders	(4)	20
(Loss)/profit for the period attributable to non-controlling interests	(3)	24
(Loss)/profit for the period	(7)	44
Dividends paid to non-controlling interests	15	21

Following recent changes to Lusaka Stock Exchange (LuSE) regulations, all listed companies in Zambia must have a minimum of 25% of their shares held by public investors to constitute a free float. As a result, Illovo Sugar was required to reduce its shareholding in Zambia Sugar plc by 6.6%. Effective 26 September 2014, 5.1% of the shares were sold to local Zambian institutional investors for £11m. Net assets attributable to the increase in non-controlling interests were £8m, resulting in a £3m gain recognised directly in equity. As agreed with LuSE, the remaining 1.5% will be held in a separate account in the LuSE Central Securities Depository. While Illovo will waive its voting rights on these shares, it will still be entitled to receive dividends thereon.

The results and balance sheet of Primark Mode Ltd. & Co. KG are included in these financial statements and these financial statements will be filed in Germany. As a consequence, Primark Mode Ltd. & Co. KG is exempt from the requirement to file its own financial statements under section 264b HGB.

Associated British Foods plc has irrevocably guaranteed all amounts shown as liabilities in the statutory financial statements of the subsidiary undertakings registered in Ireland listed below in respect of the financial year ended 12 September 2015. As a consequence, these subsidiaries qualify for the exemption under section 357 of the Companies Act 2014 (Ireland) from the provisions of sections 347 and 348 of that Act.

Abdale Finance Limited

Prima

Primark

Primark Holdings

Primark Senior Executive Pension Trustees Limited

Sizzlers

Sizzles International Limited

Twinings of Ireland Limited

Ziggys Ireland Limited Primark Pension Trustees Limited

Notes (continued)

28 Group entities (continued)

Joint ventures

A list of the group's joint ventures as at 12 September 2015 is given below. All joint ventures are included in the group's financial statements using equity method of accounting.

Name	Country	% holding
Chiltern Bakeries Limited	United Kingdom	44
Compañía de Melazas, S.A.	Spain	50
Fortnum & Masons Pty Limited	Australia	33
Frontier Agriculture Limited	United Kingdom	50
Boothmans (Agriculture) Limited	United Kingdom	50
Forward Agronomy Limited	United Kingdom	50
G F P (Agriculture) Limited	United Kingdom	50
GH2 Limited	United Kingdom	50
GH Grain Limited	United Kingdom	50
Grain Harvesters Limited	United Kingdom	50
Grampian Crop Services Limited	United Kingdom	50
Lothian Crop Specialists Limited	United Kingdom	50
Nomix Enviro Limited	United Kingdom	50
North Wold Agronomy Limited	United Kingdom	50
Phoenix Agronomy Limited	United Kingdom	50
Southampton Grain Terminal Limited	United Kingdom	25
Soyl Limited	United Kingdom	50
The Agronomy Partnership Limited	United Kingdom	50
Fortnum & Mason Events Limited	United Kingdom	50
Glendale Distilling Company	South Africa	26
Levaduras Collico S.A.	Chile	50
Qingdao Xinghua Cereal Oil and Foodstuff Co., Ltd	China	25
Roal Oy	Finland	50
Stratas Foods LLC	United States	50
Synchronis	France	50
UNIFERM GmbH & Co. KG	Germany	50
INA Nahrungsmittel GmbH	Germany	50
Uniferm Polska Sp Z.o.o	Poland	50
Tango Real Estate LLP	United Kingdom	80
Nurton Developments (Quintus) Limited	United Kingdom	50

Notes (continued)

28 Group entities (continued)

Associates

A list of the group's associates as at 12 September 2015 is given below. All associates are included in the group's financial statements using the equity method of accounting.

Name		
Bakers Basco Limited	United Kingdom	20
C. Czarnikow Limited	United Kingdom	43
Czarnikow Group Limited	United Kingdom	43
C. Czarnikow Sugar Futures Limited	United Kingdom	43
C. Czarnikow Sugar (East Africa) Limited	Kenya	43
C. Czarnikow Sugar (Eurasia) Limited	Russian Federation	43
C. Czarnikow Sugar (Guangzhou) Company Limited	China	43
C. Czarnikow Sugar (India) Private Limited	India	43
C. Czarnikow Sugar (Mexico), SA de C.V.	Mexico	43
C. Czarnikow Sugar Inc.	United States	43
Czarnikow Futures Inc.	United States	43
C. Czarnikow Sugar Pte. Limited	Singapore	43
Czarnikow Brasil Ltda.	Brazil	43
Czarnikow Israel Sugar Trading Ltd (Sucrim)	Israel	43
Czarnikow Italia Srl	Italy	43
Czarnikow Servicios de Personal, SA de C.V.	Mexico	43
Czarnikow Tanzania Limited	Tanzania	43
Czarsugar Limited	United Kingdom	43
Sucris Limited	Israel	21
Sugarworld Limited	United Kingdom	43
Gledhow Sugar Company (Pty) Limited	South Africa	15
Kilombero Sugar Distributors Limited	Tanzania	10
Murray Bridge Bacon Pty Ltd	Australia	20
Big River Pork Pty Ltd	Australia	20
New Food Coatings Pty Ltd	Australia	50
New Food Coatings (New Zealand) Ltd	New Zealand	50
New Food Coatings (Philippines) Inc	Philippines	50
New Quality Ingredients PTY Limited	Australia	50
Newly Weds Foods (Thailand) Ltd	Thailand	50
Newly Wed Foods (Trading) Limited	Thailand	25
Witwood Food Products Pty Limited	Australia	50
PT IndoFermex	Indonesia	49
P.T. JayaFermex	Indonesia	49
PT Sama Indah	Indonesia	49
Sukpak Limited	Mauritius	30
Vanneck Residential LLP	United Kingdom	41
Davidson Holdings Limited	United Kingdom	23
The Adventure Experience Limited	United Kingdom	44
Sweaty Betty Investco Limited	United Kingdom	30

29 Post balance sheet events

An interim dividend of £51.50 per share (£44m) was paid after the year end on 28 September 2015 to shareholders on the register on 16 September 2015. Following a decision to change the timing of future dividend payments, an additional interim dividend of £36.50 per share (£31m) was paid on 15 January 2016 to shareholders on the register on 15 December 2015.

Notes (continued)

30 Revenue information

	<i>Revenue</i>	
	<i>2015</i>	<i>2014</i>
	<i>£m</i>	<i>£m</i>
Operating segments		
Grocery	3,177	3,337
Sugar	1,818	2,083
Agriculture	1,211	1,312
Ingredients	1,247	1,261
Retail	5,347	4,950
	<hr/>	<hr/>
Total ABF Group	12,800	12,943
Other retail	115	100
Other (Real Estate, Hotels, Private Equity and Other Investments)	28	20
	<hr/>	<hr/>
	12,943	13,063
	<hr/>	<hr/>
Geographical information		
United Kingdom	5,587	5,751
Europe, Middle East & Africa	4,080	3,924
The Americas	1,269	1,211
Asia Pacific	2,007	2,177
	<hr/>	<hr/>
	12,943	13,063
	<hr/>	<hr/>

Company balance sheet
at 12 September 2015

	<i>Note</i>	2015 £m	2014 £m
Fixed assets			
Tangible assets	3	7	7
Investment property	4	3	3
Shares in subsidiary undertakings	5	1,036	1,036
		<hr/>	<hr/>
		1,046	1,046
Current assets			
Debtors: amounts falling due within one year	6	309	326
Other investments	7	23	19
Cash at bank and in hand		130	45
		<hr/>	<hr/>
		462	390
Creditors: amounts falling due within one year	8	(9)	(9)
		<hr/>	<hr/>
Net current assets		453	381
		<hr/>	<hr/>
Net assets		1,499	1,427
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1	1
Share premium account	10	382	382
Profit and loss reserve	10	1,116	1,044
		<hr/>	<hr/>
Equity shareholders' funds		1,499	1,427
		<hr/>	<hr/>

The financial statements on pages 68 to 73 were approved by the board of directors on 20 January 2016 and were signed on its behalf by:

Guy Weston

Director

Company Number 00366054

20 January 2016

Reconciliation of movements in shareholders' funds
for the period ended 12 September 2015

	2015 £m	2014 £m
Profit for the financial period	141	123
Dividends	(69)	(63)
	<hr/>	<hr/>
Net addition to equity shareholders' funds	72	60
	<hr/>	<hr/>
Opening equity shareholders' funds	1,427	1,367
	<hr/>	<hr/>
Closing equity shareholders' funds	1,499	1,427
	<hr/>	<hr/>

Notes

1 Accounting policies

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 period ended 12 September 2015.

Basis of preparation

The financial statements are presented in sterling, rounded to the nearest million. They are prepared under the historical cost convention, except that derivative financial instruments and current investments are stated at their fair value, and in accordance with applicable United Kingdom accounting standards (UK GAAP) and the Companies Act 2006.

As permitted by s408(4) the Companies Act 2006, a separate profit and loss account for the Company has not been included in these financial statements. As permitted by FRS 1 no cash flow statement for the Company has been included on the grounds that the group includes the Company in its own published consolidated financial statements. As permitted by FRS 8 no related party disclosures for the Company have been included.

The Company has taken advantage of the exemption in FRS 25 – *Financial Instruments: Disclosure and Presentation*, not to prepare a note to the financial statements relating to financial instruments as the information is available in the financial statements of the group.

Depreciation

Depreciation is provided on the original cost of assets or on valuation 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 or payments on account. 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	-	12 years

Investment property

Investment property is recorded at open market value as determined by independent valuers every five years and by directors at other times. Changes in market value are transferred to a revaluation reserve save that a deficit arising on revaluation of an individual investment property which is considered to be permanent is charged in the profit and loss account of the period. In accordance with the Statement of Standard Accounting Practice (SSAP) 19, depreciation is not provided on investment property on the basis that such property is not held for consumption but for investment. The directors believe, therefore, that this accounting policy is necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which would otherwise have been shown cannot be separately identified or quantified.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are reported at cost less any provision for impairment.

Notes (continued)

2 Profit for the period

As permitted by s408(4) of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the period. Wittington Investments Limited reported a profit for the period ended 12 September 2015 of £141m (2014: £123m).

3 Tangible fixed assets

	Land and buildings £m
Cost	
At 12 September 2015 and at 13 September 2014	9
	<hr/>
Depreciation	
At 13 September 2014	2
Charge for the period	-
	<hr/>
At 12 September 2015	2
	<hr/>
Net book value	
At 12 September 2015	7
	<hr/>
At 13 September 2014	7
	<hr/>

4 Investment property

	Investment Property £m
Cost	
At 13 September 2014	3
Additions	-
Disposals	-
	<hr/>
At 12 September 2015	3
	<hr/>
Net book value	
At 12 September 2015	3
	<hr/>
At 13 September 2014	3
	<hr/>

Notes (continued)

5 Shares in subsidiary undertakings

	Listed £m	Unlisted £m	Total £m
At 12 September 2015	345	691	1,036
At 13 September 2014	345	691	1,036

Investments in subsidiary undertakings are shown at cost less amounts written off. Investments include 403,341,215 ordinary shares of 5 15/22p (2013: 403,341,215) each in Associated British Foods plc, equivalent to 50.9% of the issued share capital of that company, which is listed on The London Stock Exchange. At 12 September 2015 the market value of the holding was £12,447m (2014: £10,572m). Associated British Foods plc is incorporated in Great Britain and registered in England. Through its subsidiary, Howard Investments Limited, the Company holds a further 28,173,893 (2014: 28,173,893) shares in Associated British Foods plc, representing 3.6% of the issued share capital of that company. A list of trading subsidiary undertakings is given in note 28. Except where noted, none of the companies shown is a direct subsidiary of Wittington Investments Limited. The holding company structure is complicated and does not necessarily reflect the management grouping in which the companies are listed.

6 Debtors

	2015 £m	2014 £m
<i>Amounts falling due within one year</i>		
<i>Amounts owed by subsidiary undertakings</i>	306	317
<i>Corporation tax recoverable</i>	2	4
<i>Other debtors</i>	1	5
	<u>309</u>	<u>326</u>

The directors consider that the carrying amount of debtors approximates to their fair value.

7 Other investments

	2015 £m	2014 £m
<i>Unlisted investments</i>	15	12
<i>Listed investments</i>	8	7
	<u>23</u>	<u>19</u>

8 Creditors: amounts falling due within one year

	2015 £m	2014 £m
<i>Accruals and deferred income</i>	4	4
<i>Amounts due to subsidiary undertakings</i>	5	5
	<u>9</u>	<u>9</u>

The directors consider that the carrying amount of creditors approximates to their fair value.

Notes (continued)

9 Share Capital

	<i>Ordinary shares of 50p each</i>	<i>Nominal Value £</i>
Authorised		
<i>At 12 September 2015 and 13 September 2014</i>	900,000	450,000
Issued and fully paid		
<i>At 12 September 2015 and 13 September 2014</i>	862,022	431,011

10 Reserves

	Share Capital £m	Share Premium £m	Profit and loss account £m
At 13 September 2014	1	382	1,044
Profit on ordinary activities after taxation	-	-	141
Dividends paid	-	-	(69)
At 12 September 2015	1	382	1,116

11 Post balance sheet event note

An interim dividend of £51.50 per share (£44m) was paid after the year end on 28 September 2015 to shareholders on the register on 16 September 2015. Following a decision to change the timing of future dividend payments, an additional interim dividend of £36.50 per share (£31m) was paid on 15 January 2016 to shareholders on the register on 15 December 2015.