

ABF Overseas Limited

**Directors' report and financial
statements**

Registered number

03313345

13 September 2014

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Strategic Report

Principal activities

During the period the principal activity was the holding of shares in subsidiary companies and the principal activities of the subsidiaries were the processing and manufacture of food worldwide and textile retailing in parts of Western Europe.

Business review and future developments

During the period the main activity of the company remained unchanged and the directors anticipate that any future developments will relate to the company's principal activity.

During the year the company made a new investment in AB Vista Brazil of £1.1m, and further increased its investments in AB Calsa Mexico by £6m, ABF HK Finance Limited by £0.9m, ABF Mexican Finance by £2.5m and AB Mauri Middle East by £0.8m. The company reduced its investment in Relax Limited by £0.3m and in Lacsa (Proprietary) Limited by £0.3m.

Trading results, share issue, dividends and transfer to reserves

The profit and loss account is on page 5. Profit for the period attributable to equity shareholders and transferred to reserves amounted to £438.9m (2013: £71.3m), which includes dividend income from fixed asset investments of £474.4m (2013: £91.5m). No ordinary dividend was declared in the period (2013: £nil).

Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties. A full description of the risks and uncertainties to which the group is exposed is included within the Associated British Foods plc Annual Report and Accounts.

Risk management review

The company's risk management process seeks to enable the early identification, evaluation and effective management of the key risks facing the business at operational level and to operate internal controls which adequately mitigate these risks. This process is also undertaken by the subsidiaries in which the company has an interest. Each business is responsible for regularly assessing its risk management activities to ensure good practice in all areas. Compliance with the process is monitored six monthly and these assessments are formally reviewed at least annually. Reports on internal financial control issues raised by management and the external auditors are reported to the board of the company's parent, Associated British Foods plc, at least annually.

By order of the board



PA Russell
Director

12 June 2015

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 13 September 2014.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself 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 auditor in connection with the preparation of their report on page 4.

Auditor

KPMG LLP was appointed by the board of directors as the company's auditor for the financial year ended 13 September 2014 and the board intends to re-appoint KPMG LLP as auditor for the financial year ending 12 September 2015.

Going concern

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

Directors

The directors who held office during the period were:

JG Bason
PA Russell
RS Schofield

Employees

The company is an investment company and does not trade. It has no employees.

By order of the board



PA Russell
Director
12 June 2015

Weston Centre
10 Grosvenor Street
London
W1K 4QY

Registered number 03313345

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Independent auditor's report to the members of ABF Overseas Limited

We have audited the financial statements of ABF Overseas Limited for the period ended 13 September 2014 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation 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 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 statement of directors' responsibilities on page 3, 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 company's affairs as at 13 September 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

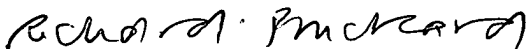
Opinion on other matter prescribed by the Companies Act 2006

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



Richard Pinckard (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

12 June 2015

Profit and loss account

for the 52 week period ended 13 September 2014

	<i>Notes</i>	2014 £'000	2013 £'000
Administration costs		(20,888)	(3,052)
Income from fixed asset investments	5	474,410	91,544
Operating profit		<u>453,522</u>	<u>88,492</u>
Net interest payable	6	(17,811)	(25,795)
Profit on ordinary activities before taxation		<u>435,711</u>	<u>62,697</u>
Tax credit on profit on ordinary activities	7	3,200	8,589
Profit on ordinary activities after taxation		<u>438,911</u>	<u>71,286</u>

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

The profit on ordinary activities before taxation relates entirely to continuing activities in the period.

The notes on pages 8 to 14 form a part of these financial statements.

Balance sheet

At 13 September 2014

	<i>Notes</i>	2014 £'000	2013 £'000
Fixed assets			
Investments in subsidiaries, joint ventures and partnerships	8	3,670,616	3,701,365
Other investments		3,343	3,343
		<hr/> 3,673,959	<hr/> 3,704,708
Current assets			
Debtors			
- due within one year	9	29,520	16,137
- due after one year	9	9,854	4,368
Cash		1	-
		<hr/> 39,375	<hr/> 20,505
Creditors due within one year	10	(779,913)	(648,471)
		<hr/>	<hr/>
Net current liabilities		(740,538)	(627,966)
Total assets less current liabilities		2,933,421	3,076,742
Creditors due after one year	10	(413,354)	(1,018,206)
		<hr/>	<hr/>
Net assets		<u>2,520,067</u>	<u>2,058,536</u>
 Capital and reserves			
Called-up share capital	11	1,427,180	1,427,180
Share premium	12	175,554	175,554
Profit and loss account	12	811,664	372,753
Translation reserve	12	105,669	83,049
		<hr/>	<hr/>
Equity shareholder's funds		<u>2,520,067</u>	<u>2,058,536</u>

These financial statements were approved by the board of directors on 12 June 2015 and were signed on its behalf by:



PA Russell
Director

Registered number: 03313345

Statement of total recognised gains and losses

for the 52 week period ended 13 September 2014

	2014 £'000	2013 £'000
Profit for the financial period	438,911	71,286
Net gain on return of capital	-	160,868
Effect of movements in foreign exchange	22,620	(20,577)
	<hr/>	<hr/>
Total recognised gains relating to the financial period	461,531	211,577
	<hr/>	<hr/>

Reconciliation of movements in equity shareholder's funds

for the 52 week period ended 13 September 2014

	2014 £'000	2013 £'000
Opening equity shareholder's funds	2,058,536	1,817,681
Issue of shares	-	29,278
Net gain on return of capital	-	160,868
Profit for the period	438,911	71,286
Dividends	-	-
Effect of movements in foreign exchange	22,620	(20,577)
	<hr/>	<hr/>
Closing equity shareholder's funds	2,520,067	2,058,536
	<hr/>	<hr/>

Notes to the financial statements

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 13 September 2014.

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (UK GAAP) and the Companies Act 2006.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements. A group cash flow statement is included in the financial statements of Associated British Foods plc.

The company is controlled by Associated British Foods plc and is exempt from the requirement to disclose transactions with it and other group companies under Financial Reporting Standard 8 as it is a wholly-owned subsidiary included in consolidated financial statements which are publicly available.

Income tax

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

Investments

Investments in subsidiaries, joint ventures and associates are reported at cost less any provision for impairment, except for those investments hedged in accordance with paragraph 28 of SSAP 20. These investments are treated as foreign currency assets from inception of the hedge and then revalued at each reporting date. Foreign exchange differences arising on such revaluations are taken to reserves along with the gains or losses arising on the related foreign currency borrowings and instruments.

Foreign currency translation

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

The assets and liabilities of the company's foreign branch are denominated in foreign currencies and are translated into sterling at the rate of exchange at the balance sheet date. Income and expenses are translated into sterling at an average exchange rate. Any difference that arises due to a variance between the rate of exchange at the balance sheet date and the average is recorded in reserves. Income and expenses are translated into sterling at an average exchange rate.

Notes to the financial statements *(continued)*

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £740,538, which the Directors believe to be appropriate for the following reasons:

- the company is dependent upon its parent company and fellow subsidiaries for continuing financial support; and
- Associated British Foods plc (the intermediate parent company) has provided the company with an undertaking that it will continue to make available such funds as are needed by the company until the presentation of financial statements for the 52 weeks ended 13 September 2014. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

3 Directors' emoluments

The directors received no emoluments in respect of their services as directors of the company in the current or the previous period.

4 Auditors' remuneration

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

5 Income from fixed asset investments

	2014 £'000	2013 £'000
Income from shares in group undertakings	473,747	90,848
Income from shares in joint ventures	573	575
Income from other investment	90	121
	<hr/> 474,410 <hr/>	<hr/> 91,544 <hr/>

Notes to the financial statements *(continued)*

6 Net interest payable

	2014 £'000	2013 £'000
Interest receivable		
Interest income on loans to fellow subsidiary undertakings	83	62
Foreign exchange gains on financing activities	825	-
	<u>908</u>	<u>62</u>
Interest payable		
Interest expense on borrowings from fellow subsidiary undertakings	(385)	(445)
Interest expense on borrowings from parent undertaking	(18,334)	(25,265)
Outside interest payable	-	(102)
Foreign exchange losses on financing activities	-	(45)
	<u>(18,719)</u>	<u>(25,857)</u>
Net interest payable	<u><u>(17,811)</u></u>	<u><u>(25,795)</u></u>

7 Tax on profit on ordinary activities

(a) Analysis of the tax credit in the period

	2014 £'000	2013 £'000
Current tax credit	3,200	8,589
	<u><u>3,200</u></u>	<u><u>8,589</u></u>

(b) Factors affecting current tax credit for the period

The tax credit for the period differs from the charge that would have arisen at the standard rate of corporation tax in the UK of 22.08% (2013: 23.54%). The differences are explained below:

	2014 £'000	2013 £'000
Profit/(Loss) on ordinary activities before tax	435,711	62,697
Tax at the standard rate of corporation tax the UK 2014: 22.08% (2013: 23.54%)	96,205	14,758
Prior period adjustment	94	(2,390)
Other income not subject to corporation tax	(104,749)	(21,550)
Expenditure not deductible for tax purposes	5,199	593
Overseas withholding tax not recoverable	51	-
Current tax credit in the period	<u><u>(3,200)</u></u>	<u><u>(8,589)</u></u>

Notes to the financial statements *(continued)*

(c) Factors affecting future tax credits or charges

The UK corporation tax rate was reduced from 23% to 21% with effect from 1 April 2014, with a further reduction to 20% effective from 1 April 2015. The legislation to effect these rate changes had been enacted before the balance sheet date. As deferred tax is measured at the rates that are expected to apply in the periods when the underlying timing differences reverse, opening and closing deferred tax balances have been calculated using a rate of 20%.

8. Investments in subsidiaries, joint ventures and partnerships

	Shares in subsidiaries £'000	Shares in joint partnerships ventures £'000	Shares in £'000	Total £'000
Cost at 14 September 2013	3,267,288	6,207	436,070	3,709,565
Additions	29,048	-	-	29,048
Disposal	(570)	-	-	(570)
Effect of movements in foreign exchange	(23,298)	-	(18,290)	(41,588)
At 13 September 2014	3,272,468	6,207	417,780	3,696,455
Amounts written off at 14 September 2013	(8,200)	-	-	(8,200)
Additions	(17,639)	-	-	(17,639)
At 13 September 2014	(25,839)	-	-	(25,839)
Carrying value at 14 September 2013	3,259,088	6,207	436,070	3,701,365
Carrying value at 13 September 2014	3,246,629	6,207	417,780	3,670,616

The company made a new investment in AB Vista Brazil of £1.1m further increased its investment in AB Calsa Mexico by £6m, ABF HK Finance Limited by £0.9m, ABF Mexican Finance by £2.5m and AB Mauri Middle East by £0.8m. The company reduced its investment in Relax Limited by £0.3m and in Lacs (Proprietary) Limited by £0.3m.

During the year an intercompany loan receivable of £17,638,898 from the company's subsidiary, AB Mauri Italy S.P.A. was forgiven which was treated as a capital contribution increasing the cost of investment in AB Mauri Italy. For this increase in investment and impairment charge for the same amount was included in administration costs in the profit and loss account in the period.

No other provisions for impairment were required in the current financial period.

A list of the principal subsidiaries is given on page 12. All of the investments listed are directly held by the company, except where stated. The percentages given show the company's ultimate interest and therefore allow for the position where interests in subsidiaries and joint ventures are held by partly-owned intermediate subsidiaries.

Notes to the financial statements *(continued)*

Principal subsidiary undertakings

	Place of incorporation or registration (if overseas)	Class of shares held	Percentage of shares held
AB Calsa Servicios, S.DE R.L DE C.V.	Mexico	Equity participation	100%
Azucarera Ebro	Spain	Ordinary	100%
Abitec Corporation	US	Ordinary	100%
AB Food & Beverages Australia Pty Ltd *	Australia	Ordinary	100%
AB Food & Beverages Philippines, Inc.	Philippines	Ordinary	100%
AB Food and Beverages GmbH	EU	Ordinary	100%
AB Foods Polska SP.z o.o.	Poland	Ordinary	100%
AB Enzymes OY	Finland	Ordinary	100%
AB Mauri Food, S.A	Spain	Ordinary	100%
AB Mauri India (Private) Limited	India	Ordinary	100%
AB Mauri Vietnam Ltd	Vietnam	Ordinary	66%
ACH Food Companies Inc *	US	Ordinary	100%
Alimentos Capullo S.de R.L.de C.V.	Mexico	Ordinary	100%
Anzchem Pty Ltd *	Australia	Ordinary	100%
Azucarera Ebro, S.L.U.	Spain	Ordinary	100%
Calsa de Colombia S.A.	Colombia	Ordinary	100%
Casteggio Lieviti S.r.L	Spain	Ordinary	100%
Compania Argentina de Levaduras S.A.I.C	Argentina	Ordinary	100%
George Weston Foods Limited *	Australia	Ordinary	100%
George Weston Foods (NZ) Limited *	New Zealand	Ordinary	100%
Harbin Mauri Yeast Co., Limited	China	Ordinary	85%
Hebei Mauri Food Co., Ltd	China	Ordinary	100%
Illovo Sugar Limited	South Africa	Ordinary	51%
Illovo Sugar (Malawi) Limited *	Malawi	Ordinary	39%
Kilombero Sugar Company Limited *	Tanzania	Ordinary	28%
Maragra Acucar SARL*	Mozambique	Ordinary	46%
Mauri Fermentos, SA	Portugal	Ordinary	96%
Mauri Lanka (Private) Limited	Sri Lanka	Ordinary	100%
Mauri Products Limited	UK	Ordinary	100%
Serrol Ingredients Pty Ltd	Australia	Ordinary	100%
Shanghai AB Food & Beverages Limited*	China	Ordinary	100%
SPI Pharma S.A.S.	France	Ordinary	100%
SPI Pharma Inc	US	Ordinary	100%
Twinings North America Inc *	US	Ordinary	100%
Ubombo Sugar Limited *	Swaziland	Ordinary	31%
Wander AG	Switzerland	Ordinary	100%
Zambia Sugar plc *	Zambia	Ordinary	42%

**Indirect investments*

There is no significant loan capital in any of the joint ventures. Each joint venture carries out manufacturing and food processing activities and operates mainly in its country of incorporation. In the opinion of the directors the value of investments in the company's subsidiary undertakings, joint ventures and partnerships is not less than the value at which they are stated in the balance sheet.

Notes to the financial statements *(continued)*

9. Debtors

	2014 £'000	2013 £'000
Due within one year		
Group relief receivable	8,810	10,393
Amounts owed by fellow subsidiary undertaking	20,489	5,608
Amounts owed by parent undertaking	200	119
Other debtors	21	17
	<hr/> 29,520 <hr/>	<hr/> 16,137 <hr/>
Due after one year		
Amounts owed by fellow subsidiary undertakings	<hr/> 9,854 <hr/>	<hr/> 4,368 <hr/>

The directors consider the carrying amounts of debtors to be recoverable.

10. Creditors

	2014 £'000	2013 £'000
Due within one year		
Amounts owed to parent undertaking	777,376	647,293
Amounts owed to fellow subsidiary undertakings	-	152
Accruals and deferred income	2,537	1,026
	<hr/> 779,913 <hr/>	<hr/> 648,471 <hr/>
Due after one year		
Amounts owed to parent undertaking	368,561	988,423
Amounts owed to fellow subsidiary undertakings	41,160	29,783
Other Creditors	3,633	-
	<hr/> 413,354 <hr/>	<hr/> 1,018,206 <hr/>

The directors consider that the carrying amounts of creditors approximate their fair value.

Notes to the financial statements *(continued)*

11. Share capital

	2014 £'000	2013 £'000
Issued and fully paid		
1,427,180 ordinary shares of £1 each	1,427,180	1,427,180
	<u>1,427,180</u>	<u>1,427,180</u>

12. Capital and reserves

	Issued capital	Share premium	Translation reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000	£'000
At 14 September 2013	1,427,180	175,554	83,049	372,753	2,058,536
Profit for the period	-	-	-	438,911	438,911
Effect of movements in foreign exchange	-	-	22,620	-	22,620
At 13 September 2014	<u>1,427,180</u>	<u>175,554</u>	<u>105,669</u>	<u>811,664</u>	<u>2,520,067</u>

13. Contingent liabilities

The company had no outstanding guarantees provided in the ordinary course of business as at 13 September 2014 (2013: nil).

14. Holding company

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

The largest group in which the results of the company are consolidated is headed by Wittington Investments Limited. The smallest group in which they are consolidated is headed by Associated British Foods plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.