

A.B.F. Properties Limited

Annual report and financial statements

Registered number 00683361

17 September 2016

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Strategic report

Review of the company's business

The principal activity of the company is the ownership and letting of property.

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

During the year, there were no additions of properties (2015: £nil) and no properties were disposed (2015: £nil).

Trading results and transfer to reserves

The company's result for the year is reflected in the statement of total comprehensive income on page 5. The profit on ordinary activities after taxation amounted to £0.5m (2015: loss £4.3m). A dividend of £55.0m was declared and paid in the period (2015: £nil).

Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties in its role as a holding company within the Associated British Foods group. A full description of the risks and uncertainties to which this group is exposed is included within the Associated British Foods plc annual report and accounts.

By order of the board



PA Russell
Director

7 June 2017

Directors' report

The directors present their annual report and financial statements for the 53 week period ended 17 September 2016. The financial statements are presented in sterling, rounded to the nearest thousand.

Proposed dividend

A dividend of £55.0m was declared and paid in the period (2015: £nil). The directors do not recommend the payment of a further dividend.

Going concern

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis.

Directors

The directors who held office during the period were:

RS Schofield
PA Russell
ND Mills
JG Bason

Directors' indemnities

The directors have benefited from the ABF group's Directors and Officers Insurance policy. Two directors' benefited from indemnity provisions provided by an intermediate holding company during the financial period and as at the date of this report, subject to the conditions set out in the Companies Act 2006.

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 he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG LLP resigned as auditor of the company with effect from 10 December 2015 and a copy of the notice of resignation was subsequently filed with the Registrar of Companies. In accordance with section 485(3)(c) of the Companies Act 2006, the directors appointed Ernst & Young LLP as auditor of the company for the financial year ending 17 September 2016.

Pursuant to Section 485(4) of the Companies Act 2006, the directors are proposing that the sole member of the company passes a resolution to re-appoint Ernst & Young LLP as auditor of the company for the year commencing 18 September 2016.

By order of the board



PA Russell
Director

Weston Centre
10 Grosvenor Street
London
W1K 4QY

7 June 2017

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced disclosure Framework'.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of A.B.F. Properties Limited

We have audited the financial statements of A.B.F. Properties Limited for the 53 week period ended 17 September 2016 which comprise the statement of total comprehensive income, the balance sheet, the statement of changes in shareholder's equity and the related notes 1 to 16. 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 statement of directors' responsibilities set out on page 3, 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 annual 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 17 September 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK 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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Andrew Walton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
7 June 2017

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

Statement of total comprehensive income

For the 53 week period ended 17 September 2016

	<i>Note</i>	53 week period to 17 September 2016 £'000	52 week period to 12 September 2015 £'000
Operating profit / (loss)	6	225	(6,400)
Interest income		483	870
		<hr/>	<hr/>
Profit / (loss) on ordinary activities before taxation		708	(5,530)
Tax on profit / (loss) on ordinary activities	8	(184)	1,190
		<hr/>	<hr/>
Profit / (loss) on ordinary activities after taxation		524	(4,340)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income		524	(4,340)
		<hr/>	<hr/>

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.

The notes on pages 8 to 13 form part of the financial statements.

Balance sheet

at 17 September 2016

	<i>Note</i>	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	9	2,915	2,939
Current assets			
Debtors: amounts due within one year	10	43,964	99,276
Current liabilities			
Creditors: amounts due within one year	11	(512)	(104)
Net current assets		<u>43,452</u>	<u>99,172</u>
Total assets less current liabilities		46,367	102,111
Provisions	12	<u>(4,319)</u>	<u>(5,587)</u>
Net assets		<u>42,048</u>	<u>96,524</u>
Capital and reserves			
Share capital	13	25,000	25,000
Profit and loss account		<u>17,048</u>	<u>71,524</u>
Equity shareholder's funds		<u>42,048</u>	<u>96,524</u>

These financial statements were approved by the board of directors on 7 June 2017 and were signed on its behalf by:



PA Russell
Director

The notes on pages 8 to 13 form part of the financial statements.

Statement of changes in shareholder's equity

For the 53 weeks ended 17 September 2016

	<i>Note</i>	Called up share capital	Profit and loss account	Total
		£'000	£'000	£'000
Balance as at 13 September 2014		25,000	75,864	100,864
Profit for the financial year		-	(4,340)	(4,340)
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	(4,340)	(4,340)
		<hr/>	<hr/>	<hr/>
Balance as at 12 September 2015		25,000	71,524	96,524
Profit for the financial year		-	524	524
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	524	524
		<hr/>	<hr/>	<hr/>
Equity dividends paid	7	-	(55,000)	(55,000)
		<hr/>	<hr/>	<hr/>
Balance as at 17 September 2016		25,000	17,048	42,048
		<hr/>	<hr/>	<hr/>

Notes to the financial statements

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

The financial statements of A.B.F. Properties Limited (the “company”) for the period ended 17 September 2016 were authorised for issue by the board of directors on 7 June 2017.

The company’s financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£’000) except where otherwise indicated. They are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the Companies Act 2006. These financial statements are the first the company has prepared in accordance with FRS 101. Details of the impact of transition are given in note 16.

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

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis. The company is incorporated and domiciled in England and Wales.

The principal accounting policies adopted by the company are set out in note 3 below. They have been applied consistently to all years presented.

2 Accounting reference date

These financial statements have been prepared for the 53 week period ended 17 September 2016.

3 Significant accounting policies

Interest income

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

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.

Dividends

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

Notes to the financial statements *(continued)*

Tangible fixed assets including investment properties and depreciation

Tangible fixed assets, including investment properties, are stated at cost less accumulated depreciation and impairment charges. Depreciation is charged to the income statement on a straight line basis over the useful economic lives of the asset sufficient to reduce them to estimated residual value. Land is not depreciated. Leaseholds are written off over the period of the lease. Estimated useful lives are generally deemed to be no longer than:

Freehold buildings 66 years

Financial assets and liabilities

Financial assets and liabilities are measured initially at fair value plus directly attributable transaction costs and thereafter at amortised cost.

4 Auditor's remuneration

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

5 Directors' and key management emoluments

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

6 Operating profit / (loss)

	2016 £'000	2015 £'000
Operating profit / (loss) is stated after (charging) / crediting		
Rents receivable	393	370
Other operating expense	(657)	(374)
Rents payable	(755)	(646)
Depreciation	(24)	(163)
Onerous lease provision	1,268	(5,587)
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Operating profit / (loss)	225	(6,400)
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

7 Dividends paid and proposed

	2016 £'000	2015 £'000
Equity dividends on ordinary shares declared and paid during the year	55,000	-
No further dividends have been proposed.		

8 Tax on profit on ordinary activities

(a) Analysis of (charge) / credit for the period

	2016 £'000	2015 £'000
Current tax	(146)	1,088
Adjustments in respect of prior periods	(38)	102
Total tax (charge) / credit	(184)	1,190

(b) Factors affecting tax (charge) / credit for the period

The tax assessed for the period is less than (2015: less than) the standard rate of corporation tax in the UK of 20% (2015:20.54%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	708	(5,530)
UK corporation tax at 20% (2015: 20.54%)	(142)	1,136
Expenses not deductible	(4)	(48)
Adjustments to tax charge in respect of previous years	(38)	102
Total tax (charge) / credit	(184)	1,190

(c) Factors that may affect future tax charges

The UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015, with a further reduction to 19% from 1 April 2017 and 17% from 1 April 2020. The legislation to effect these rate changes had been enacted before the balance sheet date.

Notes to the financial statements *(continued)*

9 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Total £'000
<i>Cost</i>			
At beginning of period	3,315	3	3,318
At 17 September 2016	3,315	3	3,318
<i>Depreciation</i>			
At beginning of period	379	-	379
Charge for period	24	-	24
At 17 September 2016	403	-	403
<i>Net book value</i>			
At 17 September 2016	2,912	3	2,915

Land and buildings at net book value comprise:

	2016 £'000	2015 £'000
Long leasehold	3	3

Freehold land of £0.9m (2015: £0.9m) is not depreciated.

Notes to the financial statements *(continued)*

10 Debtors: amounts due within one year

	2016 £'000	2015 £'000
Trade debtors	3,194	300
Amounts owed by parent undertaking	35,026	91,455
Amounts owed by fellow undertakings	5,744	6,398
Corporation tax receivable	-	1,123
	<u>43,964</u>	<u>99,276</u>

11 Creditors: amounts due within one year

	2016 £'000	2015 £'000
Corporation tax payable	146	-
Sundry creditors	64	9
Accruals and deferred income	302	95
	<u>512</u>	<u>104</u>

12 Provisions

	2016 £'000	2015 £'000
At beginning of year	5,587	-
Created	-	5,587
Utilised	-	-
Released	(1,268)	-
	<u>4,319</u>	<u>5,587</u>

Provisions comprise the anticipated net costs of onerous leases held by the company, primarily rent payable and associated property costs.

Notes to the financial statements (continued)

13 Share capital

	2016	2015
	£'000	£'000
<i>Authorised, issued and fully paid</i>		
25,000,000 Ordinary shares of £1 each	25,000	25,000

14 Operating lease commitments

The future minimum lease payments under operating leases as follows:

	2016	2015
	£'000	£'000
Land and buildings		
Within one year	663	646
Between one and five years	2,651	2,584
After five years	3,735	4,269
	<u>7,049</u>	<u>7,499</u>

A provision is held against the anticipated net costs of onerous leases held by the company (see note 12).

15 Holding company

The immediate holding company is A.B.F. Holdings Limited, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

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

16 Transition to FRS 101

For all periods up to and including the period ended 12 September 2015, the company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). The financial statements for the 53 weeks ended 17 September 2016 are the first the company has prepared in accordance with FRS 101.

The company's transition date to FRS 101 is 13 September 2014, which is the date from which any changes in accounting policies, restatements or presentational changes required on adoption of FRS 101 have been made. The comparative financial information for the 52 weeks ended 12 September 2015 has been re-presented in line with FRS 101.

No material measurement or recognition adjustments were required upon adoption of FRS 101.