

# **FBG Holdings (UK) Limited**

**Annual report and financial statements  
for the period ended 31 December 2016**



**Incorporated in England and Wales under the Companies Act, 1985**

**Registration number: 02037446**

**Annual report and financial statements for the period ended 31 December 2016**

**Table of contents**

	<b>Page Numbers</b>
Strategic report	1
Directors' report	2 - 4
Independent auditors' report	5 - 6
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 21

**FBG Holdings (UK) Limited**

**Strategic report for the period ended 31 December 2016**

The directors present their Strategic report for FBG Holdings (UK) Limited (the "Company") for the period ended 31 December 2016.

**Review of activities and future developments**

During the period ended 31 December 2016, the principal activity of the Company was to act as a holding and financing company for various subsidiary undertakings within the AB InBev Group (the "Group").

On 28 September 2016, the shareholders of SABMiller plc, the then ultimate parent undertaking, approved an offer by Anheuser-Busch InBev SA/NV to acquire SABMiller plc (the "Transaction"). Prior to the completion of the Transaction, on 6 October 2016, SABMiller plc delisted from the London Stock Exchange and re-registered as a private limited company under the name SABMiller Limited. On 8 October 2016, Anheuser-Busch InBev SA/NV acquired SABMiller Limited and on 10 October 2016, control of the SABMiller Group transferred to Anheuser-Busch InBev SA/NV and the SABMiller Group became part of the AB InBev Group. As a result of the business combination, there may be an impact on the activities of the Company in the future.

To align with Anheuser-Busch InBev SA/NV, during the period the Company's financial year end was amended from 31 March to 31 December. Consequently, these financial statements have been prepared for a nine month period.

**Results**

The Company recorded a profit for the financial period ended 31 December 2016 of £11,872,000 (year ended 31 March 2016: £17,439,000).

During the period, amortisation charges of £263,000 (year ended 31 March 2016: £350,000) were recognised in relation to intellectual property rights on trademarks and trade names owned by the Company. In addition, the Company received a £10,425,000 dividend from International Trade and Supply Limited (year ended 31 March 2016: £16,109,000). The detailed results are set out in the profit and loss account on page 7.

Details of movements during the period in intangibles, investments and debtors, including provisions, can be found in notes 9 to 11 to the financial statements.


**Principal risks and uncertainties**

From the perspective of the Company, during the period under review the principal risks and uncertainties were integrated with the principal risks of the AB InBev Group and were not managed separately. Accordingly, the principal risks and uncertainties of Anheuser-Busch InBev SA/NV include those of the Company and are described in the risks and uncertainties section of the Group's 31 December 2016 annual report, which does not form part of this report. The consolidated financial statements for Anheuser-Busch InBev SA/NV for the year ended 31 December 2016 are available at the address detailed in note 2 to these financial statements.

**Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**By order of the Board**

  
.....  
W. Warner  
Company Secretary

Date: 2 August 2017

**FBG Holdings (UK) Limited**

**Directors' report for the period ended 31 December 2016**

The directors present their report and audited financial statements of the Company for the period ended 31 December 2016.

**Dividends**

No interim dividends were declared in the period (year ended 31 March 2016: £ nil). No final dividend is proposed (year ended 31 March 2016: £ nil).

**Financial risk management**

The Company is a subsidiary undertaking within the Group. Cash funds of the Group are managed at a group level. Interest is received and paid by the Company on certain loans with other group companies.

**Liquidity and interest rate risk**

The Company's arrangements with the Group, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through group funding. Interest receivable and payable on loans with other group companies are calculated at either fixed or at floating rates of interest. The Group's liquidity requirements and interest rate risks are managed at a group level.

**Currency risk**

The Company's functional currency is the Pound Sterling and it also presents its financial statements in Pound Sterling. Some transactions undertaken by the Company are denominated in currencies other than the Pound Sterling.

**Directors**

The following directors held office during the period and up to the date of signing the financial statements:

V. J. Balchin	Resigned:	7 July 2017
T. M. Boucher		
J. K. Gay	Resigned:	20 October 2016
P. H. B. Learoyd	Resigned:	2 November 2016
D. P. Mallac	Resigned:	13 October 2016
S. V. Shapiro	Resigned:	8 October 2016
S. J. Turner	Appointed:	7 July 2017

**Directors' insurance and indemnity**

Anheuser-Busch InBev SA/NV maintains directors' and officers' liability insurance in respect of its directors and those directors of its subsidiary companies. During the period under review one director had the benefit of an indemnity granted by SABMiller Limited (formerly SABMiller plc) to its directors and officers in relation to certain losses and liabilities which they may incur in the course of acting as directors or officers of one or more of the Group subsidiaries.

**FBG Holdings (UK) Limited**

**Directors' report for the period ended 31 December 2016 (continued)**

**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 period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

**Statement of disclosure of information to auditors**

In addition, the Companies Act 2006 requires directors to provide the Company's auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report. Each of the directors, having made appropriate enquiries, confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors' approval of the financial statements appears on page 8.

**FBG Holdings (UK) Limited**

**Directors' report for the period ended 31 December 2016 (continued)**

**Independent auditors**

The Company's external auditors, PricewaterhouseCoopers LLP, have audited the financial statements and their unqualified report appears on pages 5 to 6.

As a consequence of the Transaction, the appointment of auditors for the next accounting period is yet to be determined.

**By order of the Board**



.....  
**W. Warner**  
**Company Secretary**

**Date: 2 August 2017**

**FBG Holdings (UK) Limited**

**Independent auditors' report to the members of FBG Holdings (UK) Limited**

**Report on the financial statements**

**Our opinion**

In our opinion, FBG Holdings (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the 9 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**What we have audited**

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- Profit and loss account and other comprehensive income for the period then ended;
- Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

**FBG Holdings (UK) Limited**

**Independent auditors' report to the members of FBG Holdings (UK) Limited (continued)**

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

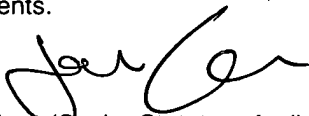
**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

2 August 2017



Profit and loss account and other comprehensive income for the period ended 31 December 2016

	Note	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
Turnover	4	1,649	2,126
Income from shares in associate undertakings		10,425	16,109
Amortisation of intangible assets	9	(263)	(350)
Impairment provision on subsidiary investments	10	-	(5)
Other operating expenses	5	(25)	(21)
<b>Profit on ordinary activities before interest and taxation</b>		<b>11,786</b>	<b>17,859</b>
Finance income	7	583	246
<b>Profit on ordinary activities before taxation</b>		<b>12,369</b>	<b>18,105</b>
Tax on profit on ordinary activities	8	(497)	(666)
<b>Profit for the financial period / year</b>		<b>11,872</b>	<b>17,439</b>
<b>Total comprehensive income for the financial period / year</b>		<b>11,872</b>	<b>17,439</b>

All activities during the period / year are in respect of continuing activities.


The notes on pages 10 to 21 form part of these financial statements.

Balance sheet as at 31 December 2016

		31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
	Note		
<b>Fixed assets</b>			
Intangible assets	9	2,187	2,450
Investments in subsidiary undertakings	10	1,305	1,305
Investments in associate undertakings	10	11,032	11,032
		<b>14,524</b>	<b>14,787</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	39,979	27,961
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(413)	(530)
<b>Net current assets</b>		<b>39,566</b>	<b>27,431</b>
<b>Total assets less current liabilities</b>		<b>54,090</b>	<b>42,218</b>
<b>Net assets</b>		<b>54,090</b>	<b>42,218</b>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		54,090	42,218
<b>Total shareholders' funds</b>		<b>54,090</b>	<b>42,218</b>

The notes on pages 10 to 21 form part of these financial statements.

The financial statements on pages 7 to 9 were authorised for issue by the board of directors and were signed on its behalf by:

  
 .....  
 T. M. Boucher  
 Director

Date: 2 August 2017

## FBG Holdings (UK) Limited

## Statement of changes in equity for the period ended 31 December 2016

	Called up share capital £ ('000s)	Profit and loss account £ ('000s)	Total shareholders' funds £ ('000s)
<b>At 1 April 2015</b>	-	24,779	24,779
Profit for the financial year	-	17,439	17,439
Total comprehensive income	-	17,439	17,439
<b>At 31 March 2016</b>	-	42,218	42,218
Profit for the financial period	-	11,872	11,872
Total comprehensive income	-	11,872	11,872
<b>At 31 December 2016</b>	-	<b>54,090</b>	<b>54,090</b>

**FBG Holdings (UK) Limited****Notes to the financial statements for the period ended 31 December 2016****1. Presentation of financial statements**

The Company's financial statements are prepared using the Pound Sterling as the functional currency as this represents the primary economic environment in which the Company operates.

The Company is a private company and is incorporated and domiciled in the UK. The address of its registered office is; AB InBev House, Church Street West, Woking, Surrey, GU21 6HT.

**2. Accounting policies****Basis of preparation**

These financial statements have been prepared in accordance with *Financial Reporting Standard 101 Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2013/14 and 2014/15) issued in July 2014 and July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Anheuser-Busch InBev SA/NV includes the Company in its consolidated financial statements. The consolidated financial statements of Anheuser-Busch InBev SA/NV are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Corporate Secretary at Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - Paragraph 118(e) of IAS 38, 'Intangible assets'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information)
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

As the consolidated financial statements of Anheuser-Busch InBev SA/NV include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

**FBG Holdings (UK) Limited**

**Notes to the financial statements for the period ended 31 December 2016 (continued)**

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not held as part of a trading portfolio or as derivatives; and
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

The Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006, if applicable.

Judgements made by the directors, in the application of those accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the fair valuation of financial instruments. The accounting policies, which have been applied consistently throughout the period, are set out below.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**Dividends payable**

Dividend distributions to equity shareholders are recognised as a liability in the financial statements of the Company in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Dividends declared after the balance sheet date are not recognised, as there is no present obligation at the balance sheet date.

**Foreign exchange**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses are recognised within profit or loss.

**Fixed asset investments**

Investments in subsidiaries and associates are stated at cost, together with subsequent capital contributions, less provisions for impairment.

Minority investments in ordinary shares held by the Company are classified as being available-for-sale financial assets and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the profit and loss account), except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

**FBG Holdings (UK) Limited****Notes to the financial statements for the period ended 31 December 2016 (continued)****Financial instruments**

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs except in the case of those classified at fair value through profit or loss). For those financial instruments that are not subsequently held at fair value, the Company assesses whether there is any objective evidence of impairment at each balance sheet date.

Financial assets are recognised when the Company has rights or other access to economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

***Loans receivable and borrowings***

Loans receivable and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost using the effective interest method, less any impairment losses.

**Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The derivative instruments used by the Company, which are used solely for hedging purposes i.e. to offset foreign exchange and interest rate risks, comprise interest rate swaps, cross currency swaps and forward foreign exchange contracts. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the company in line with the Company's risk management policies.

The Company manages some of the Group's commodity risks by entering into commodity derivatives with external counterparties. The Company mitigates its own risk by entering into offsetting trades with the group companies which hold the exposure.

**FBG Holdings (UK) Limited****Notes to the financial statements for the period ended 31 December 2016 (continued)***Hedge Accounting*

In order to qualify for hedge accounting, the Company is required to document the relationship between the hedged item and the hedging instrument. The Company is also required to document and demonstrate that the relationship between the hedged item and the hedging instrument will be highly effective. This effectiveness test is re-performed at each period end to ensure that the hedge has remained and will continue to remain highly effective.

The Company designates certain derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge) or hedges of highly probable forecast transactions or commitments (cash flow hedge).

Where a derivative ceases to meet the criteria of being a hedging instrument or the underlying exposure which it is hedging is sold, matures or is extinguished, hedge accounting is discontinued and amounts previously recorded in equity are recycled to the profit and loss account. A similar treatment is applied where the hedge is of a future transaction and that transaction is no longer likely to occur. When the hedge is discontinued due to ineffectiveness, hedge accounting is discontinued prospectively.

Certain derivative instruments, while providing effective economic hedges under the Company's policies, are not designated as hedges. Changes in the fair value of any derivative instruments that do not qualify or have not been designated as hedges are recognised immediately in the profit and loss account. The Company does not hold or issue derivative financial instruments for speculative purposes.

**(i) Fair value hedges**

Fair value hedges comprise derivative financial instruments designated in a hedging relationship to manage the Company's interest rate risk to which the fair value of certain assets and liabilities are exposed. Changes in the fair value of the derivative offset the relevant changes in the fair value of the underlying hedged item attributable to the hedged risk in the profit and loss account in the period incurred. Gains or losses on fair value hedges that are regarded as highly effective are recorded in the profit and loss account together with the gain or loss on the hedged item attributable to the hedged risk.

**(ii) Cash flow hedges**

Cash flow hedges comprise derivative financial instruments designated in a hedging relationship to manage currency and interest rate risk to which the cash flows of certain assets and liabilities are exposed. The effective portion of changes in the fair value of the derivative that is designated and qualifies for hedge accounting is recognised as a separate component of equity. The ineffective portion is recognised immediately in the profit and loss account. Amounts accumulated in equity are recycled to the profit and loss account in the period in which the hedged item affects profit or loss. However, where a forecasted transaction results in a non-financial asset or liability, the accumulated fair value movements previously deferred in equity are included in the initial cost of the asset or liability.

**Impairment of financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**FBG Holdings (UK) Limited****Notes to the financial statements for the period ended 31 December 2016 (continued)****Impairment of investments**

The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment reviews are performed by comparing the carrying value of the non-current asset with its recoverable amount, being the higher of the fair value less costs of disposal and value in use. The fair value less costs of disposal is considered to be the amount that could be obtained on disposal of the asset. Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the asset using a post-tax discount rate, as this closely approximates applying pre-tax discount rates to pre-tax cash flows. Where a potential impairment is identified using post-tax cash flows and post-tax discount rates, the impairment review is re-performed on a pre-tax basis in order to determine the impairment loss to be recorded.

**Intangible assets**

Acquired brands are stated at cost less accumulated amortisation (if applicable) and impairment losses. The cost of acquired brand names is determined by reference to independent valuations performed on acquisition. Amortisation is included within operating expenses in the profit and loss account. Intangible assets with finite lives are amortised over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The Directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

The useful lives of brand names are assessed to be either finite or indefinite. All current brand names have been assessed as having a definite useful economic life and are subject to amortisation, which in respect of brands currently held, is 10 years on a straight line basis.

**Interest income**

Interest income is recognised on an accruals basis using the effective interest method.

When a receivable is impaired the Company reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate, and continuing to unwind the discount as interest income.

**Turnover**

Turnover represents royalty income receivable from fellow group companies for the use of licences held by the Company and is stated net of Value Added Tax. The income is recognised on an accruals basis.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The Company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values, except where the temporary difference arises from goodwill (in the



## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

case of deferred tax liabilities) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base. Deferred tax is recognised in full on temporary differences arising from investment in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. This includes taxation in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary. Deferred income tax is also recognised in respect of the *unremitted retained earnings of overseas associates and joint ventures* as the Company is not able to determine when such earnings will be remitted and when such additional tax such as withholding taxes might be payable.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is expected that sufficient existing taxable temporary differences will reverse in the future or there will be sufficient taxable profit available against which the temporary differences (including carried forward tax losses) can be utilised.

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

### 3. Key estimates and judgements

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the Group, should it later be determined that a different choice be more appropriate.

Management considers the following to be the areas of significant judgement and estimation for the Company due to greater complexity and/or particularly subject to the exercise of judgement.

#### *Impairment reviews*

Impairment reviews in respect of investments in group undertakings are performed if events indicate that this is necessary. Impairment reviews are based on future cash flows discounted using the weighted average cost of capital for the relevant country with terminal values calculated applying a long-term growth rate. The future cash flows which are based on business forecasts, the long-term growth rates and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the Group.

### 4. Turnover

	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
Royalty income	1,649	2,126

Royalty income is derived from contracts and licencing agreements to brew and distribute branded products in North America, Australia and New Zealand.

## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

## 5. Other operating expenses

	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
Administrative expenses	25	21
<b>Total other operating expenses</b>	<b>25</b>	<b>21</b>

Auditors' fees for the audit of the Company's financial statements of £2,732 (year ended 31 March 2016: £2,652) are accrued in the financial statements and included in administrative expenses above.

## 6. Key management compensation and employees

Key management personnel are considered to be the directors and the secretary of the Company. The Company had no employees in the period (year ended 31 March 2016: none). None of the key management personnel received any remuneration for their services as key management personnel of the Company (year ended 31 March 2016: none) and are not employed by the Company.

During the period, seven (year ended 31 March 2016: three) key management personnel exercised options over US 10 cent shares in SABMiller Limited. This is accounted for by the employing company within the Group. No key management personnel exercised options in Anheuser-Busch InBev SA/NV.

Pension contributions, on behalf of the key management personnel, were made by their employing companies within the Group.

## 7. Finance income

	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
<b>Finance income</b>		
Interest receivable from fellow group undertakings	82	63
Fair value gain on derivative financial instruments	-	67
Foreign exchange gain	501	116
<b>Total finance income</b>	<b>583</b>	<b>246</b>

## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

## 8. Taxation on profit on ordinary activities

## a) Analysis of charge in the period / year

	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
<b>Current taxation</b>		
UK corporation tax on profit for the period / year	393	376
Adjustments in respect of prior years	22	177
Withholding taxes and other remittance taxes	82	113
<b>Total taxation expense</b>	<b>497</b>	<b>666</b>

## b) Factors affecting the taxation charge for the period / year

The tax assessed for the period is lower (year ended 31 March 2016: lower) than the UK standard rate of corporation tax for the period ended 31 December 2016 of 20% (year ended 31 March 2016: 20%).

The differences are explained below:

	1 April to 31 December 2016 £ ('000s)	1 April 2015 to 31 March 2016 £ ('000s)
Profit on ordinary activities before taxation	12,369	18,105
Tax charge at UK standard rate of corporation tax of 20% (year ended 31 March 2016: 20%)	2,474	3,621
<b>Effects of:</b>		
Exempt dividend income	(2,085)	(3,222)
Non-deductible amortisation	52	70
Non-deductible impairment charge	-	1
Double taxation relief	(82)	(113)
Group relief for nil consideration	34	19
Adjustments in respect of prior years	22	177
Withholding tax and other remittance taxes	82	113
<b>Total taxation expense</b>	<b>497</b>	<b>666</b>

The total UK corporation tax charge for the period will be settled by payment for losses surrendered by fellow group companies in the new financial year.

## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

## 9. Intangible assets

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
<b>Cost and net book value</b>		
At 1 April and 31 December	3,500	3,500
<b>Accumulated amortisation</b>		
At 1 April	(1,050)	(700)
Charge for the period / year	(263)	(350)
At 31 December / March	(1,313)	(1,050)
<b>Net book amount</b>		
At 1 April	2,450	2,800
At 31 December / March	2,187	2,450

During the period, amortisation charges of £263,000 (year ended 31 March 2016: £350,000) were recognised in relation to intellectual property rights on trademarks and trade names owned by the Company (see note 2 on intangible assets policy).

## 10. Investments

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
<b>Investments in subsidiary undertakings</b>		
<b>Cost</b>		
At 1 April	992,892	992,892
At 31 December / March	992,892	992,892
<b>Accumulated impairment</b>		
At 1 April	(991,587)	(991,582)
Impairment provision	-	(5)
At 31 December / March	(991,587)	(991,587)
<b>Net book value</b>		
At 1 April	1,305	1,310
At 31 December / March	1,305	1,305

## Impairment provisions on subsidiary undertakings

No impairment provisions were required during the period (year ended 31 March 2016: £5,000 against FBG Treasury (UK) Limited).

The directors believe that the carrying values of the investments are supported by their recoverable amount.

## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

## 10. Investments (continued)

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
<b>Investments in associate undertakings</b>		

**Cost and net book value**

<b>At 1 April and 31 December / March</b>	<b>11,032</b>	<b>11,032</b>
-------------------------------------------	---------------	---------------

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Type of shares</b>	<b>% held</b>
<b>Subsidiary undertakings</b>				
FBG Brewery Holdings UK Limited	United Kingdom	Dormant	Ordinary	100
FBG Treasury (UK) Limited	United Kingdom	Dormant	Ordinary	100
Dreamgame Limited	United Kingdom	Dormant	Ordinary	100
			Redeemable preference shares - non voting	100

The registered address of the subsidiary undertakings is AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom.

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Type of shares</b>	<b>% held</b>
<b>Associate undertakings</b>				
International Trade and Supply Limited	British Virgin Islands	Beer distribution	Ordinary	39.95

The registered address of International Trade and Supply Limited is Citco Building, Wickhams Cay, P O Box 662, Road Town, Tortola, British Virgin Islands.

Indirect investments held by the Company, such as subsidiaries, associates and joint ventures are detailed in note 17.

## 11. Debtors: amounts falling due within one year

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
Loans owed by fellow group undertakings	38,310	26,359
Amounts owed by fellow group undertakings	1,026	1,602
Other debtors	643	-
	<b>39,979</b>	<b>27,961</b>

Loans owed by fellow group undertakings bear interest at 1-month LIBOR (or currency equivalent) less a margin of minus 0.125% (year ended 31 March 2016: minus 0.125%) and are unsecured and repayable on demand.

Amounts owed by fellow group undertakings are interest free, unsecured and repayable on demand.

## FBG Holdings (UK) Limited

## Notes to the financial statements for the period ended 31 December 2016 (continued)

## 12. Creditors: amounts falling due within one year

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
Amounts owed to fellow group undertakings	41	25
Corporation tax	358	502
Accruals and deferred income	14	3
	<b>413</b>	<b>530</b>

Amounts owed to fellow group undertakings are interest free, unsecured and repayable on demand.

## 13. Called up share capital

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
<b>Authorised</b>		
400,000,000 ordinary shares of £1 each (31 March 2016: 400,000,000)	400,000	400,000
857,996,901 W class shares of £1 each (31 March 2016: 857,996,901)	857,997	857,997
	<b>1,257,997</b>	<b>1,257,997</b>
<b>Allotted and fully paid</b>		
1 ordinary shares of £1 each (year ended 31 March 2016: 1)	-	-
Nil W class shares of £1 each (year ended 31 March 2016: nil)	-	-
	-	-

## 14. Capital commitments and contingent liabilities

There were no capital commitments or material contingent liabilities at 31 December 2016 (31 March 2016: nil).

## 15. Related party transactions

The Company has taken advantage of the exemption provided under FRS 101 (paragraph 8(k)), not to disclose transactions with subsidiaries which are wholly owned. During the period the Company had transactions with members of the Group in which the Group does not hold a 100% interest as follows:

	31 December 2016 £ ('000s)	31 March 2016 £ ('000s)
Dividend income from associate undertakings	10,425	16,109

**FBG Holdings (UK) Limited****Notes to the financial statements for the period ended 31 December 2016 (continued)****16. Ultimate parent undertaking**

The immediate parent undertaking as at 31 December 2016 was Carlton and United Breweries Holdings (UK) Limited, a company incorporated in England and Wales.

At 31 December 2016 the ultimate parent and controlling party was Anheuser-Busch InBev SA/NV, a company incorporated in Leuven, Belgium. Anheuser-Busch InBev SA/NV is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Anheuser-Busch InBev SA/NV's consolidated financial statements can be obtained from Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium.

**17. Holdings in subsidiary undertakings indirectly held by the Company**

Unless indicated all shares are 100% held by group companies and effective interests are 100%.

Indirect wholly owned subsidiaries

<b>Name of undertaking</b>	<b>Share class</b>
<b>Anglemaster Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£0.25 Ordinary
<b>Bourse du Vin Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£1.00 Ordinary
<b>Brewman Group Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£0.25 Ordinary
<b>East West Oriental Brewing Company Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£1.00 Ordinary
<b>FBG International Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£1.00 Ordinary
<b>Kangaroo Ridge Wines Europe Ltd</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£1.00 Ordinary
<b>The Wine Exchange Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£1.00 Ordinary
<b>Tibscro Limited</b> - AB InBev House, Church Street West, Woking, GU21 6HT, United Kingdom	£0.25 Ordinary
<b>Windemere Securities Limited</b> - Bristol House, The Centre, P O Box 171, Providenciales, BRITISH WEST IND, Turks and Caicos Islands	USD1.00 Ordinary USD1.00 Preference