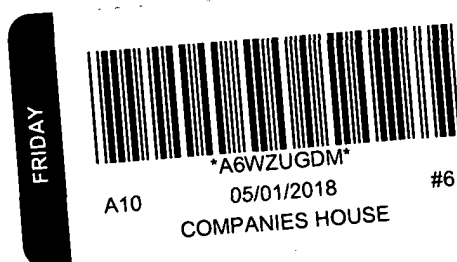


ABF (No. 1) Limited

Annual report and financial statements

Registered number 04668120

16 September 2017



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Strategic report

Review of the company's business

The principal activity of the company is that of a holding company within the Associated British Foods plc group (the "group").

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

During the prior year, the company undertook transactions as part of an overall restructuring of entities within the Associated British Foods plc group. The company's subsidiary, ABF Finance Limited, undertook a capital reduction and returned capital invested by the company of £199.8m. A gain of £137.9m was realised on the transaction being the difference between the gross consideration received and the carrying value of the investment of £61.9m.

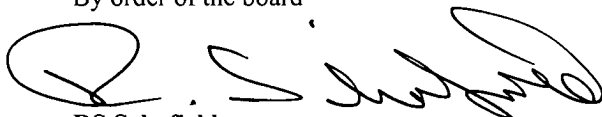
Trading results and transfer to reserves

The company's result for the year is reflected in the statement of total comprehensive income on page 6. The profit on ordinary activities after taxation amounted to £14.6m (2016: £162.9m). No dividend was declared or paid during the year (2016: £292.0m).

Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties in its role as a holding company within the group. 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.

By order of the board



RS Schofield
Secretary

13 December 2017

Directors' report

The directors present their annual report and financial statements for the 52 week period ended 16 September 2017. The financial statements are presented in sterling, rounded to the nearest thousand.

Dividends

No dividends were declared or paid during the year (2016: £292.0m). The directors do not recommend the further payment of a dividend.

Going concern

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis.

Directors

The directors who held office during the period were:

RS Schofield
PA Russell

Directors' indemnities

The directors have benefited from the ABF group's Directors and Officers Insurance policy and from indemnity provisions provided by an intermediate holding company during the financial period and as at the date of this report, subject to the conditions set out in the Companies Act 2006.

Health & Safety

The company keeps its safety, health and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective. The company's board of directors reviews these at least annually, as does the board of Associated British Foods plc.

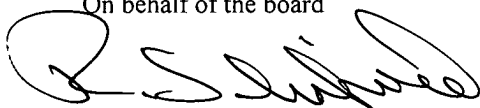
Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

On behalf of the board



RS Schofield
Secretary

Weston Centre
10 Grosvenor Street
London
W1K 4QY

13 December 2017

Statement of directors' responsibilities

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

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

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of ABF (No. 1) Limited

Opinion

We have audited the financial statements of ABF (No. 1) Limited for the 52 week period ended 16 September 2017 which comprise the Statement of total comprehensive income, the Balance sheet, the Statement of changes in shareholder's equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 16 September 2017 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report set out on pages 1 to 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of ABF (No. 1) Limited *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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



Andrew Walton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 December 2017

Statement of total comprehensive income

for the 52 week period ended 16 September 2017

	Note	52 week period to 16 September 2017 £'000	53 week period to 17 September 2016 £'000
Income from shares in group undertakings		14,689	25,715
Interest receivable and similar income		1,691	2,229
Net gain on return of capital		-	137,929
Profit on ordinary activities before taxation		16,380	165,873
Tax on profit on ordinary activities	6	(1,799)	(3,018)
Profit on ordinary activities after taxation		14,581	162,855
Other comprehensive income		-	-
Total comprehensive income		14,581	162,855

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

The notes on pages 9 to 14 form part of the financial statements.

Balance sheet

at 16 September 2017

	<i>Note</i>	2017 £'000	2016 £'000
Fixed assets			
Investments in subsidiaries and associated undertakings	8	17,010	17,010
Current assets			
Debtors: amounts due within one year	9	232,591	217,680
Creditors: amounts falling due within one year			
Taxation		(776)	(446)
Net current assets		<u>231,815</u>	<u>217,234</u>
Net assets		<u>248,825</u>	<u>234,244</u>
Capital and reserves			
Called up share capital	10	209,267	209,267
Profit and loss reserve		39,558	24,977
Equity shareholder's funds		<u>248,825</u>	<u>234,244</u>

These financial statements were approved by the board of directors on 13 December 2017 and were signed on its behalf by:



PA Russell
Director

The notes on pages 9 to 14 form part of the financial statements.

Statement of changes in shareholder's equity

for the 52 weeks ended 16 September 2017

	<i>Note</i>	Called up share capital	Profit and loss reserve	Total
		£'000	£'000	£'000
Balance as at 12 September 2015		209,267	154,122	363,389
Profit for the financial year		-	162,855	162,855
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	162,855	162,855
Equity dividends paid	7	-	(292,000)	(292,000)
		<hr/>	<hr/>	<hr/>
Balance as at 17 September 2016		209,267	24,977	234,244
Profit for the financial year		-	14,581	14,581
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	14,581	14,581
		<hr/>	<hr/>	<hr/>
Balance as at 16 September 2017		209,267	39,558	248,825
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

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

The financial statements of ABF (No. 1) Limited (the “company”) for the 52 week period ended 16 September 2017 were authorised for issue by the board of directors on 13 December 2017.

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

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

The company has also taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Associated British Foods plc and its results are included in the parent company’s consolidated financial statements. These consolidated financial statements are available to the public and may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. They are also available for download on the group’s website at www.abf.co.uk

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis. The company is a private limited company incorporated and domiciled in England and Wales.

The principal accounting policies adopted by the company are set out in note 3 below. They have been applied consistently to all years presented.

2 Accounting reference date

These accounts have been prepared for the 52 week period ended 16 September 2017.

3 Significant accounting policies

Dividends

Dividends, both payable and receivable are recognised in the year in which they are paid or received.

Taxation

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

Notes to the financial statements (continued)

Foreign currencies

The company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of total comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The company does not apply hedge accounting of foreign exchange risks in its financial statements.

Investments in subsidiaries and associated undertakings

The company values its investments in subsidiaries, associates and joint ventures at cost less any provision for impairment.

Interest-bearing loans and borrowings

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

4 Auditor's remuneration

The auditor's remuneration was borne by an intermediate holding company in both the current and prior period.

5 Directors' and key management emoluments

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

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities

(a) Analysis of charge for the period

	2017 £'000	2016 £'000
Current tax	1,799	3,018
Total tax charge	<u>1,799</u>	<u>3,018</u>

(b) Factors affecting tax charge for the period

The tax assessed for the current and prior period is less than the standard rate of corporation tax in the UK of 19.54% (2016: 20%).

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	16,380	165,873
Profit on ordinary activities before tax at the effective rate of 19.54% (2016: 20%)	3,200	33,175
Non-taxable gain on return of capital	-	(27,586)
Non-taxable dividends	(2,870)	(5,143)
Overseas withholding tax not recoverable	1,469	2,572
Total tax charge	<u>1,799</u>	<u>3,018</u>

(c) Factors that may affect future tax charges

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017, with a further reduction to 17% effective from 1 April 2020. The legislation to effect these rate changes had been enacted before the balance sheet date.

Notes to the financial statements (continued)

7 Dividends paid and proposed

	2017 £'000	2016 £'000
Equity dividends on ordinary shares declared and paid during the year: nil (2016: 139.53p)	-	292,000

No further dividends have been proposed.

8 Investments in subsidiaries and associated undertakings

	Subsidiary undertakings £'000	Joint ventures and associates £'000	Total £'000
<i>Cost:</i>			
At 12 September 2015	78,901	13	78,914
Return of capital	(61,904)	-	(61,904)
	<hr/>	<hr/>	<hr/>
At 17 September 2016 and 16 September 2017	16,997	13	17,010
<i>Carrying amount:</i>			
At 17 September 2016 and 16 September 2017	16,997	13	17,010

	Registered office and country of registration or incorporation	Principal activity	Effective holding percentage
Investments in subsidiary undertakings			
ABF Finance Limited	Weston Centre, 10 Grosvenor Street, London, W1K4QY, England	Financing	100%
The Weston Biscuit Company Limited *	Weston Centre, 10 Grosvenor Street, London, W1K4QY, England	Financing	100%
ABF Holdings (Thailand) Ltd	11 th Floor, 2535 Sukhumvit Road, Kwaeng Bangchak, Khet Prakhonong, Bangkok, 10260, Thailand	Holding company	100%
AB Foods & Beverages (Thailand) Ltd *	11 th Floor, 2535 Sukhumvit Road, Kwaeng Bangchak, Khet Prakhonong, Bangkok, 10260, Thailand	Trading	100%
ABF UK Finance Limited *	Weston Centre, 10 Grosvenor Street, London, W1K4QY, England	Financing	100%
AB Mauri Belgium NV	Industriepark 2, 9820 Merelbeke, Belgium	Trading	99.99%

Investments in associated undertakings

AB Mauri Hispanomerica S.A.	Mariscal Antonio Jose de Sucre 632 – 2 nd Floor, Buenos Aires 1428, Argentina	Holding company	10%
Compañía Argentina De Levaduras S.A.I.C. *	Av. Raul Alfonsín, Monte Chingolo, Buenos Aires 3145, Argentina	Trading	9.51%
Surgras S.A. *	Mariscal Antonio Jose de Sucre 632 – 2 nd Floor, Buenos Aires 1428, Argentina	Trading	9.53%
PT AB Food & Beverages Indonesia	Wisma GKBI Lt.39, Suite 3901, No.28 Jl. Jend, Sudirman, Jakarta, Indonesia	Food Distributor	10%

All percentage holdings relate to investments in ordinary shares.

* Shares are held indirectly by the company

During the prior year, the company undertook transactions as part of an overall restructuring of entities within the Associated British Foods plc group. ABF Finance Limited undertook a capital reduction and returned capital invested by the company of £199.8m. A gain of £137.9m was realised on the transaction being the difference between the gross consideration received and the carrying value of the investment of £61.9m.

In the opinion of the directors the investments are worth at least the amounts at which they are stated in the balance sheet.

9 Debtors: amounts due within one year

	2017	2016
	£'000	£'000
Amounts due from intermediate holding company	232,591	217,680

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

10 Called up share capital

	Ordinary shares of £1 each	Nominal value £'000
<i>Issued and fully paid</i>		
At 16 September 2017 and 17 September 2016	209,266,678	209,267

Notes to the financial statements *(continued)*

11 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, incorporated in Great Britain. 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.