

**AB World Foods Limited**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
for the 52 week period ended  
17 September 2011



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# AB World Foods Limited

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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# AB World Foods Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

A Mayhew  
S White

### SECRETARY

R S Schofield

### REGISTERED OFFICE

Weston Centre  
10 Grosvenor Street  
London  
W1K 4QY

### AUDITORS

KPMG Audit Plc  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

# AB World Foods Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of AB World Foods Limited for the 52 week period to 17 September 2011. Comparative figures are given for the 53 week accounting period ended 18 September 2010.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the manufacture and distribution of sauces, pickles, pastes, chutneys and allied products.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

#### Trading Review

Turnover increased by £8.5m to £145m. The increase was primarily the result of strong growth in the Patak's brand from successful advertising and marketing strategies as well as rebranding and re-launching the Blue Dragon range. Operating profit increased from £13.3m to £14.7m for the year as a result of higher sales and improving margins.

The net assets increased by £10.7m to £25.8m with a significant reduction in intercompany creditors.

#### Financial Risk Management:

- **Margin Risk**

Competitive pressure in the UK and international markets is a continuing risk for the company. The company manages this risk by providing value added products and services to its customers at competitive prices and by providing a high level of service and quality.

- **Credit Risk**

The company is exposed to credit risk on its sales. However, internal control systems are in place to minimise this risk by ensuring that sales of products are made to customers with an appropriate credit history and by monitoring adherence to credit terms.

- **Currency Exchange Rate Risk**

The company transacts in a variety of foreign currencies, which are subject to volatility. This risk is managed by the use of hedging instruments for major currencies for up to eighteen months in advance.

### RESEARCH AND DEVELOPMENT

The company continues to undertake research and development in the pursuit of new and improved products. All research and development costs are expensed as incurred.

### RESULTS AND DIVIDENDS

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements. The directors do not recommend payment of a final dividend (2010 – £nil).

### DIRECTORS

The directors who served the company during the period were as follows:

A Mayhew  
S White

At 17 September 2011 the Directors had no beneficial interests in the share capital of the company (2010 – £nil).

### EMPLOYEES

The company is committed to offering equal opportunities to all people in their recruitment, training, continuing employment and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the group an opportunity for retraining. It is group policy that the training, career development and promotion of disabled persons should as far as possible be the same as that of other employees.

The company recognises the value of good employee relations and communications. To promote employee interest in the performance of the company, there is an incentive scheme for all employees. It is the company's established practice that all employees have access to their immediate superiors and ultimately the directors, to

# AB World Foods Limited

## DIRECTORS' REPORT

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discuss matters of concern to them as employees, and that the views of employees are sought and taken into account in making decisions likely to affect their interests

### SUPPLIER PAYMENT POLICY

The company's policy is to agree payment terms with suppliers when negotiating the terms of each transaction, to ensure that suppliers are fully aware of these payment terms and to abide by them. Trade creditors of the company at 17 September 2011 were equivalent to 33 (2010: 31) days' purchases, based on the average daily amount invoiced by suppliers during the year.

### POLITICAL AND CHARITABLE DONATIONS

During the year the company made charitable donations of £3,565 (2010: £255). No political donations were made during the period (2010: nil).

### AUDITORS

The company has passed an elective resolution to dispense with the need for Annual General Meetings. In the absence of a notice proposing that their appointment be terminated, KPMG Audit Plc will be deemed to be re-appointed as auditors for the next financial year.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of these financial statements have confirmed 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 as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. For these purposes, relevant audit information means information needed by the company's auditors in connection with the preparation of their report on page 5.

By order of the board



S White  
Director

6 February 2012

Weston Centre  
10 Grosvenor Street  
London  
W1K 4QY

# AB World Foods Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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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
- 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.

# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AB WORLD FOODS LIMITED

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We have audited the financial statements of AB World Foods Ltd for the 52 weeks ended 17 September 2011 set out on pages 6 to 17. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## **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 2011 and of its profit for the 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.

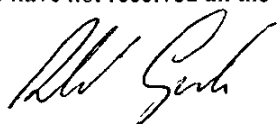
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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.



6/2/2012

Richard Gorsuch (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square  
London  
E14 5GL

**AB World Foods Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the period ended 17 September 2011

		52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
	<i>Notes</i>		
TURNOVER	2	144,552,426	136,047,051
Cost of sales		(103,181,382)	(98,470,499)
Gross profit		41,371,044	37,576,552
Administrative expenses		(27,138,151)	(24,532,860)
Other operating income		570,908	291,530
Other operating expenses		(110,549)	-
OPERATING PROFIT	3	14,693,252	13,335,222
Interest receivable and similar income	6	-	19,983
Interest payable and similar charges	7	(58,920)	(160,077)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,634,332	13,195,128
Taxation	8	(3,915,482)	(3,662,466)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,718,850	9,532,662

The operating profit for the period arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

The notes to the financial statements are set out on pages 8-17



# AB World Foods Limited

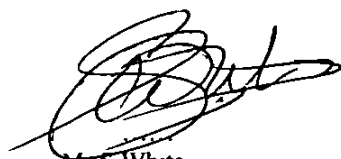
## BALANCE SHEET

17 September 2011

	Notes	As at 17 September 2011 £	As at 18 September 2010 £
<b>FIXED ASSETS</b>			
Intangible assets	9	2	2
Tangible assets	10	13,787,173	12,290,014
Investments	11	326,800	326,800
		<u>14,113,975</u>	<u>12,616,816</u>
<b>CURRENT ASSETS</b>			
Stocks	12	14,003,723	13,588,333
Debtors	13	30,015,573	20,022,037
Cash at bank		117,649	1,672,945
		<u>44,136,945</u>	<u>35,283,315</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(30,935,853)	(31,370,513)
<b>NET CURRENT ASSETS</b>		<u>13,201,092</u>	<u>3,912,802</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>27,315,067</u>	<u>16,579,818</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(29,864)	(87,365)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred Taxation	15	(1,437,664)	(1,313,564)
<b>NET ASSETS</b>		<u>25,847,539</u>	<u>15,128,689</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	18	15,000	15,000
Profit and loss account	19	25,832,539	15,113,689
<b>SHAREHOLDERS' FUNDS</b>		<u>25,847,539</u>	<u>15,128,689</u>

The notes to the financial statements are set out on pages 8-17

These financial statements were approved by the board of directors and authorised for issue on 6 February 2012 and are signed on their behalf by



Mr S White  
Director

Company Registration No 1400901

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

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### 1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly these accounts have been prepared for the 52 week period ended 17 September 2011. Comparatives are for the 53 week period ended 18 September 2010.

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company is exempt by virtue of s400 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 FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements. 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.

#### GOING CONCERN

The Company's business activities together with its financial performance and position are set out in the Directors' Report. The Directors' Report also describes the Company's financial risk management, details of its hedging activities and its exposure to credit and liquidity risk.

The Company meets its day to day working capital requirements as a result of being consistently cash generative. In addition to this the Company has an overdraft facility available, renewable annually. The Company's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility for the foreseeable future.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties to contradict this expectation. Thus they have continued to adopt the going concern basis of accounting in preparing the financial statements.

#### TURNOVER

The turnover shown in the profit and loss account represents the invoiced value of sales made to customers after the deduction of discounts and excluding value added tax. Discounts include sales rebates, price discounts, customer incentives, certain promotional activities and similar activities. Turnover is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer and when it can be reliably measured.

#### GOODWILL

Goodwill is not amortised as the amount is not material.

#### FIXED ASSETS AND DEPRECIATION

Depreciation is calculated so as to write off the original cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	- 2% per annum straight-line
Short Leasehold Property	- Over the period of the lease
Plant & Machinery	- 8% per annum straight-line
Fixtures & Fittings	- 8% per annum straight-line
Motor Vehicles	- 20% straight-line

The directors review the carrying value of tangible fixed assets for impairment if events or changes in circumstance indicate the carrying value may not be recoverable.

#### INVESTMENTS

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

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 17 September 2011

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#### 1 ACCOUNTING POLICIES (*continued*)

##### STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal. Cost represents materials, direct labour and appropriate production overheads.

##### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### TAXATION

Corporation tax payable is provided on taxable profits at the prevailing rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

##### DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts are used to hedge forecast transactional cash flows and accordingly, any gains or losses on these contracts are recognised in the profit and loss account when the underlying transaction is settled. Gains or losses arising on hedging instruments that are cancelled due to the termination of the underlying exposure are taken to the profit and loss accounts immediately.

##### PENSIONS

The company is a member of the Associated British Foods Pension Scheme which operates both a defined contribution and a defined benefit pension scheme. The company participates in the defined contribution scheme and contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### DEFERRED GOVERNMENT GRANTS

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

##### RESEARCH AND DEVELOPMENT

Research and development expenditure is written off in the year in which it is incurred.

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

### 2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company  
A geographical analysis of turnover by destination is given below

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
United Kingdom	113,213,884	105,809,533
Other EU countries	12,800,068	11,719,398
USA and Canada	5,635,799	5,464,431
Australasia	7,826,156	8,068,146
Rest of the world	5,076,519	4,985,543
	<u>144,552,426</u>	<u>136,047,051</u>

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Amortisation of government grants	(57,501)	(58,603)
Depreciation of owned fixed assets	1,274,531	1,147,320
Auditors' remuneration paid to KPMG Audit Plc		
- as auditors	84,998	93,999
- for other services	2,200	5,670
Operating lease costs		
Land and buildings	287,840	265,699
Other assets	593,084	492,148
Loss on disposal of tangible fixed asset	8,693	6,952
Net gain on foreign currency translation	<u>(132,133)</u>	<u>(1,173,316)</u>

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 17 September 2011

#### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	52 weeks ended 17 September 2011 No	53 weeks ended 18 September 2010 No
Production staff	216	230
Office and management staff	176	161
Research and development staff	1	5
	<u>393</u>	<u>396</u>

The aggregate payroll costs of the above were

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Wages and salaries	15,180,008	13,173,621
Social security costs	1,691,216	1,428,854
Other pension costs	1,077,452	970,614
	<u>17,948,676</u>	<u>15,573,089</u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

#### 5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Emoluments receivable	511,486	492,453
Value of company pension contributions to money purchase schemes	56,218	59,124
	<u>567,704</u>	<u>551,577</u>

Emoluments of highest paid director

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Total emoluments (excluding pension contributions)	317,960	304,937
Value of company pension contributions to money purchase schemes	43,732	47,109
	<u>361,692</u>	<u>352,046</u>

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

### 5 DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	52 weeks ended 17 September 2011	53 weeks ended 18 September 2010
Money purchase schemes	<u>2</u>	<u>2</u>

### 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Bank interest receivable	-	19,983
	<u>-</u>	<u>19,983</u>

### 7 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Interest payable on intercompany loans	<u>58,920</u>	<u>160,077</u>

### 8 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
<b>Current tax:</b>		
In respect of the period		
UK Corporation tax based on the results for the period	3,791,381	3,551,204
Total current tax	<u>3,791,381</u>	<u>3,551,204</u>
<b>Deferred tax:</b>		
Change in applicable tax rate	(55,295)	(48,650)
Capital allowances	179,395	159,912
Under provision in prior periods	-	-
Total deferred tax (note 15)	<u>124,101</u>	<u>111,262</u>
<b>Tax on profit on ordinary activities</b>	<u><u>3,915,482</u></u>	<u><u>3,662,466</u></u>

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

### 8 TAXATION ON ORDINARY ACTIVITIES (*continued*)

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 27 1% (2010 – 28%) The differences are explained below

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Profit on ordinary activities before taxation	<u>14,634,332</u>	<u>13,195,128</u>
Current tax on profit on ordinary activities at 27 1% (2010 28%)	3,962,831	3,694,636
Expenses not deductible for tax purposes	17,259	29,715
Capital allowances for period in excess of depreciation	<u>(188,709)</u>	<u>(173,147)</u>
Total current tax (note 9(a))	<u>3,791,381</u>	<u>3,551,204</u>

#### (c) Factors affecting future tax charge

Effective 1 April 2011 the corporation tax rate was reduced from 28% to 26% A further decrease to 25% is due to take effect on 1 April 2012 and the impact on deferred tax has been included within these accounts It has also been announced that the UK tax rate will drop a further 1% per annum over the following years reaching 23% effective from 1 April 2014 However, the impact of these subsequent corporation tax rate reductions will only be reflected as the relevant legislation is substantively enacted

### 9 INTANGIBLE FIXED ASSETS

	Goodwill £	Know-how £	Total £
Cost			
At 18 September 2010 and 17 September 2011	<u>1</u>	<u>1</u>	<u>2</u>

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

### 10 TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>						
At 18 September 2010	5,356,663	888,353	19,198,109	1,279,322	221,178	26,943,625
Additions	-	-	2,726,141	84,064	-	2,810,205
Intercompany transfer	-	-	(51,772)	-	-	(51,772)
Disposals	-	(176)	(59,745)	-	(124,395)	(184,316)
At 17 September 2011	<u>5,356,663</u>	<u>888,177</u>	<u>21,812,733</u>	<u>1,363,386</u>	<u>96,783</u>	<u>29,517,742</u>
<b>Depreciation</b>						
At 18 September 2010	1,423,825	169,140	11,990,069	890,350	180,227	14,653,611
Charge for the period	80,379	52,920	1,088,700	44,707	7,825	1,274,531
Intercompany transfer	-	-	(51,002)	-	-	(51,002)
Disposals	-	-	(51,629)	-	(94,942)	(146,571)
At 17 September 2011	<u>1,504,204</u>	<u>222,060</u>	<u>12,976,138</u>	<u>935,057</u>	<u>93,110</u>	<u>15,730,569</u>
<b>Net Book Value</b>						
At 17 September 2011	<u>3,852,459</u>	<u>666,117</u>	<u>8,836,595</u>	<u>428,329</u>	<u>3,673</u>	<u>13,787,173</u>
At 18 September 2010	<u>3,932,838</u>	<u>719,213</u>	<u>7,208,040</u>	<u>388,972</u>	<u>40,951</u>	<u>12,290,014</u>

### 11 INVESTMENTS

	£
<b>Ordinary shares</b>	
At 18 September 2010 and 17 September 2011	<u>3,098,764</u>
Provision for impairment	
At 18 September 2010 and 17 September 2011	<u>2,771,964</u>
Carrying value at 18 September 2010 and 17 September 2011	<u>326,800</u>

The company holds 100% of the ordinary share capital of the following companies

Company Name	Country of incorporation	Principal activity	Class of shares	Shares held %
Korway Foods Limited	Scotland	Manufacture of snack foods (Dormant)	Ordinary	100
Patak's Breads Limited	England & Wales	Manufacture of speciality breads	Ordinary	100
Patak's Frozen Foods Limited	Scotland	Production of frozen meals	Ordinary	100
Freezer Chef Limited*	Scotland	Production of frozen meals (Dormant)	Ordinary	100
Korway Holdings Limited	Scotland	Dormant intermediate holding company	Ordinary	100
Patak's Chilled Foods Limited*	Scotland	Manufacture of snack foods	Ordinary	100

\* Indirect holding

All subsidiary companies whether held directly or indirectly, have the same year end as AB World Foods Limited



**AB World Foods Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 17 September 2011

**12 STOCKS**

	As at 17 September 2011 £	As at 18 September 2010 £
Packaging materials	396,435	363,178
Raw materials	3,299,027	3,357,551
Work in progress	82,378	59,677
Finished goods	10,225,883	9,807,927
	<u>14,003,723</u>	<u>13,588,333</u>

**13 DEBTORS**

	As at 17 September 2011 £	As at 18 September 2010 £
Trade debtors	20,708,175	16,533,827
Amounts owed by group undertakings	6,079,338	710,630
Other debtors	1,106,665	1,322,155
Prepayments	2,121,395	1,455,425
	<u>30,015,573</u>	<u>20,022,037</u>

**14 CREDITORS** Amounts falling due within one year

	As at 17 September 2011 £	As at 18 September 2010 £
Trade creditors	9,214,192	8,315,847
Amounts owed to group undertakings	24,217	4,100,852
Losses group relieved for tax purposes	4,044,745	4,012,364
Other taxes and social security	520,045	465,451
Other creditors	129,694	4,612
Accruals and deferred income	17,002,960	14,471,387
	<u>30,935,853</u>	<u>31,370,513</u>

**15 DEFERRED TAXATION**

The movement in the deferred taxation account during the period was

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Balance brought forward	(1,313,564)	(1,202,302)
Accelerated capital allowances	(179,395)	(159,912)
Change in applicable tax rate	55,295	48,650
Balance carried forward	<u>(1,437,664)</u>	<u>(1,313,564)</u>

**AB World Foods Limited**  
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**15 DEFERRED TAXATION** (*continued*)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	52 weeks ended 17 September 2011 £	53 weeks ended 18 September 2010 £
Excess of taxation allowances over depreciation on fixed assets	(1,437,664)	(1,313,564)
	<u>(1,437,664)</u>	<u>(1,313,564)</u>

**16 CREDITORS** Amounts falling due after more than one year

	As at 17 September 2011 £	As at 18 September 2010 £
Government grants		
Opening balance	87,365	145,968
Released in the period	(57,501)	(58,603)
Closing Balance	<u>29,864</u>	<u>87,365</u>

**17 FINANCIAL COMMITMENTS**

Capital commitments are as follows

	As at 17 September 2011 £	As at 18 September 2010 £
Contracted for but not provided for		
- Future capital purchases	-	262,000
	<u>-</u>	<u>262,000</u>

Annual commitments under non-cancellable operating leases are as follows

	17 September 2011		18 September 2010	
Expiry Date	Land and Buildings £	Other £	Land and Buildings £	Other £
- within one year	-	175,099	-	41,306
- between two and five years	287,840	384,485	265,699	369,491
	<u>287,840</u>	<u>559,584</u>	<u>265,699</u>	<u>410,797</u>

We enter into foreign exchange forward contracts to hedge receipts and payments in currencies other than sterling. At year end the total fair value of our foreign exchange forwards was a liability of £688,808 (2010 liability of £384,377)

# AB World Foods Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 17 September 2011

### 18 SHARE CAPITAL

	As at 17 September 2011 £	As at 18 September 2010 £
<b>Allotted, called up and fully paid:</b>		
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

### 19 STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £	Total £
At 18 September 2010	15,113,689	15,113,689
Profit for the financial period	<u>10,718,850</u>	<u>10,718,850</u>
At 17 September 2011	<u>25,832,539</u>	<u>25,832,539</u>

No amounts have been accumulated in reserves for share based payments in the prior or current periods

### 20 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

### 21 ULTIMATE PARENT 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 immediate parent undertaking is AB World Food (Holdings) 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 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 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](http://www.abf.co.uk)