

Registration number: 07267422

ABF UK Finance Limited

Annual Report and Financial Statements

14 September 2019



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Strategic Report for the Period from 16 September 2018 to 14 September 2019

Review of the company's business

The principal activity of the company is the provision of financing to fellow subsidiaries in the Associated British Foods plc group. The company did not trade in the year.

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

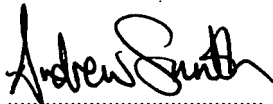
Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties in its role as a holding company within the group. A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a subsidiary, are disclosed on pages 62 to 66 of the 2019 group Annual Report and were updated by the group's interim results announcement dated 21 April 2020, both of which are available at www.abf.co.uk.

Trading results and transfer to reserves

The company's result for the year is reflected in the statement of total comprehensive income on page 8. The profit on ordinary activities after taxation amounted to £3.4m (2018: £3.2m). A dividend of £4.3m (2018: £4.0m) was declared and paid in the period.

Approved by the Board on 16 June 2020 and signed on its behalf by:



AA Smith
Director

Directors' Report for the Period from 16 September 2018 to 14 September 2019

The directors present their report and the financial statements for the period from 16 September 2018 to 14 September 2019.

Dividends

A dividend of £4.3m was declared and paid in the period (2018: £4.0m). The directors do not recommend the payment of a further dividend.

COVID-19 and going concern

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This has highlighted the importance of the global food supply chain, in which the company's subsidiaries play an important part.

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2020 full year impact cannot yet be known.

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

After making due enquiries and considering the impact of COVID-19, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least 12 months from the date of signing of these financial statements. These considerations included the impact of COVID-19 on the wider ABF group, the ABF group's directors' assessment of going concern (as set out in its interim results announcement dated 21 April 2020 and available at www.abf.co.uk) and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Directors' of the company

The directors, who held office during the period and since the end of the period were:

AA Smith

RS Schofield

Directors' indemnities

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

Health & 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.

**Directors' Report for the Period from 16 September 2018 to 14 September 2019
(continued)**

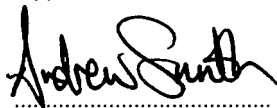
Disclosure of information to the auditor

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

Reappointment of auditor

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

Approved by the Board on 16 June 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Smith', written over a dotted line.

AA Smith
Director

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' (FRS 101).

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 UK Finance Limited

Opinion

We have audited the financial statements of ABF UK Finance Limited (the 'Company') for the 52 week period ended 14 September 2019, which comprise the Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes of 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 state of the Company's affairs as at 14 September 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Emphasis of matter - disclosure of effects of COVID-19

We draw attention to notes 1 and 11 of the financial statements, which describe the impact on the Company of COVID-19 in its operations and assessment of going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members of ABF UK Finance Limited (continued)

Other information

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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.

Responsibilities of directors

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

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

Independent Auditor's Report to the Members of ABF UK Finance Limited (continued)

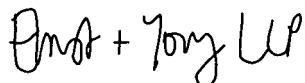
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

17 June 2020

Statement of Total Comprehensive Income
for the Period from 16 September 2018 to 14 September 2019


	Note	2019 £'000	2018 £'000
Interest receivable and similar income		4,255	3,940
Profit on ordinary before taxation		4,255	3,940
Tax on profit on ordinary activities	5	(808)	(749)
Profit on ordinary activities after taxation		3,447	3,191
Other comprehensive income		-	-
Total comprehensive income		3,447	3,191

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

Balance Sheet
at 14 September 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Debtors: amounts due after one year	7	102,932	104,106
Current assets			
Debtors: amounts due within one year	8	797	440
Cash at bank and in hand		2,299	2,285
		<u>3,096</u>	<u>2,725</u>
Net assets		<u>106,028</u>	<u>106,831</u>
Capital and reserves			
Called up share capital	9	103,199	103,199
Share premium reserve		1,199	1,199
Profit and loss account		<u>1,630</u>	<u>2,433</u>
Shareholders' funds		<u>106,028</u>	<u>106,831</u>

Approved by the Board on 16 June 2020 and signed on its behalf by:



AA Smith
Director

Registered number: 07267422

Statement of Changes in Equity

for the Period from 16 September 2018 to 14 September 2019

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 16 September 2017	103,199	1,199	3,242	107,640
Profit for the period	-	-	3,191	3,191
Total comprehensive income	-	-	3,191	3,191
Dividends	-	-	(4,000)	(4,000)
At 15 September 2018	103,199	1,199	2,433	106,831
	Share capital £	Share premium £	Retained earnings £	Total £
At 16 September 2018	103,199	1,199	2,433	106,831
Profit for the period	-	-	3,447	3,447
Total comprehensive income	-	-	3,447	3,447
Dividends	-	-	(4,250)	(4,250)
At 14 September 2019	103,199	1,199	1,630	106,028

Notes to the Financial Statements

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

The financial statements of ABF UK Finance Limited (the “company”) for the 52 week period ended 14 September 2019 were authorised for issue by the board of directors on 16 June 2020.

The company’s financial statements are presented in sterling. They are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

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

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 in Great Britain and domiciled in England and Wales.

These accounts have been prepared for the 52 week period ended 14 September 2019.

COVID-19 and going concern

As set out in note 10 the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in its interim results announcement dated 21 April 2020 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

Further details of the impact of COVID-19 on the Company and on the directors’ assessment of going concern are included in the “COVID-19 and going concern” section of the Directors’ report and in the post-balance sheet events note.

Notes to the Financial Statements (continued)

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies adopted by the company are set out below. These have been applied consistently with the exception of the adoptions of new accounting standards.

Details of new accounting standards are set out at the end of this note.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

Dividends

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

Interest Income

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

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.

Financial assets and liabilities

Financial assets are measured initially at fair value plus directly attributable transaction costs and thereafter at amortised cost. Allowance for doubtful debts is recognised based on management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model).

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

New accounting policies

The following accounting standards and amendments were adopted during the period and had no significant impact on the company, except as further described below:

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. It includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The standard introduces changes to three key areas:

- new requirements for the classification and measurement of financial instruments;
- a new impairment model based on expected credit losses for recognising provisions (compared to IAS 39, which used an incurred loss model); and
- simplified hedge accounting through closer alignment with an entity's risk management methodology.

Financial assets are classified using a principles-based approach in three measurement categories: amortised cost, fair value through other comprehensive income or fair value through profit or loss. Classification is performed on initial recognition of the asset based on the characteristics of the asset and the local business model. The vast majority of the company's financial assets were previously recorded at amortised cost and this continues to be the case.

The company revised its impairment methodology under IFRS 9 for financial assets. The company has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all receivables.

For financial liabilities, there are no significant classification and measurement changes compared to IAS 39.

The company adopted IFRS 9 on 16 September 2018 and has applied it for the first time in the 2019 financial year, without restating comparative information. No cumulative adjustment to recognise the impact of applying IFRS 9 as at 16 September 2018 was required.

Notes to the Financial Statements (continued)

3 Directors' remuneration

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

4 Auditor's remuneration

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

5 Taxation

Tax charged in the profit and loss account

	2019 £'000	2018 £'000
Current taxation		
Current tax	808	749

The tax on profit before tax for the period is at 19% (2018 - 19%).

At the balance sheet date legislation to reduce the UK corporation tax rate to 17% had been enacted and was due to be effective from 1 April 2020. In March 2020, the Chancellor announced that the UK corporation tax rate would remain at 19% rather than reducing to 17% on 1 April 2020.

6 Dividends

	2019 £'000	2018 £'000
Equity dividends on ordinary shares declared and paid during the year	<u>4,250</u>	<u>4,000</u>

7 Debtors - Amounts due after one year

	2019 £	2018 £
Amounts owed from intermediate parent undertaking	<u>102,932</u>	<u>104,106</u>

Notes to the Financial Statements (continued)

8 Debtors - Amounts due within one year

	2019 £'000	2018 £'000
Amounts due from intermediate parent company	-	222
Corporation tax receivable	797	218
	<u>797</u>	<u>440</u>

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

9 Share capital

Allotted, called up and fully paid shares

	14 September 2019		15 September 2018	
	No.	£'000	No.	£'000
Issued and fully paid of £1 each	<u>103,199,139</u>	<u>103,199</u>	<u>103,199,139</u>	<u>103,199</u>

10 Holding company

The immediate holding company is ABF Holdings (Thailand) Limited, a company registered in Thailand. 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 the registered office of 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.

Notes to the Financial Statements (continued)

11 Post balance sheet events

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and the impact of COVID-19 will be reported in the 2020 financial statements.

This has highlighted the importance of the Global food supply chain, in which the Company plays an important part.

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2020 full year impact, including any impact on the carrying value of the Company's investment in its subsidiary, cannot yet be known.