A.B.F. Properties Limited

Directors' report and financial statements

Registered number 683361

16 September 2006

Contents

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 16 September 2006

Principal activity

The principal activity is the ownership and letting of property

Business review and future developments

During the period the main activity of the company remained unchanged and the directors anticipate that any future developments will be related to this activity

During the period the company disposed of investment properties with a net book value of £1,000,000

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 6 The profit on ordinary activities after taxation amounted to £6,324,000 *(2005 £3,576,000)* The directors do not recommend the payment of a dividend *(2005 £Nil)* £6,324,000 was transferred to reserves *(2005 £3,576,000)*

Fixed assets

Changes in tangible fixed assets are shown in note 6 The directors are of the opinion that the market value of interests in land and buildings at the end of the period exceeded the amounts at which they are included in the balance sheet, but they are unable to quantify the excess The company has therefore recorded its interest in investment properties at cost rather than at open market value as required by Statement of Standard Accounting Practice No 19 *Accounting for investment properties*

Directors

The directors who held office during the period were as follows

KG Preedy
JG Bason
PA Russell
RS Mendelsohn

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 all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

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

By order of the board

RS Mendelsohn
Secretary

10 Grosvenor Street
London
W1K 4QY
6 July 2007

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)

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
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Independent auditors' report to the members of ABF Properties Ltd

We have audited the financial statements of ABF Properties Ltd for the year ended 16 September 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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 3

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

KPMG

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Qualified opinion arising from disagreement about accounting treatment

As stated in note 6 to the financial statements, properties with a net book value of £69,000 (2005 £70,000) rented to non-group companies are not included in the balance sheet at their open market value in accordance with the requirements of Statement of Standard Accounting Practice No 19 "Accounting for Investment Properties" but instead have been included at their historical cost and have been depreciated, the charge for the year being £1,000 (2005 £1,000) A profit of £2,445,000 on the sale of one of the properties has been included in the profit and loss account for the period ended 16 September 2006 Had the property been accounted for in accordance with SSAP 19, this profit would have been different because revaluation gains would have been reported in the statement of total recognised gains and losses in previous years In the absence of any valuations of these properties, it is not possible for us to further quantify the effect of this departure from the standard We qualified our audit report on the financial statements for the year ended 17 September 2005 with regard to this same disagreement regarding valuation and depreciation

Except for any adjustments that might have been necessary to account for the investment properties as required, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 16 September 2006 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985

In our opinion the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

6 July 2007

Profit and loss account

for the period ended 16 September 2006

	Note	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Operating profit - continuing operations	3	**1,062**	97
Profit on sale of fixed assets		**2,445**	667
Interest receivable and similar income	4	**4,220**	4,080
Profit on ordinary activities before taxation		**7,727**	4,844
Tax on profit on ordinary activities	5	**(1,403)**	(1,268)
Profit on ordinary activities after taxation		**6,324**	3,576

There are no recognised gains or losses other than the profit for the period and the previous period

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

Balance sheet

at 16 September 2006

	Note	16 September 2006		17 September 2005	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*6*		**1,567**		2,616
Current assets					
Debtors	*7*	**91,937**		85,257	
Cash at bank and in hand		**-**		253	
Creditors amounts falling due within one year	*8*	**(1,537)**		(1,245)	
Net current assets			**90,400**		84,265
Total assets less current liabilities			**91,967**		86,881
Provision for liabilities and charges	*9*		**-**		(1,238)
Net assets			**91,967**		85,643
Capital and reserves					
Called up share capital	*10*		**25,000**		25,000
Profit and loss account			**66,967**		60,643
Equity shareholders' funds			**91,967**		85,643

These financial statements were approved by the board of directors on 6 July 2007 and were signed on its behalf by

PA Russell
Director

Reconciliation of movements in shareholders' funds
for the period ended 16 September 2006

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Opening shareholders' funds	**85,643**	82,067
Profit for the financial year	**6,324**	3,576
Closing shareholders' funds	**91,967**	85,643

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 16 September 2006

2 Accounting policies

The following 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 standards have been adopted for the first time

FRS 21 'Events after the balance sheet date',

FRS 28 'Corresponding amounts'

The adoption of FRS 21 'Events after the balance sheet date' has had no material effect on the financial statements

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, except that the accounts do not comply with Statement of Standard Accounting Practice No 19 "Accounting for Investment Properties" in that investment properties are recorded at cost less depreciation, instead of being recorded at their open market value The market value of these properties is not known

The directors consider that it is not practicable to obtain valuations of the investment properties and as such continue to account for them at cost less depreciation

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking A group cash flow statement is included in the financial statements of ABF Investments plc

The company is controlled by Associated British Foods plc and is exempt from disclosing transactions with it and other group companies under Financial Reporting Standard 8 as it is a wholly owned subsidiary undertaking included within the consolidated financial statements of Associated British Foods plc, which are publicly available

Fixed assets and depreciation

Depreciation is provided on the original cost of assets less their estimated residual value and is calculated on a straight line basis over the anticipated life of the asset No depreciation is provided on freehold land Leaseholds are written off over the period of the lease The anticipated life of other assets is generally deemed to be not longer than

Freehold buildings	-	66 years
Plant and machinery	-	12 years

Notes *(continued)*

2 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date Deferred tax is not discounted

3 Operating profit

		52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Rents receivable		**171**	232
Less	Rents payable	**(31)**	(31)
	Other property income less costs	**(42)**	7
Net rental income		**98**	208
Administrative expenses		**964**	(111)
Operating profit		**1,062**	97

Profit before taxation is stated after charging

Depreciation and other amounts written off tangible fixed assets			
	Owned	**39**	38
	Leased	**10**	10
Auditors' remuneration		**-**	-

The auditors' remuneration was borne by the holding company in the current and previous period

4 Interest receivable and similar income

The inter company loan to ABF plc bears interest calculated on commercial terms at LIBOR plus 25 basis points

Notes *(continued)*

5 Taxation on profit on ordinary activities

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
UK corporation tax at 30%	**1,274**	1,257
Deferred taxation	**129**	11
	1,403	1,268

The tax assessed for the period is less than the standard rate of corporation tax in the UK (30%) The differences are explained below

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Profit on ordinary activities before tax	**7,727**	4,844
Profit on ordinary activities before tax at the standard rate of corporation tax	**2,318**	1,453
Expenses not deductible for tax purposes	**5**	7
Utilisation of losses	**(1,054)**	(200)
Timing differences	**5**	(3)
Total current tax	**1,274**	1,257

Notes *(continued)*

6 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Total £000
Cost				
At beginning of period	2,995	213	62	3,270
Disposals	(1,000)	-	-	(1,000)
At end of period	1,995	213	62	2,270
Depreciation				
At beginning of period	513	90	51	654
Charge for period	39	5	5	49
At end of period	552	95	56	703
Net book value				
At 16 September 2006	**1,443**	**118**	**6**	**1,567**
At 17 September 2005	2,482	123	11	2,616

Included in the above are certain investment properties which are rented to non-group companies These properties have been included at their cost of £108,000 with accumulated depreciation of £39,000 (2005 £38,000) as at 16 September 2006 The open market value of these properties is not known

Analysis of leasehold land and buildings at net book value

	16 September 2006 £000	17 September 2005 £000
Long leasehold	**117**	122
Short leasehold	**1**	1
	118	123

Freehold land of £30,000 *(2005 £1,030,000)* is not depreciated

Notes *(continued)*

7 Debtors: amounts falling due within one year

	16 September 2006 £000	17 September 2005 £000
Trade debtors	85	92
Amounts owed by parent undertaking	91,852	85,165
Amounts owed by other subsidiaries	-	-
	91,937	85,257

8 Creditors: amounts falling due within one year

	16 September 2006 £000	17 September 2005 £000
Corporation tax payable	1,452	1,243
Accruals and deferred income	85	2
Amounts due to other subsidiaries	-	-
	1,537	1,245

9 Provision for liabilities and charges

	16 September 2006 £000	17 September 2005 £000
Accelerated capital allowances	-	172
Provision for environmental cost	-	1,066
	-	1,238

Movement on provision for liabilities and charges

	16 September 2006 £000	17 September 2005 £000
Opening balance	1,238	1,227
Amount (credited)/charged to profit and loss account	(1,238)	11
Closing balance	-	1,238

Notes *(continued)*

10 Called up share capital

	16 September 2006 £000	17 September 2005 £000
Authorised		
30,000,000 Ordinary shares of £1 each	**30,000**	30,000
Allotted, called up and fully paid		
25,000,000 Ordinary shares of £1 each	**25,000**	25,000

11 Contingent liabilities

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

12 Holding company

The ultimate holding company and controlling party as defined by FRS 8, 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 The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England and Wales The consolidated financial statements of these groups are available to the public at Companies House