

A.B.F. Properties Limited

**Directors' report and financial
statements**

Registered number 00683361

12 September 2015

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Strategic report

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 relate to the company's principal activity. During the year there were no additions of properties (2014: £nil) and no properties were disposed (2014: £83,000).

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 5. The loss on ordinary activities after taxation amounted to £4.3m (2014: profit £1.0m). No dividends were declared or paid during the year (2014: £nil).

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*.

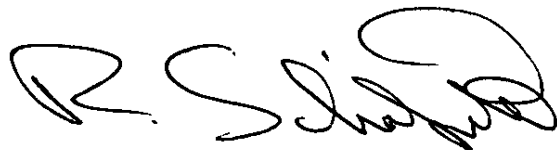
Principal risks and uncertainties

The company may be exposed to reversion of lease liability risks in the event of a default of an assignee of a previously owned lease in England and Wales, assuming the landlord has the right to make a claim against the company as the assignor of the lease.

The company is not exposed to risks if the following:

- The lease is a Scottish lease,
- It was signed after 1995 and no Authorised Guarantee Agreement/parent company guarantee was provided by the company or another ABF group company at the time of the assignment,
- If the lease was surrendered as this would be conditional on the surrender being in full and final settlement of all obligations.

By order of the board



RS Schofield
Secretary

9 December 2015

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 12 September 2015

Directors

The directors who held office during the period were

ND Mills

PA Russell

JG Bason

RS Schofield

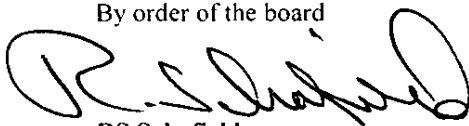
Disclosure of information to auditor

The directors who held office at the date of approval of this 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. For these purposes, relevant audit information means information needed by the company's auditor in connection with the preparation of their report on page 4

Auditor

KPMG LLP will resign as auditor of the company with effect from 10 December 2015 and a notice of resignation will be deposited with the Registrar of Companies with effect from that date. In accordance with section 485 of the Companies Act 2006 Ernst & Young LLP will be appointed as auditor of the company with effect from 10 December 2015

By order of the board



RS Schofield
Secretary

Weston Centre
10 Grosvenor Street
London
W1K 4QY

9 December 2015

Registered number 00683361

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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 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 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 LLP
15 Canada Square
Canary Wharf
London E14 5HL

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 52 week period ended 12 September 2015 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on financial statements

As explained in notes 2 and 6 to the financial statements, investment properties with a net book value of £2,939,000 (2014: £3,102,000) rented to non-group companies or held for appreciation in value are not included in the balance sheet at their open market value as required by 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 period being £163,000 (2014: £215,000). As no valuations have been carried out, it is not practicable for us to quantify the effect of this departure.

We qualified our audit opinion on the financial statements for the period ended 13 September 2014 with regard to this same disagreement.

Qualified opinion on financial statements

In our opinion except for the possible effect of the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 12 September 2015 and of its loss for the 52 week period then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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

As a result of our disagreement on the accounting treatment in respect of investment properties mentioned above we were unable to determine whether adequate accounting records have been kept.

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:

- 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.


Zulfiqar Walji (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

Date: 9 December 2015

Profit and loss account

for the period ended 12 September 2015

	Note	2015 £'000	2014 £'000
Operating loss - continuing operations	3	(6,400)	(788)
Profit on disposal of properties		-	1 063
Interest and similar income	4	870	776
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(5,530)	1 051
Tax credit / (charge) on loss / profit on ordinary activities	5	1,190	(45)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities after taxation		(4,340)	1 006
		<hr/>	<hr/>

There are no recognised gains and losses in the period. Accordingly, no statement of total recognised gains and losses has been presented.

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 7 to 13 form part of the financial statements.

Balance sheet

at 12 September 2015

	<i>Note</i>	2015 £'000	2014 £ 000
Fixed assets			
Intangible assets	6	2,939	3 102
Current assets			
Debtors			
– amounts falling due within one year	7	99,276	98 392
Creditors			
– amounts falling due within one year	8	(104)	(621)
bank overdraft		-	(9)
Net current assets		<u>99,172</u>	<u>97 762</u>
Total assets less current liabilities		<u>102,111</u>	<u>100 864</u>
Provisions	9	(5,587)	-
Net assets		<u><u>96,524</u></u>	<u><u>100 864</u></u>
Capital and reserves			
Share capital	10	25,000	25 000
Profit and loss account		71,524	75 864
Equity shareholder's funds	11	<u><u>96,524</u></u>	<u><u>100 864</u></u>

These financial statements were approved by the board of directors on 9 December 2015 and were signed on its behalf by



PA Russell
Director

The notes on pages 7 to 13 form part of the financial statements

Registered number 00683361

Notes to 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 12 September 2015.

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.

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.

The company is exempt by virtue of section 400 of the Companies Act 2006 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 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary. A group cash flow statement is included in the financial statements of Associated British Foods 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 included within consolidated financial statements 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

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.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the financial statements

3 Operating loss – continuing operations

	2015 £'000	2014 £'000
Rents receivable	370	355
Less: Rents payable	(646)	(637)
Depreciation and other costs less other property income	(163)	(207)
	<u> </u>	<u> </u>
Net rental income	(439)	(489)
Administrative expenses	(374)	(299)
Onerous lease provision	(5,587)	-
	<u> </u>	<u> </u>
Operating loss	(6,400)	(788)
	<u> </u>	<u> </u>

Loss / profit before taxation is stated after charging

Depreciation and other amounts written off tangible fixed assets		
Owned	163	215
	<u> </u>	<u> </u>

The directors received no emoluments in respect of their services as directors of the company in the current or the previous period

The auditor's remuneration was borne by the holding company in both the current and previous periods

4 Interest receivable and similar income

Interest of £869,899 (2014: £776,151) was earned on amounts loaned to a parent company

Notes to the financial statements

5 Tax credit / (charge) on loss / profit from ordinary activities

(a) Analysis of charge in period

	2015 £'000	2014 £ 000
UK corporation tax at 20.54% (2014: 22.08%)	1,190	(45)
Total current tax credit / (charge)	1,190	(45)

(b) Factors affecting the current tax charge

The current tax credit (2014: charge) is more than (2014: less than) the standard rate of corporation tax in the UK of 20.54% (2014: 22.08%). The differences are explained below:

	2015 £'000	2014 £ 000
(Loss) / profit on ordinary activities before tax	(5,530)	1,051
(Loss) / profit on ordinary activities before tax at the standard rate of corporation tax	(1,136)	232
Expenses not deductible for tax purposes	47	(187)
Adjustments to tax charge in respect of previous years	(101)	-
Total current tax (credit) / charge	(1,190)	45

(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. The legislation to effect these rate changes had been enacted before the prior year balance sheet date. Since the balance sheet date legislation has been substantively enacted to reduce the rate further to 19% from 1 April 2017 and 18% from 1 April 2020.

Notes to the financial statements

6 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 12 September 2015	3 315	3	3 318
<i>Depreciation</i>			
At beginning of period	216	-	216
Charge for period	163	-	163
At 12 September 2015	379	-	379
<i>Net book value</i>			
At 12 September 2015	2,936	3	2,939
At 13 September 2014	3 099	3	3 102

Included in the above are certain investment properties which are rented to non-group companies or held for appreciation in value. These properties have been included at their cost of £3 318,000 (2014 £3 318 000) with accumulated depreciation of £379 000, (2014 £216 000). There were no additions (2014 £nil) and no disposals (2014 £210 000) of investment properties during the year. The open market value of these properties and land has not been determined.

Analysis of leasehold land and buildings at net book value

	2015 £'000	2014 £'000
Long leasehold	3	3

Freehold land of £863 000 (2014 £863,000) is not depreciated.

Notes to the financial statements

7 Debtors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade debtors	300	122
Amounts owed by parent undertaking	91,455	91,872
Amounts owed by fellow undertakings	6,398	6,398
Corporation tax receivable	1,123	-
	<u>99,276</u>	<u>98,392</u>

8 Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Corporation tax payable	-	490
Sundry creditors	9	131
Accruals and deferred income	95	-
	<u>104</u>	<u>621</u>

9 Provisions

	£'000
At 13 September 2014	-
Added	5,587
At 12 September 2015	<u>5,587</u>

Provisions comprise the anticipated costs of onerous leases held by the company, primarily rent payable and associated property costs. Whilst good progress has been made to date on the mitigation of the liabilities, the average life of the remaining leases has lengthened and the provision has increased accordingly.

Notes to the financial statements *(continued)*

10 Share capital

	2015 £'000	2014 £'000
<i>Issued and fully paid</i>		
25 000 000 Ordinary shares of £1 each	25,000	25 000

11 Reconciliation of movements in equity shareholder's funds

	Called up share capital £'000	Profit and loss reserve £'000	Total £'000
At 13 September 2014	25 000	75 864	100 864
Loss on ordinary activities after taxation	-	(4 340)	(4 340)
 At 12 September 2015	 25,000	 71,524	 96,524

12 Operating lease commitments

Sublease receipts of £0.3m were recognised in the income statement in the period, the majority relating to operating leases. The total future minimum sublease receipts expected to be received is £2.3m.

At the year end the company had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Land and buildings		
Expiring after five years	646	344
	646	344

Notes to the financial statements *(continued)*

13 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 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.