Registered number: 03982132

AB INBEV UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	Timiko Cranwell Brian Perkins James Rowe Cara Sargeantson Evgeniya Vlasova Josip Viskovic Jean-David Thumelaire Mark Wingfield Digby Matthew Roddy Matthias Calmeyn
Company secretary	James Norman
Registered number	03982132
Registered office	Bureau 90 Fetter Lane London England EC4A 1EN

AB INBEV UK LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021 for AB InBev UK Limited ("the Company").

The nature of the Company's operations and its principal activities are brewing, distributing and importing beer. The Company is a wholly owned subsidiary. The ultimate parent company and controlling party is Anheuser Busch InBev NV/SA, incorporated in Belgium and the immediate parent company is Nimbuspath Limited, a company incorporated in the United Kingdom.

Business review

In 2021, the COVID-19 pandemic disruption continued, leading to the further lockdown and the On-Trade channel being shut down at the beginning of the year. As a result, the On-Trade channel volume was lower compared to the pre-pandemic levels.

All restrictions were lifted in July 2021. After re-opening, we saw that part of the demand started translating from Off-Trade back to the On-Trade, contributing to the fast recovery of On-Trade channel.

The economic environment throughout the year remained challenging. Following Brexit and other circumstances, the market observed a significant labour resource shortage, resulting in a considerable increase in logistics costs.

In 2021, the Company acquired Camden Town Brewery business with 2 breweries fixed assets and stock in hand and took ownership of commercial contracts with its national customers. Acquisition is completely integrated in the Company's infrastructure and business processes driving further synergies and simplicity.

Future Developments

Looking ahead, we are focused on accelerating growth, especially in the super-premium segment with Corona, Camden Town & Innovation. We will continue to invest in sustainable brewing by brewing all of our beers with 100% renewable electricity and working to create a nation of smart drinkers by enhancing our no and low alcohol portfolio.

One of the main areas of opportunity for us remains the On-Trade market as there are significant opportunities for market share growth in this sales channel. In order to grow our On-Trade share, we will continue to focus on distribution of our Premium/Super Premium portfolio whilst leveraging our alcohol-free, low alcohol brands and craft portfolios.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to increasing commodity costs which increases production costs. These are monitored regularly by the Board of Directors and management of the Company.

Risk management policy

The Company's Board of Directors monitor risk management and the controls in place. These controls are regularly reviewed.

The main risks affecting the Company and their related risk management policies are as follows:

Credit risk

No material exposure is considered to exist in respect of intercompany loans or third party debt. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and the Company monitors the exposure to individual customers on an ongoing basis. The Company principally trades with large, well-known businesses.

Interest rate risk
The Company has both interest-bearing intercompany assets and interest-bearing intercompany liabilities. No material exposure is therefore considered to exist with regard to changes in interest rates.

Foreign currency risk
Purchases of goods and services from overseas group undertakings are denominated in foreign currencies with the Company assuming the foreign currency risk. The Group treasury function takes out contracts to manage this risk at the group level with the use of financial derivatives governed by the Ultimate Parent Company's policies approved by its Board of Directors. The Company does not use any foreign exchange derivatives for speculative purposes.

Climate change risk
Climate change is a big challenge affecting our industry and the whole world. It can impact the Company by affecting water and other raw materials' availability and prices. The Company has undertaken initiatives in order to have a positive impact on the environment such as the Corona sponsored beach clean ups around the UK and the Corona plastic-free beer can rings. No material financial exposure is considered to exist with regard to climate change risk.

Emerging headwinds following the COVID-19 pandemic

COVID-19 restrictions were removed in July 2021. Current outlook on the COVID-19 pandemic is more optimistic. However, there is still a chance that new outbreaks could occur. Directors continue to monitor closely how the situation evolves. Contingency plans are in place to protect our employees.

Going concern
Based on forecasts and current level of activity in the business, the Directors deem it appropriate to prepare the financial statements on a going concern basis.

In addition, Anheuser-Busch InBev NV/SA, the ultimate parent company of AB InBev UK Limited has provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to enable the Company to continue in operational existence for the foreseeable future. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that the support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Financial key performance indicators

The Company Directors use net revenue, gross profit, operating profit and cash from operations as a measurement of effectiveness of operations. The company reached a net revenue and gross profit of £1'666m and £429m respectively (2020: net revenue £1,624m, gross profit £ 394m).
The company uses non-financial KPIs on a regular basis, such as customer retention, employee engagement and company reputation.

Profit for the financial year amounts to £24m (2020: £23m).

Directors' statement of compliance with duty to promote the success of the Company (s172(1) statement)

The Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, as set out in section 172 of the Companies Act 2006. In doing so, the Directors must have regard (among other matters) to:

(a) the likely consequences of any decision in the long term;
(b) the interests of the Company's employees;
(c) the need to foster the Company's business relationships with suppliers, customers and others;
(d) the impact of the Company's operations on the community and the environment,
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the Company.

The Directors acted in a way that they consider would promote the success of the Company in accordance with the above.

The Directors welcome the new legislation regarding stakeholder engagement.

The Company's Board of Directors consider the likely consequences of any decision in the long term by monitoring risk management and the controls in place. These controls are regularly reviewed. The Company also has access to sophisticated forecasting, business planning and macro and micro economic analysis.

The relationships with stakeholders are considered by the Board of Directors when making decisions and the impact these decisions may have on stakeholders.

We list below our key stakeholders and how we engage with them. The list reflects a combination of the key touchpoints of our business on a day to day basis, and others that are important to us as a business and our role in society. The Directors understand that not every decision they make will result in a positive outcome for all stakeholders. However, they aim to take them into consideration at all times alongside the Company's purpose, values and strategic priorities.

Employees - In order to attract and retain the best people, the Company continually looks for effective ways to engage with and reward its employees. It offers a wide range of flexible benefits, including healthcare and pension plans. Senior employees are given the opportunity to participate in group-wide employee share schemes.

The Company acts to protect jobs by pursuing a profitable growth strategy. Managing costs tightly ensures that resources are best deployed.

The Company is committed to increasing employee engagement and involvement and believes that effective two way communication between the Company and its employees brings real business benefits. Employees have opportunities to express their views at meetings with management and through regular employee opinion surveys. These surveys are then reviewed and turned into engagement action plans, to which management strive to improve results annually.

On a regular basis, employees are made aware of the financial performance of the Company, their business units and of the wider group as a whole, via in house newsletters, emails, all employee meetings and online calls with senior leaders. Questions are routinely taken and answered by senior leaders as part of the meetings and online sessions.

Directors meet monthly to discuss in detail initiatives related to employees and in between these routine meetings the directors have weekly team meetings, 1:1's with executive teams and frequent ad hoc meetings with the People team and employees.

360 Degree assessment is in place and all Directors complete training on unconscious bias at least annually.

Suppliers - Our suppliers are fundamental to our business. Our strong long-term working relationships with our suppliers are important to ensure the efficiency of the Company's operations and we pride ourselves on working fairly with all of our suppliers. The Company receives full support from an expert procurement team in its supplier relationships who apply European best practice.

Customers - Customers are of course a key part of our business, and our teams talk to them every day to understand their concerns and to work with them to support mutual goals. The Company aims to be number one in customer service and makes its business decisions accordingly.

Consumers - A key part of our culture is recognising that the consumer is the boss, and on that basis we work every day to put the consumer at the centre of what we do. We aim to create a nation of smart drinkers and to champion Britain's iconic beer culture.

The community - We recognise the importance of having strong working relationships with our local communities, in particular around our breweries in Samlesbury in Ribble Valley in the North West of England, established in 1972 and Magor in South Wales, established in 1979. Our other breweries in Camden Town and Enfield are craft brewing innovators. In 2021, our local MPs celebrated National Apprentice Week and also heard firsthand about our commitment to sustainability. Throughout Covid we continued to work in a positive and proactive way with local community councillors. We were also proud to support the local community by providing hand sanitizer and disinfectant donations for emergency services and community based businesses and to work with the charity Parkinson's UK during the year.

Environment - We strive to make the world a better place, combining our scale, resources and energy with the needs of our communities. Our sustainability strategy is embedded throughout our business and across our supply chain. In October 2021, we announced our plans to build the world's first hydrogen-powered brewery at our Magor brewery in South Wales. This hydrogen initiative will be built in collaboration with Protium, the green hydrogen company.

Government and Regulators – We are a founder member of the Portman Group, support Drinkaware and Club Soda, and are a central member of the British Beer and Pub Association. We are also members of the All Party Parliamentary Beer Group, All Party Parliamentary Corporate Responsibility Group, Parliamentary Renewable and Sustainable Energy Group and Industry and Parliament Trust. We engage openly and proactively with Governments and Councils at a national, devolved and local level to support our industry and work towards supporting its success in the future.

As a Company, we never take shortcuts. We know that integrity, hard work, quality, and responsibility are key to building our business. On that basis, we strive to maintain a reputation for high standards of business conduct when acting with all of our stakeholders.

Finally, with regard to the need to act fairly as between members of the Company, the Company is wholly owned by Nimbuspath Limited.

This report was approved by the board and signed on its behalf.

DocuSigned by:
Matthew Roddy
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Matthew Roddy

Director

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £ 23,680,000 *(2020: £23,362,000)*.

The Directors do not recommend the payment of a dividend (2020: £nil).

Directors

The Directors who served since 1 January 2021 were:

Oliver Devon (resigned 23 November 2021)
Paula Lindenberg (resigned 31 December 2021)
Rory McLellan (resigned 8 October 2021)
James Rowe
Timiko Cranwell
Iain Hall (resigned 5 March 2021)
Cara Sargeantson
Evgeniya Vlasova
Josip Viskovic
Jean-David Thumelaire
Mark Wingfield Digby
Matthew Roddy (appointed 15 December 2021)
Brian Perkins (appointed 31 December 2021)
Matthias Calmeyn (appointed 28 July 2022)

Deeds of indemnity

As at the date of this report and during the year, indemnities are in force under which AB InBev S.A, a fellow AB InBev group company, has agreed to indemnify the Directors of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company. These indemnities meet the definition of a qualifying third party indemnity provision.

Employee safety

The Company makes every effort, in conjunction with employees, suppliers, environmental health offices and the applicable regulators to provide a safe working environment for all its employees. The Company believes that a safe environment improves morale and motivation and enhances customer relations.

Equal opportunities

The Company is committed to the principle that the sole criterion for the selection or promotion of employees is the suitability of the applicant for the job. Training and development opportunities are available to all levels and categories of staff. People with disabilities are offered the same opportunities as all others in respect of recruitment, training, promotion and career development. Employees who become disabled will be retained, wherever possible, and, if necessary, retrained.

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s414 (11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Sch 7 to be contained in the director's report. It has done so in respect of engagement with employees, suppliers, customers and others, risk management and future developments.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company.

Greenhouse gas emissions, energy consumption, and energy efficiency action

Energy consumption:	**2021**	2020
Natural Gas consumed, MJ	**627,657,771**	638,008,983
Grid Electricity consumed, kWh	**69,087,223**	68,716,298
Transport fuel consumed, L	**1,118,088**	1,082,447
Total emissions associated with energy consumption	**37,014**	36,537
Including:		
Emissions from combustion of gas, tCO_2e	**35,212**	35,791
Emissions from purchased electricity, tCO_2e	**0**	746
Emissions from business travel in vehicles, tCO_2e	**1,802**	0
Intensity Ratio		
Emission kg CO_2 equivalent per HL of beer sold	**3,57**	3,62

From building a resilient and agile value chain, to solidifying our role as a trusted partner in local communities, to identifying and capturing new sources of business value, sustainability plays a key role in fulfilling our company purpose and enabling our commercial vision.

We sharpened our focus on eight strategic ESG priorities to deliver on our commercial strategy: Smart Drinking & Moderation, Climate, Water Stewardship, Sustainable Agriculture, Circular Packaging, Ethics & Transparency, Entrepreneurship and Diversity & Inclusion.

We want to be part of the solution for a better, greener future. Our ambition is to achieve net-zero operations across our value chain by 2026. The company has identified 29 distinct technologies, that show great promise to contribute to the net-zero ambition, and several have already been implemented.

Among them are Hydrogen as fuel, deployed at the Magor brewery, providing zero-carbon power and fuel for all brewery operations, Simmer & Strip technology, which provides 80% energy savings in the boiling phase of production and reduces brewing emissions by 5%, and Dry De-Husking which uses less energy in mashing and creates less reliance on fossil fuels in the process.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Energy consumption data has been sourced from utility suppliers and including invoiced and metering data, and internal monitoring and measurement in energy management systems within breweries.

Transport emissions have been calculated based on mileage data from vehicles. It was not possible to quantify emissions associated with business travel in 3rd party vehicles. However, as per our estimations the total impact is not materially significant.

Auditors

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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Matthew Roddy
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Matthew Roddy

Director

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF AB INBEV UK LIMITED

Opinion

We have audited the financial statements of AB InBev UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including 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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF AB INBEV UK LIMITED (CONTINUED)

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

Matters on which we are required to report by exception

In 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 the 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 directors' responsibilities statement set out on page 10, 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 AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF AB INBEV UK LIMITED (CONTINUED)

Auditors' 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF AB INBEV UK LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

A C Monteith

ANDREW MONTEITH (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor

Priory Place

New London Road

Chelmsford

Essex

CM2 0PP

Date 13/03/23

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	**2021** £000	*2020* £000
Turnover	4	**1,666,119**	*1,623,991*
Cost of sales		**(1,237,242)**	*(1,230,426)*
Gross profit		**428,877**	*393,565*
Distribution costs		**(55,493)**	*(39,880)*
Administrative expenses		**(381,256)**	*(304,526)*
Operating (loss)/profit	5	**(7,872)**	*49,159*
Interest receivable and similar income	9	**6,770**	*1,400*
Interest payable and similar expenses	10	**(2,571)**	*(4,963)*
Net Interest payable on defined benefit pension scheme	11	**(2,757)**	*(4,614)*
(Loss) / Profit before tax		**(6,430)**	*40,982*
Tax on profit	12	**30,110**	*(17,620)*
Profit for the financial year		**23,680**	*23,362*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain (loss) on defined benefit pension schemes	26	**113,164**	*(41,162)*
Movements of deferred tax relating to defined benefit pension deficit	26	**(28,291)**	*7,821*
		84,873	*(33,341)*
Total comprehensive income for the year		**108,553**	*(9,979)*

The notes on pages 19 to 50 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
Fixed assets					
Goodwill	14		**36,586**		*36,586*
Other intangible assets	13		**3,053**		*1,870*
Property, Plant and Equipment	15		**367,163**		*261,636*
Investments	16		**1,501**		-
			408,303		*300,092*
Current assets					
Debtors	18	**363,635**		*438,775*	
Stocks	17	**58,268**		*59,790*	
Cash		**10,150**		-	
Deferred tax more than one year	21	**64,638**		*62,819*	
		496,691		*561,384*	
Creditors: amounts falling due within one year	19	**(564,778)**		*(465,827)*	
Net current (Liabilities)/Assets			**(68,087)**		*95,557*
Total assets less current liabilities			**340,216**		*395,649*
Creditors: amounts falling due after more than one year	20		**(32,623)**		*(33,395)*
			307,593		*362,254*
Provisions for liabilities					
Other provisions	22	**(3,165)**		*(3,272)*	
			(3,165)		*(3,272)*
Net assets excluding pension liability			**304,428**		*358,982*
Defined benefit pension plan deficit	26		**(89,565)**		*(252,672)*
Net assets			**214,863**		*106,310*
Capital and reserves					
Called up share capital	23		**181,327**		*181,327*
Profit and loss account	24		**33,536**		*(75,017)*
			214,863		*106,310*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorized for issue by the board and were signed on its behalf by:

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Matthew Roddy
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Matthew Roddy

Director

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The notes on pages 19 to 50 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	181,327	(65,038)	116,289
Comprehensive income for the year			
Profit for the year	-	23,362	23,362
Actuarial losses on pension scheme	-	(33,341)	(33,341)
Other comprehensive income for the year	-	(33,341)	(33,341)
Total comprehensive income for the year	-	(9,979)	(9,979)
Total transactions with owners	-	-	-
At 1 January 2021	181,327	(75,017)	106,310
Comprehensive income for the year			
Profit for the year	-	23,680	23,680
Actuarial gain on pension scheme	-	84,873	84,873
Other comprehensive income for the year	-	84,873	84,873
Total comprehensive income for the year	-	108,553	108,553
At 31 December 2021	181,327	33,536	214,863

The notes on pages 19 to 50 form part of these financial statements.

1. General information

AB InBev UK Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page.The nature of the Company's operations and its principal activities are brewing, distributing and importing beer.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

These financial statements are presented in GBP because that is the currency of the primary economic environment in which the Company operates.

A rounding level of £000 has been applied to these financial statements.

In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

Accounting policies have been applied consistently over the financial year and the preceding year.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is a wholly owned subsidiary of Nimbuspath Limited and is included in the consolidated financial statements of Anheuser-Busch InBev NV/SA, incorporated in Belgium, which are publicly available and can be obtained as set out in note 29. Consequently, the Company has used the right of exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. These financial statements are separate financial statements.

The following principal accounting policies have been applied:

Operating segments are applied using the "management approach", where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS36 Impairment of Assets.

2.3 Going concern

In 2021, along with the rest of the world, we continued to face challenges posed by the COVID-19 pandemic and changing conditions throughout the year. The impact of the pandemic on our business remained minor especially as restrictions eased throughout 2021 and the industry made a rapid recovery. We continued to take measures to monitor and mitigate the effects of the COVID-19 virus such as business scenario planning, communicating effectively with stakeholders, complying with new government regulations, receiving government aid,supporting physical and emotional wellbeing of our employees.

The Company is also provided with the group treasury facility that can be used when needed. If further support is required, Anheuser-Busch InBev NV/SA, the ultimate parent company of AB InBev UK Limited has provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to enable the Company to continue in operational existence for the foreseeable future.

On the basis of the forecasts and this agreed facility in place, the directors consider they have access to sufficient facilities to meet the Company's liabilities as they fall due for the foreseeable future. Whilst the Company has net current liabilities of £68,087k this doesn`t present the issue as any liabilities can be backed by the group treasure facility. The Directors have therefore concluded that based on forecasts and the current level of activity in the business that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

All differences are taken to The Statement of Comprehensive Income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Sale of goods

Turnover from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

2. Accounting policies (continued)

2.7 Leases (continued)

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' line in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.16.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.10 Pensions

The Company operates a defined contribution pension scheme and four defined benefit pension schemes providing benefits based on final pensionable pay.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plans

The Company operates defined benefit plans for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

Restricted stock units give employees interest in their employer's equity but have no tangible value until they are vested. The RSUs are assigned a fair market value (FMV) when they vest. Restricted stock units are considered income once vested, and a portion of the shares is withheld to pay income taxes. The employee then receives the remaining shares and has the right to sell them.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.13 Goodwill

Goodwill represents the excess of the cost of a business combination over the total fair value, at acquisition date, of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the Directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the Directors, would be misleading.

2.14 Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Licenses	-	4	years being the duration of the Licences
Delivery rights	-	2-5	years being the duration of the Delivery rights

2.15 Property, Plant and Equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.15 Property, Plant and Equipment (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 15 to 30 years (6.67% to 3.33% per annum)
Long-term leasehold property	- Over the term of the lease
Plant and machinery	- 3 to 30 years (33.33% to 3.33% per annum)
Fixtures and fittings	- 10 to 30 years (10% to 3.33% per annum)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Freehold land is not depreciated.

Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their useful economic life.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost. A provision is recognised for slow moving and obsolete stock.

2. Accounting policies (continued)

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime expected credit losses for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the aging of financial assets.

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financialliability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.

Critical judgements in applying the Company's accounting policies

Given the size of investment in Property, Plant and Equipment in the current year a critical judgement lies around recoverability of the Property, Plant and Equipment value. We depreciate Property, Plant and Equipment using straight line to nil value which we feel is reasonable due to the lifetime of these assets mentioned in note 2.15. Another key judgement area is recoverability of intercompany debtors, which also makes up a large proportion of the Balance Sheet at the year-end. We believe that the intercompany debtors are recoverable due to significant net assets of the counterparties.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Defined benefit pension schemes

The Company's liability to the pension schemes is dependent on the life expectancy estimations in relation to both current & former employees, the discount and inflation rates used in the actuarial modelling, future pension increases and asset valuation (see note 26). The schemes liability is estimated by an independent actuary and calculated using industry standard models. The defined benefit pension plans deficit is £90m (2020: £253m).

Goodwill

Determining whether the Company's Goodwill has been impaired requires key assumptions and estimations to establish the Goodwill's value in use (See note 14). The value in use calculations require the entity to estimate discount rates, growth rates and expected cash flows. Discount rates are estimated using pre- tax rates that reflect current market assessment of the time value of money, growth rates are estimated using the Company's long term growth rates and cash flows are estimated using extrapolated financial budgets approved by management. The carrying amount of Goodwill at the Balance Sheet date was £36,586,000 (2020: £36,586,000).

4. Turnover

Turnover represents the amounts derived from the provision of goods and services to customers, including duty, after deducting discounts and value added tax. Turnover to third parties by destination is not materially different from the turnover by origin. The Company operates in one class of business, this being the manufacture and distribution of beer.

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Revenue from sales to third parties	1,649,925	1,598,474
Revenue from sales to related parties	16,194	25,517
	1,666,119	1,623,991

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	1,652,871	1,604,854
Belgium	10,376	16,771
Rest of the world	2,872	2,366
	1,666,119	1,623,991

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Excise duty paid	815,984	806,070
Depreciation of Property, Plant and Equipment (Note 15)	45,792	43,849
Amortisation of intangible assets (Note 13)	3,781	1,911
Operating lease rentals	5,617	847
Staff costs (Note 7)	120,782	76,768
Restructuring charges (Note 22)	1,488	1,118
Exchange differences	(977)	620
Other provisions relating to claims and disputes (Note 22)	30	1,001
Defined contribution pension cost (Note 7)	5,270	4,239
Inventory expensed through profit or loss	398,848	410,877
(Gain)/Loss on disposal of property, plant and equipment	(139)	(298)

6. Auditors' remuneration

	2021 **£000**	*2020* *£000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**134**	*117*

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021 **£000**	*2020* *£000*
Wages and salaries (including Share based payments)	**108,810**	*69,624*
Social security costs	**11,972**	*7,144*
Cost of defined contribution scheme	**5,270**	*4,239*
	126,052	*81,007*

Employees participate in an annual bonus scheme, which includes performance measurements for the Company and economic benchmarks. This encourages employees' involvement in the Company's performance and also ensures a common awareness of the financial and economic factors that affect the performance of the Company. Senior management are also entitled to join the share option scheme provided by the ultimate parent company.

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 **No.**	*2020* *No.*
Administration	**102**	*96*
Manufacturing	**864**	*714*
Marketing	**95**	*62*
Sales	**229**	*258*
Development	**33**	*46*
	1,322	*1,176*

8. Directors' remuneration

Directors' emoluments for the year amounted to £2,760,000 (2020: £1,986,000).

	2021 £000	2020 £000
Directors' emoluments	2,760	1,986
	2,760	1,986

The highest paid Director received remuneration of £960,000 (2020: £643,000). This figure is inclusive of £nil (2020: £nil) of pension contributions and £nil (2020: £nil) of exercised share options.

Directors' emoluments includes £38,611 (2020: £32,000) in pension contributions.

During the year retirement benefits were accruing to 7 directors (2020: 10) in respect to defined contribution pension schemes.

During the year, no (2020: no) directors exercised share options which are held in the ultimate parent company, Anheuser-Busch InBev NV/SA.

9. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	6,770	1,400
	6,770	1,400

10. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group undertakings	1,300	3,996
Interest payable on finance leases	1,271	967
	2,571	4,963

11. Net Interest payable on defined benefit pension scheme

	2021 £000	*2020 £000*
Interest receivable on defined benefit pension schemes	**14,472**	*18,045*
Interest payable on defined benefit pension schemes	**(17,229)**	*(22,659)*
	(2,757)	*(4,614)*

12. Taxation

	2021 £000	*2020 £000*
Total current tax	**-**	*-*
Deferred tax		
Origination and reversal of timing differences	**7,773**	*19,206*
Changes to tax rates	**(24,168)**	*(7,811)*
Adjustment in respect of prior year	**(13,715)**	*6,225*
Total deferred tax	**(30,110)**	*17,620*
Taxation on profit	**(30,110)**	*17,620*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit (loss) before tax	**(6,428)**	*40,982*
Profit (loss) multiplied by standard rate of corporation tax in the UK of 19% (2020-19%)	**(1,221)**	*7,787*
Effects of:		
Expenses not deductible for tax purposes	**237**	*2,458*
Depreciation and loss on disposal on non qualifying assets	**1,543**	-
Prior year deferred tax	**(13,715)**	*6,225*
Other timing differences leading to an increase (decrease) in taxation	**4,764**	*8,897*
Effects of group relief	**2,450**	-
Share based payments	**-**	*64*
Change in tax rates	**(24,168)**	*(7,811)*
Total tax (credit)/charge for the year	**(30,110)**	*17,620*

Factors that may affect future tax charges

The UK corporation tax rate for the financial year was 19%. During the year, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023. Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate of 25% effective from 1 April 2023.
There were no other factors that may affect future tax charges.

13. Intangible assets

	Other Intangibles £000
Cost	
At 1 January 2021	**5,408**
Additions	**4,964**
Transfers	**881**
Disposals	**(881)**
At 31 December 2021	**10,372**
Amortisation	
At 1 January 2021	**3,538**
Charge for the year	**3,781**
Disposals	**(881)**
Transfers	**881**
At 31 December 2021	**7,319**
Net book value	
At 31 December 2021	**3,053**
At 31 December 2020	*1,870*

All amortisation was charged to administrative expenses in the statement of comprehensive income. Statements.
Transfers relate to a reclassification of assets between Property Plant and Equipment and intangible assets.

14. Goodwill

	2021 £000
Cost	
At 1 January 2021	48,814
At 31 December 2021	**48,814**
Amortisation	
At 1 January 2021	12,228
Impairment charge	-
At 31 December 2021	**12,228**
Net book value	
At 31 December 2021	**36,586**
At 31 December 2020	*36,586*

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating (CGUs) of the brand/brands that are expected to benefit from that business combination.

Goodwill relates to the acquisition of The Whitbread Beer Company assets. An impairment test is carried out once a year, using value in use calculation, to ensure that the CGU represents the long term position of the Company. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected cash flows during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the brands associated to the CGU. The growth rates are based on long term company growth rates.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years. The rate used to discount the forecasted cash flows from the goodwill is 4.1% (2020: 4.46%).

15a. Property, Plant and Equipment

	Freehold and leasehold property	Plant and machinery	Fixtures and fittings	Total
	£000	**£000**	**£000**	**£000**
Cost or valuation				
At 1 January 2021	**103,372**	**533,734**	**19,369**	**656,475**
Additions	**22,569**	**125,078**	**1,654**	**149,301**
Disposals	**(983)**	**(21,958)**	**(13)**	**(22,954)**
Transfers between classes	**-**	**(881)**	**-**	**(881)**
At 31 December 2021	**124,958**	**635,973**	**21,010**	**781,941**
Depreciation				
At 1 January 2021	**67,198**	**355,416**	**4,440**	**427,054**
Charge for the year on owned assets	**4,540**	**33,841**	**3,897**	**42,278**
Disposals	**(762)**	**(21,331)**	**9**	**(22,084)**
Transfers between classes	**-**	**(881)**	**-**	**(881)**
At 31 December 2021	**70,976**	**367,045**	**8,346**	**446,367**
Net book value				
At 31 December 2021	**53,982**	**268,928**	**12,664**	**335,574**
At 31 December 2020	*36,174*	*178,436*	*14,811*	*229,421*

The net book value of fixed assets above (primarily plant & machinery) includes assets under construction of £13,200k (2020: £12,126k) as at 31 December 2021. During the year, £126,427k was added to assets under construction and £125,353k was put into operation (2020 £7,661k was added to assets under construction).

15b. Right of use Costs

	2021	*2020*
	£000	*£000*
Freehold property	**32,302**	*31,733*
Plant and Machinery	**2.554**	*1,206*
Fixtures and Fittings	**6,217**	*5,246*
Total	**41,073**	*38,185*

15c. Right of use Depreciation

	2021 £000	2020 £000
Freehold property	**6,243**	*3,820*
Plant and Machinery	**1,169**	*509*
Fixtures and Fittings	**2,072**	*1,641*
Total	**9,484**	*5,970*

16. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	990
Additions	1,501
At 31 December 2021	**2,491**
Impairment	
At 1 January 2021	**990**
Charge for the year	**-**
At 31 December 2021	**990**
Net book value	
At 31 December 2021	**1,501**
At 31 December 2020	-

16. Investments continued.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
ZXV UK Limited	Dormant	Ordinary	100%
AB INBEV UK Healthcare Trustee Limited	Dormant	Ordinary	100%
AB INBEV UK Pension Trust Limited	Dormant	Ordinary	100%
PIONEER Brewing Company Limited	Active	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
ZXV UK Limited	1	-
AB INBEV UK Healthcare Trustee Limited	1	-
AB INBEV UK Pension Trust Limited	1	-
PIONEER Brewing Company Limited	(178,433)	*(642,059)*

17. Stocks

	2021 £000	*2020 £000*
Raw materials and consumables	15,701	*19,159*
Work in progress (goods to be sold)	6,624	*5,663*
Finished goods and goods for resale	35,943	*34,968*
	58,268	*59,790*

18. Debtors

	2021 £000	2020 £000
Due after more than one year		
Other debtors	-	-
Deferred tax asset	**64,638**	*62,819*
Due within one year		
Trade debtors	**296,961**	*284,731*
Amounts owed by group undertakings	**58,764**	*142,456*
Other debtors	**6,720**	*11,239*
Prepayments and accrued income	**1,190**	*349*
	428,273	*501,594*

Amounts owed by group undertakings include £13,986,000 (2020: £58,821,000) owed by Anheuser Busch InBev NV/SA, the Company's ultimate parent, which is unsecured.

Interest is receivable or payable on a treasury facility with a group company whose balance fluctuates on a daily basis. All other amounts due from group undertakings are unsecured, non-interest bearing and have no fixed repayment date.

19. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	**320,823**	*264,878*
Amounts owed to group undertakings	**57,383**	*26,005*
Other taxation and social security	**97,322**	*125,701*
Lease liabilities	**4,145**	*1,621*
Accruals and deferred income	**85,105**	*47,622*
	564,778	*465,827*

Amounts owed to group undertakings include £138,652 (2020: £5,522,000) owed to Anheuser BuschInBev NV/SA, the Company's ultimate parent, which is unsecured.

Interest is receivable or payable on a treasury facility with a group company whose balance fluctuates on a daily basis. All other amounts due to group undertakings are unsecured, non-interest bearing and have no fixed repayment date.

20. Creditors: Amounts falling due after more than one year

	2021 £000	*2020 £000*
Lease liabilities	**32,623**	*33,395*
	32,623	*33,395*

21. Deferred taxation

	2021 £000
At beginning of year	**62,819**
Charged to profit or loss	**30,110**
Charged to other comprehensive income	**(28,291)**
At end of year	**64,638**

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £000	*2020 £000*
Accelerated capital allowances	**41,455**	*13,504*
Tax losses carried forward	**-**	*685*
Pension surplus	**22,391**	*47,816*
Other timing differences	**792**	*814*
	64,638	*62,819*

A net deferred tax asset is regarded as recoverable, and therefore recognised only when the future reversal of the underlying timing differences can be deducted in the foreseeable future.

Deferred taxes have not been recognised in respect of the following:

	2021 £000	*2020 £000*
Tax losses carried forward	**10,436**	*0*

22. Provisions

	Restructuring provisions £000	Other provisions £000	Total £000
At 1 January 2021	880	2,392	3,272
Charged to profit or loss	1,488	30	1,518
Utilised in year	(1,553)	(72)	(1,625)
At 31 December 2021	**815**	**2,350**	**3,165**

Other provisions include dilapidations expected to be utilized by 2024 and pension provision which expected utilization date is 2040.

23. Share capital

	2021 £000	*2020 £000*
Allotted, called up and fully paid		
181,327,269 *(2020 - 181,327,269)* Ordinary shares of £1 each	**181,327**	*181,327*

The Company has one class of Ordinary share which is entitled to one vote in any circumstances.

Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

24. Reserves

Profit and loss account

The balance in the profit and loss account represents the total reserves of the Company.

25. Share based payments

Different share and share option programmes allow Company senior management and members of the Board of Directors to acquire shares of Anheuser-Busch InBev NV/SA (the ultimate parent company). The options' exercise price equals the average market price of the underlying shares in the thirty calendar days preceding the offer date. The options have a contractual life of 10 years. The fair value of the options granted is estimated at grant date, using the binomial Hull model. Until 2005, the Company used the Black-Scholes-Merton option pricing model to determine the fair values of its employee share options granted.

Since the acceptance period of the options is two months, the fair value was determined as the average of the fair values calculated on a weekly basis during the two months offer period. The fair value of options granted to employees is expensed over the vesting period.

Expected volatility is based on historically calculated volatility using 1,766 days of historical data. In the determination of the expected volatility the group is excluding the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

	Weighted average exercise price (pence) 2021	**Number 2021**	*Weighted average exercise price (pence) 2020*	*Number 2020*
Outstanding at the beginning of the year	**7174**	**316,104**	*7170*	*316,104*
Granted during the year	**-**	**-**	*-*	*-*
Forfeited during the year	**7370**	**(64,999)**	*6115*	*(2,090)*
Exercised during the year	**-**	**-**	*-*	*-*
Outstanding at the end of the year	7123	251,105	7174	*314,014*

The range of exercise prices of the outstanding option is between £57.55 and £103.76 while the weighted average remaining contractual life is 6.27 years.

The total expenses recognised for the year arising from share based payments are as follows:

	2021 £000	*2020 £000*
Equity-settled share based payments	-	-
	-	-

25. Share based payments (continued)

As at 31 December 2021, the Company has 507,716 (2020: 629,006) outstanding restricted stock units ("RSUs") to certain members of senior management. Upon vesting, each RSU gives the executive the right to receive one existing AB InBev share. The RSUs can have a vesting period of 5 years or of 10 years. The shares resulting from the RSU vesting will only be delivered provided a performance test is met by the company. Specific forfeiture rules apply if the employee leaves the company before the performance test achievement or vesting date.

26. Pension commitments

Defined contribution pension scheme
The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the period represents contributions payable by the Company to the scheme and amounted to £5,270,000 (2020: £4,239,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

Defined benefit pension scheme
The Company operates four Defined Benefit Pension Schemes.

<u>AB InBev UK Ltd Pension Plan (the "Plan"):</u>

The Plan is a funded defined benefit scheme which is closed to new members and closed to future accrual with effect from 31 May 2013.

The Plan's funds are administered by trustees and are independent of the Company's finances. Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial adviser.

The valuation of the liabilities for the Plan has been based on results from the actuarial valuation of the Plan as at 31 December 2018, rolled forward to 31 December 2021. This roll forward allows for actual cashflows from 1 January 2019 to 31 December 2021 and also changes in market conditions. The roll forward does not make any allowance for membership movements since 31 December 2018.

The weighted average duration of the defined obligation of the scheme is 19 years.

<u>InBev UK Ltd Top-Up Pension ("ITUP"):</u>

The ITUP is unfunded.

The ITUPs funds are administered by trustees and are independent of the Company's finances.

The valuation of ITUP is based on a valuation of the one existing member's benefits as at 31 December 2021 (using membership data as at 31 December 2021).

The weighted average duration of the defined obligation of the scheme is 16 years.

<u>Stag Brewing Pension Plan ("Stag"):</u>

The plan is a funded defined benefit scheme which is closed to new members and closed to future accrual with effect from 1 April 2012.

The Plan's funds are administered by trustees and are independent of the Company's finances. Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial adviser.

The valuation of the liabilities for Stag has been based on the results of the actuarial valuation of Stag as at 1 April 2018, rolled forward to 31 December 2021. This roll forward allows for actual cashflows from 1 April 2018 to 31 December 2021 and also changes in market conditions. The roll forward does not make any allowance for membership movements since 1 April 2018.

The weighted average duration of the defined obligation of the scheme is 21 years.

26. Pension commitments (continued)

Inbev Ireland Limited Pension Plan ("Inbev Ireland")

The plan was transferred to AB Inbev UK Limited in January 2020, when Inbev Ireland Limited became dormant.

The valuation of the InBev Ireland Limited (Republic of Ireland) Pension Plan used for the purpose of IAS 19 (Revised 2011) disclosure has been based on the most recent actuarial valuation at 31 December 2021 and updated by the actuary, Mercer, to take account of the requirements of IAS 19 (Revised 2011) in order to assess the liabilities of the scheme at 31 December 2021. Scheme assets are stated at their fair value at 31 December 2021.

The scheme is closed to new members and future accrual.

The figures below are in respect of the Company's participation in these schemes, these have been derived using established methodology.

Due to 86% (2020: 87%) of the schemes assets being invested in debt securities, the major risk to which the scheme exposes the Company is debt securities market risk.

Reconciliation of present value of plan liabilities:

	2021 £000	*2020 £000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**1,295,830**	*1,180,452*
Current service cost	**225**	*387*
Additions	**-**	*-*
Interest cost	**17,229**	*22,659*
Actuarial losses/(gains)	**(72,654)**	*128,088*
Benefits paid	**(42,888)**	*(36,428)*
Effect of changes in foreign exchange rates	**(844)**	*672*
At the end of the year	**1,196,898**	*1,295,830*

26. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	1,043,158	913,563
Additions	-	-
Interest income	14,472	18,045
Actuarial gains/(losses)	40,510	86,926
Contributions	52,894	60,280
Benefits paid	(42,888)	(36,280)
Effect of changes in foreign exchange rates	(813)	624
At the end of the year	1,107,333	1,043,158

Composition of plan assets:

	2021 £000	2020 £000
Equity securities	150,648	126,912
Debt securities	954,124	909,794
Other	2,561	6,452
Total plan assets	1,107,333	1,043,158

Balance Sheet reconciliation:

	2021 £000	2020 £000
Fair value of plan assets	1,107,333	1,043,158
Present value of plan liabilities	(1,196,898)	(1,295,830)
Net pension scheme liability	(89,565)	(252,672)

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2021 £000	2020 £000
Current service cost	(225)	(387)
Interest on obligation	(17,229)	(22,659)
Interest income on plan assets	14,472	18,045
Total	(2,982)	(5,001)

26. Pension commitments (continued)

The amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £113,164,000 gain *(2020 - £41,162,000 loss).*

The Company expects to contribute £52,000,000 to its Defined Benefit Pension Schemes in 2022.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021 %	*2020* %
Discount rate	**1.91**	*1.35*
Price inflation rate (RPI)	**3.55**	*3.05*
Price inflation rate (CPI)	**3.55**	*2.6*
Pension increases for deferred benefits (Final Salary Section members and ITUP)	**3.20**	*3.05*
Pension increases for deferred benefits (S&I Section members and Stag)	**2.86**	*2.86*
Life expectancy (Plan and ITUP)		
- for a male aged 65 now	**21.8**	*21.8*
- at 65 for a male aged 50 now	**22.4**	*22.5*
- for a female aged 65 now	**24**	*23.9*
- at 65 for a female member aged 50 now	**24.8**	*24.8*
Life expectancy (Stag)		
- for a male aged 65 now	**22.2**	*22.2*
- at 65 for a male aged 50 now	**22.8**	*22.8*
- for a female aged 65 now	**24.1**	*24.1*
- at 65 for a female member aged 50 now	**25**	*25*

The Directors believe that the sensitivity of the Company liability at 31 December 2021 and the preliminary pension expense for the year to 31 December 2021 are subject to two key factors, the discount rate and the rate of inflation.

An increase/decrease of 0.5% p.a. in the discount rate would increase/decrease the total FRS 101 defined benefit obligation at 31 December 2021 by approximately 9.11%/10.32%, amounting to a increase/decrease of £9,009,000/£10,209,000.

An increase/decrease of 0.5% p.a. in the price inflation assumptions (both RPI and CPI) and corresponding changes to assumed pension increases in payment and revaluation for deferred pensionsin excess of GMP would decrease/increase the total FRS 101 defined benefit obligation at 31 December 2021 by approximately 6.96%/6.21%, amounting to a decrease/increase of £6,888,000/£6,147,000.

27. Lease Liabilities

The Maturity analysis table analyses the company's lease liabilities based on the remaining lease period at 31 December 2021. The amounts disclosed in the table are the contractual undiscounted cash flows.

Lease liabilities are due as follows:

	2021	*2020*
	£000	*£000*
Not later than 1 year	**4,145**	*1,621*
Later than 1 year and not later than 5 years	**12,347**	*11,572*
Later than 5 years	**20,276**	*21,822*
	36,768	*35,015*

Significant leasing arrangements exist for the following locations:

Samlesbury (Brewery Site) – the lease agreement covers period until 2072
London (Office) – the lease agreement covers period until 2033

28. Post balance sheet events

There have been no significant events affecting the Company.

29. Controlling party

The ultimate parent company and controlling party is Anheuser Busch InBev NV/SA and the immediate parent company is Nimbuspath Limited, a company incorporated in the United Kingdom.

The largest and smallest group to consolidate these financial statements is Anheuser Busch InBev NV/SA, incorporated in Belgium. The consolidated financial statements are available to the public and may be obtained from the Company's registered office, Anheuser Busch InBev, Grand' Place 1, Brussels,Belgium.