

Registered number: 02399274

ANHEUSER-BUSCH EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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ANHEUSER-BUSCH EUROPE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Yannick Bomans (appointed 29 September 2017) Stephen Turner (appointed 28 July 2017) |
| Company secretary | Brodies Secretarial Services Limited |
| Registered number | 02399274 |
| Registered office | Porter Tun House 500 Capability Green Luton Bedfordshire LU1 3LS |

ANHEUSER-BUSCH EUROPE LIMITED

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ANHEUSER-BUSCH EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Principal activities

The principal activity of Anheuser-Busch Europe Limited (the 'Company') is that of being the holding company for AB Inbev UK Finance Company Limited.

Business review

Following a restructuring of the UK AB InBev group, the Company sold its investments in Pioneer Brewing Company Limited and Nimbuspath Limited. The Company acquired all shares in AB InBev UK Finance Company Limited from Ambrew S.à r.l. for a consideration of 365,963 ordinary shares issued by the Company on 7 October 2016. An additional 9,000,000,000 Ordinary shares were issued on 15 December 2016 by the Company to Ambrew S.à r.l. as consideration for the assignment of a Loan Note receivable.

Due to the change of the nature of the Company business, moving from an operating entity to a holding entity, the current turnover consists of residual royalty income.

The performance of the Company during the year has been reviewed by the Directors and is in line with their expectations and future plans for the Company. The profit for the financial year of £202,567,000 (2015: loss of £933,000) has been added to reserves, with reserves now amounting to £1,147,941,000 (2015: £9,140,000). The profit for the year includes a gain of £205,339,000 from the disposal from the Company's former subsidiary investments.

For all of the Company's investments, the Directors are satisfied that the net assets and/or future cash flow forecast of the investee companies adequately support the carrying value of these investments in the Company's financial statements and that no impairment is required as at 31 December 2016.

Key performance indicators

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

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. As a holding company the key business risks and uncertainties affecting the Company are considered to relate to the carrying value of the Company's investments. These values are monitored regularly by the Directors and management. Other risks that the Directors considered applicable to the Company are:

Credit risk

No material exposure is considered to exist in respect of credit risk with intercompany loans, as all UK and European entities within the AB InBev European Zone share the same treasury facilities.

Interest rate risk

The Company has interest bearing intercompany assets and liabilities. Variable interest rates are based on LIBOR and the Bank of England base rate exposing the Company to variable interest charges. No material exposure is considered to exist with regard to changes in variable interest rates as all intercompany assets and liabilities are within the AB InBev European Zone, who share the same treasury facilities.

Financial risk management

To manage financial risks, the Company has a policy of monitoring cash flows on a regular basis and adapting its funding arrangements as required. Funding from external sources is kept to a minimum, with arrangements in place with other AB InBev group companies for any significant borrowing.

ANHEUSER-BUSCH EUROPE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Principal risks and uncertainties (continued)

Foreign currency risk

No material exposure is considered to exist in respect of foreign currency risk. Foreign currency risks are managed and mitigated for all entities within the AB Inbev European Zone by the treasury entities based in Luxembourg, who use hedging instruments to mitigate foreign currency movements.

There has been no change in the level of exposure to these risks or how they are managed and mitigated since the previous period.

This report was approved by the Board and signed on its behalf.



.....
Yannick Bomans
Director

Date: 21/12/2017

ANHEUSER-BUSCH EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the audited financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation, amounted to £202,567,000 (2015: loss £933,000).

The Directors do not recommend the payment of a dividend (2015: *£nil*).

Directors

The Directors who served during the year and up to the date of signing were:

Anna Tolley (resigned 21 August 2017)
Clare Lake (resigned 1 January 2016)
Rory McLellan (resigned 1 December 2016)
Stephen McAllister (resigned 8 April 2016)
Iain Hall (appointed 18 February 2016, resigned 1 December 2016)
Jason Warner (appointed 19 May 2016, resigned 28 July 2017)
Nicolas Bartholomeeusen (appointed 1 December 2016, resigned 28 July 2017)
Stephen Jones (appointed 20 January 2017, resigned 28 July 2017)
Timothy Boucher (appointed 20 January 2017, resigned 29 September 2017)
Claire Richardson (appointed 1 December 2016, resigned 28 July 2017)
Yannick Bomans (appointed 29 September 2017)
Stephen Turner (appointed 28 July 2017)

Future developments

The Company will continue to act as a holding company for AB InBev UK Finance Company Limited for the foreseeable future.

Employees

The Company had no employees during the year (2015: *nil*).

Deeds of indemnity

As at the date of this report and during the year, indemnities are in force under which AB InBev S.A, a fellow AB InBev group company, has agreed to indemnify the Directors of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company. These indemnities meet the definition of a qualifying third party indemnity provision.

Matters covered in the Strategic Report

The business review, financial risk management, principal risk and uncertainties and key performance indicators are covered in the Strategic Report on pages 1 & 2.

ANHEUSER-BUSCH EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

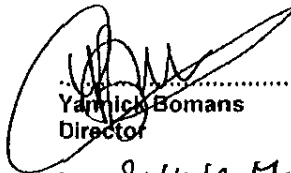
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditor

In accordance with section 160(2) of the Companies Act, 2006 the Auditor, Deloitte LLP will continue in office.

This report was approved by the Board and signed on its behalf.


.....
Yannick Bomans
Director
Date: 21/12/2017

ANHEUSER-BUSCH EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

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

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

ANHEUSER-BUSCH EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANHEUSER-BUSCH EUROPE LIMITED

We have audited the financial statements of Anheuser-Busch Europe Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year 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.

ANHEUSER-BUSCH EUROPE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANHEUSER-BUSCH EUROPE LIMITED
(CONTINUED)**

Opinion on other matter 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 year 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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.



Mark Tolley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, UK
21 December 2017

ANHEUSER-BUSCH EUROPE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Note | 2016 £000 | 2015 £000 |
|---|------|----------------|--------------|
| Turnover | 4 | 139 | 27,681 |
| Cost of sales | | - | (27,151) |
| Gross profit | | 139 | 530 |
| Distribution costs | | (29) | (1,133) |
| Administrative expenses | | (63) | (26) |
| Gain on disposal of investments | 5 | 205,339 | - |
| Operating profit/(loss) | 6 | 205,386 | (629) |
| Interest receivable and similar income | 9 | -10 | 302 |
| Interest payable and similar charges | | (2,819) | - |
| Profit/(loss) before tax | | 202,567 | (327) |
| Tax | 11 | - | (606) |
| Profit/(loss) for the year | | 202,567 | (933) |
| Total comprehensive income/(loss) for the year | | 202,567 | (933) |

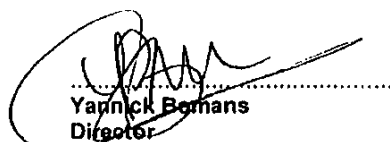
The notes on pages 11 to 22 form part of these financial statements.

ANHEUSER-BUSCH EUROPE LIMITED
REGISTERED NUMBER: 02399274

BALANCE SHEET
AS AT 31 DECEMBER 2016

| | Note | 2016 £000 | 2015 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 12 | 14,936,147 | 900,359 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 13 | 43,891 | 9,744 |
| Cash at bank and in hand | 14 | - | 58,026 |
| | | 43,891 | 67,770 |
| Creditors: amounts falling due within one year | 15 | (537) | (21,644) |
| Net current assets | | 43,354 | 46,126 |
| Total assets less current liabilities | | 14,979,501 | 946,485 |
| Provisions for liabilities | | | |
| Deferred taxation | 17 | (431) | (431) |
| Net assets | | 14,979,070 | 946,054 |
| Capital and reserves | | | |
| Called up share capital | 18 | 9,001,046 | 680 |
| Share premium account | 19 | 4,830,083 | - |
| Other reserves | 19 | - | 936,234 |
| Profit and loss account | 19 | 1,147,941 | 9,140 |
| Total equity | | 14,979,070 | 946,054 |

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:


Yannick Bernans
Director
Date: 21/12/16

The notes on pages 11 to 22 form part of these financial statements.

ANHEUSER-BUSCH EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Called up share capital £000 | Share premium account £000 | Other reserves £000 | Profit and loss account £000 | Total equity £000 |
|---|---|---|------------------------------------|---|------------------------------|
| At 1 January 2015 | 680 | - | 936,234 | 10,073 | 946,987 |
| Comprehensive expense for the year | | | | | |
| Loss for the financial year | - | - | - | (933) | (933) |
| Total comprehensive expense for the year | - | - | - | (933) | (933) |
| At 31 December 2015 | 680 | - | 936,234 | 9,140 | 946,054 |
| Comprehensive income for the year | | | | | |
| Profit for the financial year | - | - | - | 202,567 | 202,567 |
| Total comprehensive income for the year | - | - | - | 202,567 | 202,567 |
| Bonus issue | 936,234 | - | (936,234) | - | - |
| Capital reduction | (936,234) | - | - | 936,234 | - |
| Shares issued during the year | 9,000,366 | 4,830,083 | - | - | 13,830,449 |
| At 31 December 2016 | 9,001,046 | 4,830,083 | - | 1,147,941 | 14,979,070 |

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Anheuser-Busch Europe Limited is a private company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page. The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 to 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared, on a going concern basis under the historical cost convention, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006 as applicable to companies using FRS 101.

These financial statements are presented in GBP because that is the currency of the primary economic environment in which the Company operates.

A rounding level of £000 has been applied to these financial statements.

Accounting policies have been applied consistently over both financial years.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is a wholly owned subsidiary of Anheuser-Busch International Inc and is included in the consolidated financial statements of Anheuser-Busch InBev NV/SA which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. These financial statements are separate financial statements.

The following principal accounting policies have been applied:

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions from the requirements of IFRS in accordance with FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Consolidated financial statements can be obtained from Anheuser Busch InBev NV/SA Grand' Place 1, Brussels, Belgium.

2.3 Turnover and cost of sales

Turnover represents royalties receivable and sales to related parties, being invoiced amounts for goods sold during the year stated net of value added tax and deductions allowed. Sales to related parties are recorded on an arms length basis. Turnover is recognised when title transfers on shipment of the goods. Cost of sales includes beer related duties at the current rates where beer is sold to duty payable customers.

2.4 Investments

Shares in fellow AB InBev group companies are stated at cost less any provision for impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash at bank and in hand are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less losses for impairment.

Impairment losses are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such losses being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 Interest payable and similar charges

Interest payable and similar charges are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Interest receivable and similar income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ANHEUSER-BUSCH EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.

Critical judgements in applying the Company's accounting policies

There were no critical judgements in applying the Company's accounting policies.

Key sources of estimation uncertainty

Determining whether the Company's investments in subsidiaries have been impaired required requires estimations of an investments' value in use. The value in use calculations require the entity to estimate the future cash flow expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £14,936,147,000 (2015: £900,359,000) with no impairment loss recognised in 2016 or 2015.

4. Turnover

Turnover represents royalties due from related parties and the amounts derived from the provision of goods and services to customers after deducting discounts and value added tax

| | 2016 | 2015 |
|----------------|-------------|---------------|
| | £000 | £000 |
| United Kingdom | 139 | 27,681 |

The Company operates in one class of business, being the sale and distribution of beer.

5. Gain on disposal of investments

| | 2016 | 2015 |
|--|----------------|-------------|
| | £000 | £000 |
| Gain on disposal of subsidiary companies | 205,339 | - |

On 7 October 2016, the Company disposed of its investment in Nimbuspath Limited for a consideration (in the form of shares in AB Inbev UK Finance Limited) of £887,787,000, resulting in a gain on disposal of £5,653,000.

On 7 October 2016, the Company disposed of its investment in Pioneer Brewing Company Limited for a consideration (in the form of shares in AB Inbev UK Finance Limited) of £217,911,000, resulting in a gain on disposal of £199,686,000.

ANHEUSER-BUSCH EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

| | 2016 | 2015 |
|---|-------------|--------------|
| | £000 | £000 |
| Royalties payable to immediate parent undertaking | 29 | 1,133 |

7. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

| | 2016 | 2015 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Fees for the audit of the Company | 22 | 21 |

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the financial statements of the parent Company.

8. Directors' remuneration

None of the Directors received remuneration from the Company (2015: £nil). The Directors acting during the year were remunerated by other AB InBev group companies. The services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no further emoluments details are disclosed in this Company's financial statements.

9. Interest receivable and similar income

| | 2016 | 2015 |
|--------------------------|-------------|-------------|
| | £000 | £000 |
| Bank interest receivable | - | 302 |

10. Interest payable and similar charges

| | 2016 | 2015 |
|--|--------------|-------------|
| | £000 | £000 |
| Interest payable to group undertakings | 2,819 | - |

ANHEUSER-BUSCH EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Tax on (loss)/profit

| | 2016 | 2015 |
|--|-------------|-------------|
| | £000 | £000 |
| Total current tax | <u>-</u> | <u>-</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 588 |
| Changes to tax rates | - | 18 |
| Total deferred tax | <u>-</u> | <u>606</u> |
| Taxation on profit | <u>-</u> | <u>606</u> |

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015: *higher than*) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

| | 2016 | 2015 |
|---|-----------------------|--------------|
| | £000 | £000 |
| Profit before tax | <u>202,567</u> | <u>(327)</u> |
| Profit multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%) | 40,513 | (66) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 43 |
| Adjustments to tax charge in respect of prior periods | - | 588 |
| Timing differences not recognised | - | (622) |
| Unrelieved tax losses carried forward | 555 | - |
| Gain on the sale of shares | (41,068) | - |
| Group relief | - | 645 |
| Tax rate changes | - | 18 |
| Total tax charge for the year | <u>-</u> | <u>606</u> |

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Tax on (loss)/profit (continued)

Factors that may affect future tax charges

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. The impact of the announced changes is not expected to be material.

A deferred tax asset amount to £527,000 (2015: £nil) has not been recognised due to uncertainty over future earnings.

12. Investments

| | Investments in subsidiary companies £000 |
|--------------------------|---|
| Cost or valuation | |
| At 1 January 2016 | 900,359 |
| Additions | 14,936,147 |
| Disposals | (900,359) |
| At 31 December 2016 | <u>14,936,147</u> |
| Net book value | |
| At 31 December 2016 | <u>14,936,147</u> |
| At 31 December 2015 | <u>900,359</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|-------------------------------------|-----------------|---------|--------------------|
| AB InBev UK Finance Company Limited | Ordinary | 100 % | Holding Company |

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

12. Investments (continued)

During the year, the Company purchased 14,152,195,252 Ordinary shares of \$1 each in AB InBev UK Finance Company Limited for a total consideration of £14,936,147,000.

During the year, the Company sold 970,000,001 Ordinary shares of £1 each in Nimbuspath Limited for a consideration (in the form of shares in AB Inbev UK Finance Limited) of £887,787,000.

During the year, the Company sold 5,000,000 Ordinary shares of £1 each in Pioneer Brewing Company Limited for a consideration (in the form of shares in AB Inbev UK Finance Limited) of £217,911,000.

Anheuser-Busch Europe Limited exerts a controlling relationship over the following companies by virtue of the Company's 100% Holding of AB InBev UK Finance Company Limited:

Pioneer Brewing Company Limited
Nimbuspath Limited
Anheuser-Busch InBev Limited
AB InBev UK Limited
Bass Beers Worldwide Limited
Interbrew UK Holdings
InBev Ireland Limited

AB InBev UK Finance Company Limited has the same registered office and principal place of business as Anheuser-Busch Europe Limited.

13. Debtors: amounts falling due within one year

| | 2016 £000 | 2015 £000 |
|-------------------------------------|---------------|--------------|
| Trade debtors | 43 | 52 |
| Amounts due from group undertakings | 43,780 | 9,624 |
| Other debtors | 68 | 68 |
| | <u>43,891</u> | <u>9,744</u> |

The amounts due from group companies are unsecured, non interest bearing and repayable on demand.

14. Cash at bank and in hand

| | 2016 £000 | 2015 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | - | 58,026 |

ANHEUSER-BUSCH EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|------------------------------------|-------------|---------------|
| | £000 | £000 |
| Trade creditors | 83 | 58 |
| Amounts owed to group undertakings | 399 | 21,536 |
| Other taxation and social security | 5 | - |
| Accruals and deferred income | 50 | 50 |
| | <u>537</u> | <u>21,644</u> |

Amounts due from group undertakings are unsecured and due from Cobrew SA for £399,000 (2015: £nil). They are subject to variable interest at a rate between 0.25% and 0.75%.

16. Financial instruments

| | 2016 | 2015 |
|--|---------------|-----------------|
| | £000 | £000 |
| Financial assets | | |
| Financial assets measured at amortised cost | <u>43,891</u> | <u>67,770</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(532)</u> | <u>(21,644)</u> |

Financial assets measured at amortised cost comprise of amounts owed by group undertakings, cash at bank and in hand, trade and other debtors.

Financial liabilities measured at amortised cost comprise of amounts due to group undertakings, trade creditors and accruals.

17. Deferred taxation

| | 2016 | 2015 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| At beginning of year | (431) | 175 |
| Utilised in year | - | (606) |
| At end of year | <u>(431)</u> | <u>(431)</u> |

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | 2016 £000 | 2015 £000 |
|--------------------------|--------------|--------------|
| Other timing differences | (431) | (431) |

18. Called up share capital

| | 2016 £000 | 2015 £000 |
|--|--------------|--------------|
| Shares classified as equity | | |
| Authorised, allotted, called up and fully paid | | |
| 9,001,046,240 (2015: 680,277) Ordinary shares of £1 each | 9,001,046 | 680 |

The Company has one class of Ordinary share which is entitled to one vote in any circumstances.

Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

On 28 July 2016, the Company capitalised its capital contribution reserve (other reserves) by way of a bonus issue of 1 ordinary share of £936,234,354.86.

On 28 July 2016, a special resolution was passed by the Directors to reduce the nominal value of the 1 Ordinary share of £936,234,354.86 to £1 via capital reduction. The proceeds of the capital reduction being treated as distributable reserves.

On 7 October 2016, 365,963 Ordinary shares of £1 each were issued for a consideration of £10,001 each.

On 15 December 2016, 9,000,000,000 Ordinary shares of £1 each were issued for a consideration of £1.13 each.

ANHEUSER-BUSCH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

19. Reserves

Share premium account

The balance of the share premium account represents the accumulated premium paid for the share capital of the Company.

A total of £4,830,083,000 share premium was generated during the year.

On 7 October 2016, 365,963 Ordinary shares of £1 each were issued for a consideration of £10,001 each, generating £3,659,630,000 of share premium.

On 15 December 2016, 9,000,000,000 Ordinary shares of £1 each were issued for a consideration of £1.13 each, generating £1,170,453,000 of share premium.

Other reserves

The balance of the other reserve account represented one-off gifts to the Company, made by way of capital contributions by Anheuser Busch International Inc. On 28 July 2017, the Company capitalised these reserves by way of a bonus issue of 1 ordinary share, reducing the balance of the reserve from £936,234,354.86 to nil.

Profit and loss account

The balance in the profit and loss account represents the total reserves of the Company.

20. Pension commitments

There is a defined contribution scheme within Anheuser-Busch Europe Limited, but there are no active members. At the year end, the Company has no outstanding liabilities to the defined contribution scheme (2015: *£nil*).

21. Controlling party

The ultimate parent undertaking and the ultimate controlling party is Anheuser-Busch InBev NV/SA. The immediate parent undertaking is Ambrew S.à.r.l. an entity incorporated in Luxembourg.

The largest and smallest group to consolidate these financial statements is Anheuser-Busch InBev NV/SA incorporated in Belgium. The consolidated financial statements are available to the public and may be obtained from the Company's registered address, Anheuser-Busch InBev NV/SA, Grand' Place 1, 1000 Brussels, Belgium.