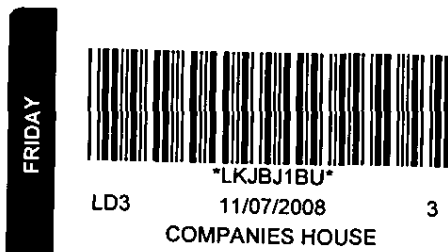


AB Agri Limited (formerly ABNA Limited)
Directors' Report and Financial
Statements
15 September 2007

Registered no. 193800



AB Agri Limited

Directors' report and financial statements

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	5
Report of the independent auditors to the members of AB Agri Limited	6
Profit and loss account	8
Balance sheet	9
Notes	10

AB Agri Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 15 September 2007

Principal activities

In the course of the period the principal activities of the company were the manufacture and sale of animal feed and agricultural products, the marketing of arable products and livestock; and provision of agricultural services

Business review

Re-branded as AB Agri, the business performed above expectations despite challenging market conditions in the UK. Our strategy to expand our international operations and focus on working with large scale suppliers and livestock producers is beginning to deliver new opportunities for growth alongside our technology based feed ingredients and specialist piglet starter feeds

In the UK's dairy sector, demand is increasing for our innovative feeds sourced from the food and drink sector and our pig and poultry feed business has grown its market share with a new market approach supported by a new range of pig feeds

The company's operating profit as a percentage of sales remained static at 1%. This was in line with expectations and reflects the low margin nature of the feed industry. The company's return on capital employed remained at 3%

During the period, the company sold its LKL staff agency business and the North Yorkshire Commercials vehicle servicing business, both of which were considered to be non-core activities

Going forward, the principal risk facing the business continues to be the threat to the UK market of animal diseases such as Avian Influenza and Foot and Mouth Disease. However, the company takes this risk very seriously and has very strict procedures in place to ensure that disease is not spread by the movement of our feed products

AB Agri Limited

Directors' report *(continued)*

Research and development

The company continued its expenditure on research and development during the period

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 8. Profit on ordinary activities after taxation amounted to £15,070,000 (2006: £8,328,000). An interim ordinary dividend of £6,000,000 (2006 : £8,000,000) was paid in the year. The directors do not recommend payment of a final dividend (2006: £nil). The retained profit of £9,070,000 (2006: £328,000) has been transferred to reserves.

Market value of land and buildings

Changes in tangible fixed assets are shown in note 9. In the opinion of the directors the market value of land and buildings at the end of the period exceeded the amount included in the balance sheet, but they are unable to quantify the excess.

Policy and practice on payment of creditors

The company, along with its parent company Associated British Foods plc, follows the code laid down by The Better Payment Practice Group with regard to payments to suppliers. The Better Payment Practice Group was formed in 1997 as a partnership between the public and private sectors and aims to improve the payment culture of the UK business community and to reduce the incidence of late payment of commercial debt. In order to comply with this code the company agrees payment terms with its suppliers at the time it enters into binding purchasing contracts for the supply of goods and services. Its suppliers are in that way made aware of these terms. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The outstanding trade creditors at the balance sheet date, as a proportion of payments to suppliers during the period, represents 21 days purchases (2006: 18 days).

AB Agri Limited

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during the period and at the date of this report were as follows

R C Cloke	(appointed 13 October 2006)
S Grainger	
J P Greenhalgh	(resigned 13 October 2006)
N Kimberley	
A Murphy	(appointed 18 January 2007)
C S Peck	(resigned 18 January 2007)
H Raine	(resigned 17 October 2006)
D J D Yiend	

The company does not have a designated chairman

No director had at any time during the period any material interest in a contract with the company, other than service contracts

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Employees

The company is committed to offering equal opportunities to all persons in their recruitment, training and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the company an opportunity for retraining.

Political and charitable contributions

The company made no political contributions during the current or preceding financial periods. Donations to UK charities amounted to £1,000 (2006: £7,000)

AB Agri Limited

Directors' report *(continued)*

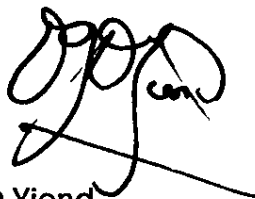
Disclosure of information to auditors

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

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Audit Plc will therefore continue in office

On behalf of the board



D J D Yiend
Director

Date. 25 March 2008

Registered Office:
Weston Centre
10 Grosvenor Street
London
W1K 4QY

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

*1 Puddle Dock
London
EC4V 3PD
United Kingdom*

Independent auditors' report to the members of AB Agri Limited

We have audited the financial statements of AB Agri Limited for the period ended 15 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of AB Agri Limited
(continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 15 September 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Some Avar Pic

KPMG Audit Plc

Chartered Accountants
Registered Auditor

7 April 2008

AB Agri Limited

Profit and loss account

for the 52 week period ended 15 September 2007

	<i>Note</i>	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Turnover			
- continuing operations		601,517	500,449
Operating profit			
- continuing operations	3	3,406	3,538
Other interest receivable and similar income	5	13,655	9,239
Interest payable and similar charges	6	(83)	-
Profit on ordinary activities before taxation	7	16,978	12,777
Tax on profit on ordinary activities	8	(1,908)	(4,449)
Profit for the financial year		15,070	8,328

There were no recognised gains or losses, in the current or preceding financial periods, other than the profit for the financial period

There is no material difference between the profit on ordinary activities and the retained profit for the period stated above, and their historical cost equivalents

AB Agri Limited

Balance sheet

at 15 September 2007

	Note	15 September 2007		16 September 2006	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		37,054		40,596
Investments	11		21,238		18,543
			<u>58,292</u>		<u>59,139</u>
Current assets					
Stocks	12	8,918		6,443	
Debtors (including £26,887 (2006 £20,166) due after more than one year)	13	124,347		106,912	
Cash at bank and in hand		4,941		3,631	
		<u>138,206</u>		<u>116,986</u>	
Creditors - amounts falling due within one year	14	(57,780)		(43,290)	
Net current assets			<u>80,426</u>		<u>73,696</u>
Total assets less current liabilities			<u>138,718</u>		<u>132,835</u>
Creditors - amounts falling due after more than one year	15		(122)		(156)
Provision for liabilities and charges	16		(2,040)		(5,276)
Net assets			<u>136,556</u>		<u>127,403</u>
Capital and reserves					
Called up share capital	17		102,000		102,000
Share based payment reserve	18		83		-
Profit and loss account	18		34,473		25,403
Shareholders' funds	18		<u>136,556</u>		<u>127,403</u>

These financial statements were approved by the board of directors on 25 March 2008 and were signed on its behalf by



R C Cloke
Director

AB Agri Limited

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 15 September 2007.

2 Accounting policies

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

In these financial statements the following new accounting standards have been adopted for the first time.

- FRS 20 'Share based payments'

The accounting policies under this new standard are set out below and further detail is given in the notes. No restatement of prior periods was required as a result of adopting FRS 20 as deemed not material.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Associated British Foods plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Associated British Foods plc, within which this company is included, can be obtained from the address given in note 23.

AB Agri Limited

Notes (continued)

Fixed assets and depreciation

Depreciation is provided on the original cost of assets and is calculated on a straight line basis at rates sufficient to reduce them to their estimated residual value. No depreciation is provided on freehold land. Leaseholds are written off over the period of the lease or 50 years, whichever is the shorter period. The anticipated useful life of other assets is generally deemed to be not longer than:

Freehold buildings	50 years
Plant, machinery, fixtures and fittings	5-12 years
Vehicles	8 years

Government grants

Government grants are receivable on specific capital expenditure and are credited to the profit and loss account over the expected useful lives of the related assets. Grants not based on specific expenditure but on other criteria are credited to the profit and loss account so as to match the costs involved.

Leases

All material leases entered into by the company are operating leases whereby substantially all the risks and rewards of ownership of an asset remain with the lessor. Rental payments are charged against profits on a straight line basis over the life of the lease.

Research and development

Expenditure on research and development is written off to the profit and loss account in the period in which it is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due provision against obsolete and slow moving items. In the case of manufactured goods the term 'cost' includes raw materials, production wages, and production overheads.

Taxation

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

Notes *(continued)*

Foreign currencies

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

Financial instruments

Financial instruments are used to manage the company's economic exposure to financial and commodity risks. The principal instruments used are forward foreign exchange contracts, futures, swaps or options. The company does not use financial instruments for speculative purposes. The cost of financial instruments is spread over the life of the instrument.

Post-retirement benefits

The company is a member of the Associated British Foods Pension Scheme which operates both a defined contribution and defined benefit pension scheme. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable. The defined benefit scheme is a multi-employer scheme and the company is unable to identify its share of underlying assets and liabilities on a consistent and reasonable basis. Contributions to the defined benefit scheme are therefore accounted for as if they were contributions to a defined contribution scheme.

Investments

Investments are stated at cost less amounts written off in respect of any impairment in value.

Share-based payments

The Associated British Foods plc group operates a share incentive plan which allows employees to receive allocations of shares subject to the attainment of certain financial performance criteria and typically after a three-year performance period. The fair value of the shares to be awarded is recognised as an employee expense by the company, with a corresponding increase in reserves. The fair value is measured at grant date and charged to the income statement over the period during which the employee becomes unconditionally entitled to the shares. The fair value of the shares allocated is measured taking into account the terms and conditions under which the shares were allocated. The amount recognised as an expense is adjusted to reflect the actual number of shares that vest.

AB Agri Limited

Notes (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers

The company recognises revenue at the point of despatch of goods and for services when they have been provided

3 Operating profit and profit on ordinary activities before taxation

In the opinion of the directors, the company operates in only one business segment, being the manufacture, purchase and sale of agricultural products. Materially all of the company's turnover and results arise from trade within the European Union, principally the United Kingdom. Materially all of the company's net assets are located in the United Kingdom.

Profit on ordinary activities before taxation is stated after charging.

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Depreciation of tangible fixed assets	6,267	6,580
Auditor's remuneration		
- audit fees	119	125
Hire of plant and machinery		
- rentals payable under operating leases	119	80
Land and building payments under operating leases	115	283
Loss on sale of fixed assets	(334)	(37)
Profit on disposal of business operations	166	-
Restructuring costs	-	1,670

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Associated British Foods plc.

AB Agri Limited

Notes (continued)

4 Directors and employees

The average weekly number of employees, including directors, of the company during the period was 878 (2006: 927). In the opinion of the directors, all employees fall into a single category.

The aggregate payroll costs of these persons were as follows:

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Wages and salaries	25,878	24,569
Social security costs	2,342	2,242
Pension costs	3,013	3,274
	<u>31,233</u>	<u>30,085</u>

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Directors' emoluments	1,612	1,047
Compensation for loss of office	118	-
	<u>1,730</u>	<u>1,047</u>

Of the directors' emoluments £414,000 (2006: £253,000) was paid by other group companies on behalf of AB Agri Limited. The aggregate emoluments of the highest paid director was £414,000 (2006: £253,000); this figure includes company pension contributions of £114,000 (2006: £10,000) that were made on their behalf.

	2007 Number	2006 Number
Retirement benefits are accruing to the following number of directors under defined benefit schemes	<u>5</u>	<u>6</u>

AB Agri Limited

Notes (continued)

5 Other interest receivable and similar income

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Interest receivable on finance leases	40	77
Other interest receivable	13,615	9,162
	<u>13,655</u>	<u>9,239</u>

6 Interest payable and similar charges

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Interest payable on other loans	83	-
	<u>83</u>	<u>-</u>

7 Dividends

The aggregate amount of dividends comprises

	52 week period ended 15 September 2007 £000	52 week period ended 16 September 2006 £000
Dividends paid in respect of prior year but not recognised as liabilities in that year	6,000	8,000
	<u>6,000</u>	<u>8,000</u>

AB Agri Limited

Notes (continued)

8 Tax on profit on ordinary activities

Analysis of tax charge

	15 September 2007 £000	16 September 2006 £000
<i>UK corporation tax</i>		
Current tax on income for the period	4,973	3,904
Adjustment in respect of prior years	(561)	-
	<hr/> 4,412	<hr/> 3,904
<i>Deferred tax (see note 16)</i>		
Creation/(reversal) of timing differences	(2,504)	545
	<hr/> 1,908	<hr/> 4,449
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2006 higher) than the standard rate of corporation tax in the UK 30% (2006: 30%). The differences are explained below

	15 September 2007 £000	16 September 2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	17,061	12,777
	<hr/> 5,118	<hr/> 3,833
Current tax at 30% (2006: 30%)		
Effects of:		
Expenses not deductible for tax purposes	(878)	616
Capital allowances for period lower/(higher) than depreciation	733	(545)
Adjustment in respect of prior years	(561)	-
	<hr/> 4,412	<hr/> 3,904
	<hr/> <hr/>	<hr/> <hr/>
Total current tax charge (see above)		

AB Agri Limited

Notes (continued)

9 Tangible assets

	Land and Freehold Buildings	Long Leasehold Buildings	Plant, Machinery Fixtures and Fittings, Vehicles	Total
	£000	£000	£000	£000
<i>Cost or valuation</i>				
At beginning of period	22,286	1,120	81,402	104,808
Additions	124	26	5,675	5,825
Disposals	(5,985)	-	(3,694)	(9,679)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	16,425	1,146	83,383	100,954
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	9,576	709	53,927	64,212
Charge for the period	432	94	5,741	6,267
Disposals	(3,917)	-	(2,662)	(6,579)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	6,091	803	57,006	63,900
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 15 September 2007	10,334	343	26,377	37,054
	<hr/>	<hr/>	<hr/>	<hr/>
At 16 September 2006	12,710	411	27,475	40,596
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land of £2,391,000 is not depreciated (2006 £2,391,000)

Included in the net book value of £26,377,000 in respect of plant, machinery, fixtures, fittings and vehicles is £nil (2006 £nil) in respect of assets held under finance leases.

10 Capital commitments

Capital commitments at the end of the financial period, for which no provision has been made, amounted to £1,512,000 (2006 £272,000)

AB Agri Limited

Notes (continued)

11 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning of period	18,543
Additions	2,695
	<hr/>
At end of period	21,238
	<hr/>

On 18 June 2007 the company acquired all of the ordinary shares of Nutrition Trading (International) Limited

	Book value and Fair value £000
Tangible fixed assets	28
Current assets	
Stock	141
Debtors	473
Cash	129
	<hr/>
Total assets	771
	<hr/>
Creditors	(202)
	<hr/>
Net assets	569
	<hr/>
Goodwill	2,026
	<hr/>
Purchase consideration and costs of acquisition	2,595
	<hr/>

AB Agri Limited

Notes (continued)

No fair value adjustments to the opening book values were required

The acquired undertaking made a profit of £178,000 from the beginning of its financial year to the date of acquisition. In its previous financial year the profit was £224,000.

The companies in which the company's interest is more than 20% are as follows.

	Country of registration	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
ABN (Overseas) Limited	England and Wales	Investment company	100% Ordinary
ABN (Scotland) Limited	Scotland	Non-trading	100% Ordinary
Courtyard Beef UK Limited	England and Wales	Non trading	100% Ordinary
Nutrition Trading (International) Limited	England and Wales	Non trading	100% Ordinary

In the opinion of the directors, the investments in the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

12 Stocks

	15 September 2007 £000	16 September 2006 £000
Raw materials and consumables	7,176	4,784
Finished goods and goods for resale	1,742	1,659
	<u>8,918</u>	<u>6,443</u>

AB Agri Limited

Notes (continued)

13 Debtors

	15 September 2007 £000	16 September 2006 £000
<i>Amount falling due within one year</i>		
Trade debtors	87,598	75,908
Amounts owed by group undertakings	403	381
Other debtors	2,108	1,948
Prepayments and accrued income	7,351	8,506
Loan receivable	-	3
	<hr/>	<hr/>
	97,460	86,746
<i>Amount falling due after one year</i>		
Amounts owed by group undertakings	26,387	19,666
Loan receivable	500	500
	<hr/>	<hr/>
	124,347	106,912
	<hr/>	<hr/>

Other debtors falling due after one year include amounts due in respect of commercial vehicles.

As at 15 September 2007 and 16 September 2006, the loan receivable falling due after one year relates to 2008 loan stock held with Welsh Feed Producers Ltd. The 2008 loan stock is secured and carries a variable rate of interest, payable at the discretion of Welsh Feed Producers Ltd. Welsh Feed Producers Ltd did not pay any interest during the current or preceding financial periods.

AB Agri Limited

Notes (continued)

14 Creditors - amounts falling due within one year

	15 September 2007 £000	16 September 2006 £000
Trade creditors	33,050	22,458
Bank loans and overdraft	405	435
Amounts owed to group undertakings	3,145	3,946
Taxation and social security	3,349	2,794
Accruals and deferred income	17,831	13,657
	<u>57,780</u>	<u>43,290</u>

15 Creditors - amounts falling due after more than one year

	15 September 2007 £000	16 September 2006 £000
Accruals and deferred income	122	156
	<u>122</u>	<u>156</u>

The above amount is made up of Government grants as follows

At beginning of period	156
Released to profit and loss account	(34)
	<u>122</u>
At end of period	<u>122</u>

AB Agri Limited

Notes (continued)

16 Provision for liabilities and charges

	Deferred tax £000	Other £000	Total £000
At 16 September 2006	4,387	889	5,276
Provision created	-	-	-
Utilised	(2,612)	(624)	(3,236)
	<u> </u>	<u> </u>	<u> </u>
At 15 September 2007	1,775	265	2,040
	<u> </u>	<u> </u>	<u> </u>

	15 September 2007 £000	16 September 2006 £000
Deferred taxation		
<i>Analysis by component</i>		
Accelerated capital allowances	1,775	4,387
	<u> </u>	<u> </u>

Other provisions include redundancies, reorganisation costs and future known costs relating to previous disposal/terminations of businesses

AB Agri Limited

Notes (continued)

17 Called up share capital

	15 September 2007 £000	16 September 2006 £000
Authorised		
Ordinary shares of £1 each	120,000	120,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £1 each	102,000	102,000
	<hr/>	<hr/>

18 Reconciliation of movements in shareholders' funds

	Share Capital £000	Share based Payment reserve £000	Profit and loss account £000	Total £000
At beginning of period	102,000	-	25,403	127,403
Profit for the period	-	83	15,070	15,153
Dividends	-	-	(6,000)	(6,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	102,000	83	34,473	136,556
	<hr/>	<hr/>	<hr/>	<hr/>

Share-based payments

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

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

The Share Incentive Plan was approved and adopted by Associated British Foods plc at its annual general meeting held on 5 December 2003. It takes the form of conditional allocations of shares which will be released if, and to the extent that, certain performance targets are satisfied over a three-year performance period.

Further information regarding the operation of the share incentive plan can be found in the financial statements of Associated British Foods plc which may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated financial statements of Associated British Foods are also available for download on the group's website at www.abf.co.uk

AB Agri Limited

Notes (continued)

19 Contingent liabilities

The company, together with British Sugar plc and certain other subsidiary undertakings of Associated British Foods plc, is party to a set-off arrangement in respect of its bank accounts with certain of the group's bankers

In the normal course of business the company enters into forward commodity purchase and sales agreements

20 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	15 September 2007		16 September 2006	
	Land and buildings	Other assets	Land and Buildings	Other assets
	£000	£000	£000	£000
<i>Operating leases which expire:</i>				
Within one year	17	11	63	27
Between one and five years	62	21	100	-
After five years	44	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	123	32	163	27
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

21 Pension costs

The company is a member of the Associated British Foods Pension Scheme which provides benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme's assets and liabilities on a consistent basis, as permitted by FRS 17 the scheme is accounted for by the company as if it were a defined contribution scheme. On 30 September 2002 the scheme was closed to new members and a defined contribution arrangement was put in place for other employees. For the defined contribution scheme, the pension costs are the contributions payable.

On 6 April 2006, the British Sugar Pension Scheme was merged with the Associated British Foods Pension Scheme. The latest full actuarial valuations of the Associated British Foods Pension Scheme and the British Sugar Pension Scheme were carried out at 5 April 2005 and 1 October 2004 respectively. At the valuation dates the total market value of the assets of the schemes was £1,869m and represented 97% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The actuarial valuations were updated for IAS 19 purposes to 15 September 2007 by an independent qualified actuary. The updated valuation of the merged scheme was a surplus of £290 million. There are no material differences in the valuation methodologies under IAS 19 and FRS 17. Full IAS 19 disclosures can be found within the financial statements of Associated British Foods plc, which may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

The pension charge for the year amounted to £3.013 million (2006 £3.274 million).

22 Related party transactions

Transactions with the group's related parties, as defined by Financial Reporting Standard 8, are summarised below.

	2007 £000	2006 £000
Sales on normal trading terms	263	373
Purchases on normal trading terms	84,912	71,822
Amounts due from Frontier Agriculture Limited	72	90
Amounts due to Frontier Agriculture Limited	9,374	7,048

AB Agri Limited

Notes *(continued)*

23 Holding company

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

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