

ABF Ingredients Limited

**Directors' report and financial
statements**

Registered number 482099

31 August 2016

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COMPANIES HOUSE

Corporate Information

Directors

K Fisher
P Lindblad

Secretary

R Schofield

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Lloyds Bank plc
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London
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Registered Office

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2016. The accounts have been prepared under the small companies act exemption.

Directors

The directors who held office during the year were as follows:

P Frampton (resigned 26 April 2016)
A Wells (resigned 10 September 2015)
K Fisher (appointed 10 September 2015)
P Lindblad (appointed 26 April 2016)

Principal activities

During the year the principal activities were the provision of management services to companies within the ABF Ingredients group forming part of Associated British Foods plc and it is anticipated that this will continue to be the case.

Business review

The company is a wholly owned subsidiary of Associated British Foods plc.

Trading results and reserves

The loss on ordinary activities before taxation was £1,300,000 (2015: £567,000). After a tax credit of £75,000 (2015: credit of £369,000) the company has reported a loss for the financial year of £1,225,000 (2015: £198,000). The directors do not propose a dividend for the period (2015: £nil).

United Kingdom charitable and political contributions

Contributions were made to charitable organisations during the year of £100 (2015: £100)

Going concern

The directors have received written confirmation from Associated British Foods plc, the company's ultimate parent undertaking, that it will continue to provide adequate cash funding to enable the company to meet its liabilities as they fall due. As a result, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Events since balance sheet date

There are no events since balance sheet date that need to be adjusted or disclosed in the financial statements.

Creditor payment policy

It is the company's policy to agree terms of business with suppliers prior to the supply of goods and services. In the absence of any dispute, the company pays in accordance with these terms.

Disclosure of information to auditor

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

Auditor

Ernst & Young LLP was appointed by the board of directors as the Company's auditor for the financial year ended 31 August 2016 and the board intends to re-appoint Ernst & Young LLP as auditor for the financial year ended 31 August 2017.

By order of the board

P Lindblad
Director

11 May 2017

Statement of directors' responsibilities

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).

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 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

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

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

We have audited the financial statements of ABF Ingredients Limited for the year ended 31 August 2016 which comprise Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of ABF Ingredients Limited *(continued)*

Matters on which we are required to report by exception

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

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



Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

18 May 2017

Statement of Comprehensive Income
for the year ended 31 August 2016

	<i>Note</i>	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
Turnover	3	4,327	2,865
Cost of sales		(5,583)	(3,376)
Operating loss		(1,256)	(511)
Interest payable	4	(44)	(56)
Loss on ordinary activities before taxation	5	(1,300)	(567)
Tax on loss on ordinary activities	9	75	369
Loss for the financial year	15,16	(1,225)	(198)
Other comprehensive income (loss):			
Exchange difference on re-translation of net assets of branch		(14)	12
Total comprehensive loss for the financial year		(1,239)	(186)

The income statement activities relate solely to continuing operations in the year.

The notes on pages 8 to 20 form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 August 2016

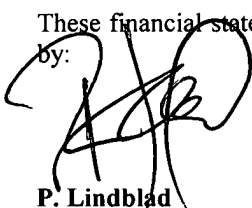
	Share Capital £000	Retained Earnings £000	Total Equity £000
At 1 September 2014	87	(5,296)	(5,209)
Loss for the financial year	-	(198)	(198)
Other comprehensive income	-	12	12
Total comprehensive loss	-	(186)	(186)
Share based payment transactions	-	90	90
At 31 August 2015	87	(5,392)	(5,305)
Loss for the financial year	-	(1,225)	(1,225)
Other comprehensive loss	-	(14)	(14)
Total comprehensive loss	-	(1,239)	(1,239)
Share based payment transactions	-	246	246
At 31 August 2016	87	(6,385)	(6,298)

Balance sheet
as at 31 August 2016

	<i>Note</i>	31 August 2016		31 August 2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	<i>10</i>		17		31
Tangible assets	<i>11</i>		14		21
			<hr/>		<hr/>
			31		52
Current assets					
Debtors	<i>12</i>	1,403		2,200	
		<hr/>		<hr/>	
		1,403		2,200	
Creditors: amounts falling due within one year	<i>13</i>	(7,732)		(7,557)	
		<hr/>		<hr/>	
Net current liabilities			(6,329)		(5,357)
			<hr/>		<hr/>
Total assets less current liabilities			(6,298)		(5,305)
			<hr/>		<hr/>
Net liabilities			(6,298)		(5,305)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	<i>14</i>		87		87
Profit and loss account	<i>15</i>		(6,385)		(5,392)
			<hr/>		<hr/>
Shareholder's deficit	<i>16</i>		(6,298)		(5,305)
			<hr/>		<hr/>

The notes on pages 8 to 20 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 11 May 2017 and were signed on its behalf by:



P. Lindblad
 Director

Company number: 482099

Notes to the financial statements as at 31 August 2016

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

The financial statements of ABF Ingredients Limited (the "Company") for the year ended 31 August 2016 were authorised for issue by the board of directors on 11 May 2017 and the balance sheet was signed on the board's behalf by P. Lindblad. ABF Ingredients Limited is incorporated and domiciled in England and Wales.

As set out in Note 2, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The Company's financial statements are presented in sterling and all values are rounded to the nearest one hundred thousand pounds except when otherwise indicated. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly-owned subsidiary of Associated British Foods plc. The results of the Company are included in the consolidated financial statements of Associated British Foods plc which are available from Weston Centre, 10 Grosvenor Street, London W1K 4QY and at www.abf.co.uk.

The principal accounting policies adopted by the Company are set out in note 2.

2 Significant Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

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

The Company's business activities are set out in the Business review section of the Directors' report on page 1.

Basis of preparation: Transition to FRS 101

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures in respect of disclosure of key management personnel compensation;
- 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 6 to 21 of IAS 1 Presentation of Financial Statements to present an opening statement of financial position at the date of transition (14 September 2014);
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which deals with IFRSs issued but not yet effective;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements; and
- The requirements of paragraph 45(b) and 46-52 of IFRS 2 Share Based Payment, because the share based payment arrangement concerns the instruments of another group entity.

Notes to the financial statements *(continued)*

2 Significant Accounting policies *(continued)*

Other exemptions are available under FRS 101 but these have not been set out above as they are not relevant to the Company's financial statements.

Preparation on a going concern basis

The directors have received written confirmation from Associated British Foods plc, the Company's ultimate parent undertaking, that it will continue to provide adequate cash funding to enable the Company to meet its liabilities as they fall due. As a result, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to group companies during the year.

Fixed assets and depreciation

Depreciation, calculated on original cost, is provided on a straight line basis over the anticipated life of the asset. The anticipated life of fixed assets is set out below:

Plant, machinery, fixtures and fittings	-	5 years
Vehicles	-	4 years

Foreign currencies

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

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

Taxation

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes to the financial statements *(continued)*

2 Significant Accounting policies *(continued)*

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets) acquired in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil over its estimated useful life.

Pension costs

The Company is a member of the UK defined benefit scheme of Associated British Foods plc, the assets of which are held in trustee administered funds. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company.

The Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

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 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.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from the estimates. The directors believe that there are no estimates or judgements that have a significant effect on the amounts recognised in the financial statements for the periods presented.

Notes to the financial statements *(continued)*

3 Segment information

The Company has one class of business which is the supply of services to other entities in the ABF Ingredients division.

The table below sets out turnover for each of the Company's geographic areas of operation. All trading during the year has been with other group companies.

	Year ended 31 August 2016	Year ended 31 August 2015
	£'000	£'000
Europe	1,628	1,522
Rest of world	2,699	1,343
	<u>4,327</u>	<u>2,865</u>

4 Interest payable and similar charges

	Year ended 31 August 2016	Year ended 31 August 2015
	£'000	£'000
Amounts payable on loans from group undertakings	44	56
	<u>44</u>	<u>56</u>

5 Operating Profit

This is stated after charging /(crediting):

	Year ended 31 August 2016	Year ended 31 August 2015
	£'000	£'000
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off fixed tangible assets:		
Owned	7	22
Amortisation	14	14
Operating lease rentals	83	13
Auditor's remuneration:		
Audit of these financial statements	9	9
	<u>104</u>	<u>58</u>

Notes to the financial statements *(continued)*

6 Directors and employees

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees	
	Year ended 31 August 2016	Year ended 31 August 2015
Average number of employees	14	14

The aggregate staff costs of these persons were as follows:

	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
Wages and salaries	2,750	2,060
Share based payments (see note 7)	246	90
Social security costs	468	209
Other pension costs (see note 8)	259	181
	<u>3,723</u>	<u>2,540</u>

Remuneration of directors

	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
<i>Directors' emoluments:</i>		
Remuneration	231	134
Amounts receivable under long term incentive schemes	-	-
Company contributions to money purchase pension schemes	46	12
	<u>277</u>	<u>146</u>

The number of directors employed by ABF Ingredients Limited during the year was 2 (2015: 1). During the year the directors participated in the Company's defined benefit pension scheme.

The highest paid director received emoluments of £184,292 (2015: £133,862) in the year and pension contributions of £41,651 (2015: £11,862) were made on his behalf to the defined contribution pension scheme.

Notes to the financial statements *(continued)*

7 Share based payments

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

Associated British Foods Long-Term Incentive Plan ('the LTIP')

The LTIP was approved and adopted by Associated British Foods plc at its annual general meeting held on 6 December 2013. It takes the form of conditional allocations of shares which are released if, and to the extent that, performance targets are satisfied, typically over a three-year performance period.

Details of the shares outstanding under the equity-settled share-based payment plans are as follows:

	2016 Number of Shares	2015 Number of Shares
Balance at the start of the year	30,661	69,073
Granted in year	16,448	20,803
Transferred out during year	-	(19,196)
Vested during year	(8,371)	(28,990)
Lapsed during year	(4,250)	(11,029)
	<hr/>	<hr/>
Balance outstanding at the end of the year	34,488	30,661
	<hr/>	<hr/>

Fair Values

The weighted average fair value of shares awarded was determined by taking the market price of the shares at the time of grant and discounting for the fact that dividends are not paid on conditionally allocated shares during the vesting period. The dividend yield used was 2.5%.

The weighted average fair value of the shares awarded under the Share Incentive Plan during the year was 3,185 pence (2015: 2,873 pence) and the weighted average share price was 3,425 pence (2015: 3,089 pence).

The Company has recognised a charge of £246,000 (2015: charge of £90,000) in relation to total equity-settled share-based payment expense.

Notes to the financial statements *(continued)*

8 Pensions

The Company is a member of the Associated British Foods plc pension scheme which provides benefits based on final pensionable pay. As the Company is unable to identify its share of the scheme's assets and liabilities on a consistent basis, as permitted by FRS17 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. Employer's contributions to the defined benefit scheme for the year totalled £48,429 (2015: £67,499) and are recorded as a cost in the profit and loss account. For the defined contribution scheme, contributions for the year amounted to £164,850 (2015: £79,259), also recorded as a cost in the profit and loss account. No pension contributions were accrued at the period end (2015: £26,101).

The most recent triennial funding valuation of the scheme, using the current unit method, was carried out as at 5 April 2014, and revealed a surplus of £79m. At the valuation date the total market value of the assets of the scheme was £3,085m representing 103% of the benefits that had accrued to members after allowing for expected future salary increases in earnings.

The scheme was valued at 17 September 2016 on the basis of IAS 19: Employee Benefits ("IAS19") by an independent qualified actuary for inclusion in the Associated British Foods plc group financial statements. The valuation of the scheme showed a deficit of £96m (2015: surplus £120m). There are no material differences in the valuation methodologies under IAS 19 and FRS 17. Full IAS disclosures can be found within the annual report and accounts of the group, which are available for download from the group's website at www.abf.co.uk.

Notes to the financial statements *(continued)*

9 Taxation on loss on ordinary activities

a) *Tax charge / (credit) in the income statement*

	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
<i>Current income tax:</i>		
UK corporation tax	(149)	28
Foreign tax	46	-
	<hr/>	<hr/>
Current income tax credit	(103)	28
Adjustments in respect of prior periods	(143)	(236)
	<hr/>	<hr/>
Total current income tax	(246)	(208)
<i>Deferred tax</i>		
Origination and reversal of timing differences	43	(119)
Effect of change in tax rate	(19)	-
Adjustment in respect of previous years	147	(42)
	<hr/>	<hr/>
Total deferred tax	171	(161)
	<hr/>	<hr/>
Total credit in the income statement	(75)	(369)
	<hr/> <hr/>	<hr/> <hr/>

b) *Reconciliation of the total tax charge*

	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
Loss on ordinary activities before tax	(1,300)	(567)
	<hr/>	<hr/>
Tax calculated at UK standard rate or corporation tax of 20.0% (2015: 20.5%)	(260)	(116)
Effects of rate change	19	5
Expenses not deductible/(income not taxable)	116	20
Foreign tax	46	-
Adjustments to tax charge in respect of previous years	4	(278)
	<hr/>	<hr/>
Total tax credit	(75)	(369)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

9 Taxation on loss on ordinary activities *(continued)*

	Year ended 31 August 2016 £'000	Year ended 31 August 2015 £'000
Deferred tax asset	20	191
<i>Comprising:</i>		
Accelerated capital allowances	20	27
Losses	-	164
	20	191
Movement in deferred tax provision		
Brought forward	191	30
Credit/ (charge) to the income statement	(171)	161
Carried forward	20	191

c) Factors affecting future tax charges

The UK corporation tax rate was reduced to 20% with effect from 1 April 2015, and further reductions to 19% and 17% have also now been enacted which take effect in April 2017 and April 2020 respectively. Accordingly, deferred tax balances have been calculated using these rates as appropriate.

Notes to the financial statements *(continued)*

10 Intangible fixed assets

Group	Goodwill £'000	Software £'000	Total £'000
<i>Cost</i>			
At beginning of year	1,804	72	1,876
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	1,804	72	1,876
	<hr/>	<hr/>	<hr/>
<i>Amortisation and impairment</i>			
At beginning of year	1,804	41	1,845
Amortisation	-	14	14
	<hr/>	<hr/>	<hr/>
At end of year	1,804	55	1,859
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 August 2016	-	17	17
	<hr/>	<hr/>	<hr/>
At 31 August 2015	-	31	31
	<hr/>	<hr/>	<hr/>

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

Notes to the financial statements *(continued)*

11 Tangible fixed assets

	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost			
At beginning of year	375	43	418
Additions	-	-	-
Transfer from other group company	-	-	-
Disposals	-	(20)	(20)
Transfer to other group company	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	375	23	398
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	374	23	397
Charge for year	1	6	7
Transfer from other group company	-	-	-
On disposals	-	(20)	(20)
Transfer to other group company	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	375	9	384
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2016	-	14	14
	<hr/>	<hr/>	<hr/>
At 31 August 2015	1	20	21
	<hr/>	<hr/>	<hr/>

There are no tangible assets held under finance leases.

12 Debtors

	31 August 2016 £'000	31 August 2015 £'000
Amounts owed by group undertakings	916	1,797
Other debtors	73	72
Called up share capital not paid	87	87
Deferred tax	20	191
Corporation tax debtor / (creditor)	224	(29)
Prepayments and accrued income	83	82
	<hr/>	<hr/>
	1,403	2,200
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

13 Creditors: amounts falling due within one year

	31 August 2016 £'000	31 August 2015 £'000
Trade creditors	88	47
Amounts owed to group undertakings	5,426	5,879
Other taxes and social security	146	39
Accruals and deferred income	2,072	1,592
	<u>7,732</u>	<u>7,557</u>

The immediate holding company has agreed to provide support to enable the Company to meet its obligations as they fall due for at least the next twelve months.

14 Called up share capital

	31 August 2016		31 August 2015	
	Number	£	Number	£
<i>Allotted and called up</i>				
Ordinary shares of £1 each	57,541	57,541	57,541	57,541
Deferred shares of £1 each	29,017	29,017	29,017	29,017
	<u>86,558</u>	<u>86,558</u>	<u>86,558</u>	<u>86,558</u>

15 Reserves

	Profit and loss account £'000
At beginning of year	(5,392)
Loss for the year	(1,225)
Share based payment expense	246
Exchange difference on re-translation of net assets of branch	(14)
	<u>(6,385)</u>
At end of year	<u>(6,385)</u>

Notes to the financial statements *(continued)*

16 Reconciliation of movements in shareholder's deficit

	2016 £'000	2015 £'000
Loss for financial year	(1,225)	(198)
Share based payment expense	246	90
Exchange difference on re-translation of net assets of branch	(14)	12
	<hr/>	<hr/>
Net increase in shareholder's deficit	(993)	(96)
Opening shareholder's deficit	(5,305)	(5,209)
	<hr/>	<hr/>
Closing shareholder's deficit	(6,298)	(5,305)
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17 Contingent liabilities

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

18 Commitments

The Company had no commitments (2015: nil) for capital expenditure at the year end.

The Company has operating lease commitments expiring within one year of £89,710 (2015: £34,727).

19 Related party transactions

The Company, being a 100 per cent subsidiary of ABF Investments plc, has taken advantage of the IAS 24 *Related Party Disclosures* exemption not to disclose related party transactions with 100 per cent entities in the same group.

20 Transition to FRS 101

For all periods up to and including the year end 31 August 2015, the Company prepared its financial statement in accordance with previously extant UK GAAP. These financial statements, to the year ended 31 August 2016, are the first the Company has prepared in accordance with FRS 101.

No transitional adjustments were recorded in the transition from UK GAAP to FRS 101 in the opening balance sheet as at 31 August 2014 and therefore no third balance sheet has been prepared.

21 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate holding company is ABF (No 2) Limited, a company registered in England and Wales. The ultimate parent company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Wittington Investments Limited, incorporated in Great Britain. The smallest group in which they are consolidated is that 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 can 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.