

Anheuser-Busch Europe Limited

Annual report and audited financial statements

Year ended
31 December 2021

Company Number 02399274

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Anheuser-Busch Europe Limited

Company information

Directors	S J Turner Y Callou
Company secretary	Brodies Secretarial Services Limited
Registered number	02399274
Registered office	Bureau 90 Fetter Lane London EC4A 1EN
Auditor	Moore Kingston Smith LLP 9 Appold St London EC2A 2AP

Anheuser-Busch Europe Limited

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Anheuser-Busch Europe Limited

Strategic report for the year ended 31 December 2021

The directors present their Strategic report for Anheuser-Busch Europe Limited (the "Company") for the year ended 31 December 2021.

Review of principal activities

The principal activity of the Company is to act as a holding company for various subsidiary and associated undertakings within the Anheuser-Busch InBev SA/NV Group (the "Group").

Results

The Company recorded a profit for the financial year ended 31 December 2021 of US\$526,815 thousand (2020: US\$3,940,356 thousand).

During the year, the Company received total dividend income of US\$512,951 thousand (2020: US\$120,161 thousand) from fellow Group undertakings.

The detailed results are set out on page 12.

Details of movements during the year in investments and debtors can be found in notes 11 and 12 to the financial statements.

Principal risks and uncertainties

From the perspective of the Company, during the year 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 2021 annual report. The consolidated financial statements for Anheuser-Busch InBev SA/NV for the year ended 31 December 2021 are available at the address detailed in note 2 to these financial statements. The Group's first and second quarter results of 2022, as well as the consolidated interim report for the six-month period ended 30 June 2022, are available on the Group's website (www.ab-inbev.com).

The impact of the COVID-19 pandemic on global economic conditions has impacted and may continue to impact the proper functioning of financial and capital markets, as well as foreign currency exchange rates, commodity and energy prices and interest rates. This disruption may continue to impact the business, financial condition, cash flows and operating results in our 2022 performance and beyond.

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.

Anheuser-Busch Europe Limited

Statement by the directors in accordance with s172(i) Companies Act 2006

In accordance with Section 172 of the Companies Act 2006, the directors of the Company have acted in a way they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so they have regard (amongst other matters) to the factors noted below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

The directors of the Company have regard to factors set out above, as follows:

- a) The directors understand the business and the evolving environment in which the Company operates. The strategy followed by the Company, and decisions taken to implement it, is intended to strengthen the Group's position in the market over the long term. In line with the Group, the Company is managed with the intention of maintaining a stable financial profile over the longer term.
- b) The company is a holding company and has no employees.
- c) The directors recognise the importance of clear communication and proactive engagement with stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the Company. Given the Company is a holding company there are no suppliers and customers.
- d) The directors apply the policies of the wider Group business in all aspects of their business, protecting its people, communities and environment. The Group wide policies are embedded into the culture and activities of the business and are endorsed by the Group and UK management team.
- e) In line with the wider Group, the directors are committed to conduct business with integrity and fairness, with respect for the law and the Group's values and policies. This commitment is outlined in the Group's Global Code of Business Conduct.
- f) By weighing up all relevant factors, the directors consider which course of action best enables delivery through the long term, taking into consideration the impact of stakeholders.

This report was approved by the board and signed on its behalf by:

DocuSigned by:
Yann Callou
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Y Callou
Director

Date: 15 September 2022

Anheuser-Busch Europe Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

Future developments

No significant change in the business of the Company is expected in the foreseeable future.

Dividends

The directors declared and paid interim dividends for the financial year ended 31 December 2021 of US\$2,230,824 thousand (2020: US\$2,393,826 thousand). No final dividend is proposed (2020: US\$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 US Dollar and it also presents its financial statements in US Dollar. Some transactions undertaken by the Company are denominated in currencies other than US Dollar.

Directors

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

S J Turner
Y Callou
S Jiang (resigned on 8 April 2021)

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.

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Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). 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 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.

Going concern

The directors consider that the Company has sufficient funds to continue to operate as an intermediate holding company. Additionally, the directors have made enquires of the parent, Anheuser Busch InBev SA/NV, and are satisfied with their ability to provide financial support. After making enquires, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Auditor

Each of the persons who are directors at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

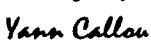
Appointment of Auditor

Moore Kingston Smith LLP were appointed as auditor in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed is being sent to shareholders.

Statement of streamlined energy and carbon reporting

Information relating to the energy use and carbon emissions of the Group, which includes the Company, are described within the Environmental, Social & Governance Report of Anheuser-Busch InBev SA/NV for the year ended 31 December 2021. The directors' approval of the financial statements appears on page 13.

This report was approved by the board on and signed on its behalf by:

DocuSigned by:

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Y Callou
Director

Date: 15 September 2022

Anheuser-Busch Europe Limited

Independent auditor's report to the members of Anheuser-Busch Europe Limited

Opinion

We have audited the financial statements of Anheuser-Busch Europe Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Anheuser-Busch Europe Limited

Opinions 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 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.

Other Matter

The corresponding figures in the financial statements of Anheuser-Busch Europe Limited were not audited as the company did not require a statutory audit under the Companies Act 2006 in the prior year.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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Use of our report

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Barford (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 15 September 2022

9 Appold St
London
EC2A 2AP

Anheuser-Busch Europe Limited

Statement of comprehensive income for the year ended 31 December 2021

		2021	2020 restated ¹ (unaudited)
	Notes	US('\$000)	US('\$000)
Income from shares in Group undertakings		512,951	120,161
Profit on disposal of investments		13,222	3,825,678
Other operating expense		(9)	(7)
Profit on ordinary activities before interest and taxation		526,164	3,945,832
Finance income	6	904	4,757
Finance expense	7	(253)	(10,397)
Profit on ordinary activities before taxation		526,815	3,940,192
Taxation on profit on ordinary activities	8	-	164
Profit for the financial year		526,815	3,940,356
Total comprehensive income for the year		526,815	3,940,356

All activities during the current and prior year are in respect of continuing activities.

The notes on pages 15 to 22 form part of these financial statements.

¹ Statement of comprehensive income for the year ended 31 December 2020 has been restated to reflect reclassification of service fees of US\$7 thousand from finance expense to other operating expense.

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Registered number: 02399274

Statement of financial position as at 31 December 2021

	Notes	2021 US('\$000)	2020 (unaudited) US('\$000)
ASSETS			
Non-current assets			
Investments	11	18,558,659	18,558,659
Total non-current assets		18,558,659	18,558,659
Current assets			
Debtors: amounts falling due within one year	12	66	1,704,011
Total current assets		66	1,704,011
TOTAL ASSETS		18,558,725	20,262,670
EQUITY AND LIABILITIES			
Equity			
Share capital	13,14	11,218,359	11,218,359
Foreign currency translation reserve	14	(93,367)	(93,367)
Share premium	14	5,971,310	5,971,310
Retained earnings	14	1,462,349	3,166,358
Total equity		18,558,651	20,262,660
Current liabilities			
Creditors: amounts falling due within one year		74	10
Total current liabilities		74	10
TOTAL LIABILITIES		74	10
TOTAL EQUITY AND LIABILITIES		18,558,725	20,262,670

The accounts for the year ended 31 December 2021 have been audited.

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

DocuSigned by:

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Y Callou
 Director

Date: 15 September 2022

The notes on pages 15 to 22 form part of these financial statements.

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Statement of changes in equity for the year ended 31 December 2021

		Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
	Notes	US('000)	US('000)	US('000)	US('000)	US('000)
At 1 January 2020 (unaudited)		11,218,359	5,971,310	(93,367)	1,619,828	18,716,130
Comprehensive income for the year						
Profit for the financial year		-	-	-	3,940,356	3,940,356
Total comprehensive income for the year		-	-	-	3,940,356	3,940,356
Transactions with owners						
Dividends paid	10	-	-	-	(2,393,826)	(2,393,826)
Total transactions with owners		-	-	-	(2,393,826)	(2,393,826)
At 1 January 2021 (unaudited)		11,218,359	5,971,310	(93,367)	3,166,358	20,262,660
Comprehensive income for the year						
Profit for the financial year		-	-	-	526,815	526,815
Total comprehensive income for the year		-	-	-	526,815	526,815
Transactions with owners						
Dividends paid	10	-	-	-	(2,230,824)	(2,230,824)
Total transactions with owners		-	-	-	(2,230,824)	(2,230,824)
At 31 December 2021		11,218,359	5,971,310	(93,367)	1,462,349	18,558,651

The notes on pages 15 to 22 form part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2021

1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is: Bureau, 90 Fetter Lane, London, EC4A 1EN.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101") and the requirements of the Companies Act 2006.

2.2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities measured at fair value through profit or loss, as described in the accounting policies set out below.

The financial statements are presented in US Dollar, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand US Dollar.

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 ("IFRS") as issued by the International Accounting Standard Board ("IASB") and in conformity with IFRS as adopted by the European Union, and may be obtained from the Corporate Secretary at Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium.

Rounding differences of US\$1 thousand or less have not been adjusted for as these do not have a material impact to the understanding of users of these financial statements.

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 to these financial statements.

The Company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions in the following areas:

- Additional comparative information as per IAS 1 *Presentation of Financial Statements* paragraph 38 in respect of a reconciliation of the number of shares outstanding at the start and end of the prior period;
- A statement of cash flows and related disclosures for cash flows from discontinued activities;
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead);
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements;
- Disclosures in relation to the objectives, policies and process for managing capital;
- Disclosure of the effect of future accounting standards not yet adopted;
- The remuneration of key management personnel.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Anheuser Busch InBev SA/NV.

These financial statements do not include certain disclosures in respect of:

- IFRS 7 *Financial Instruments: Disclosures*; and
- Fair value measurements on the details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*.

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2.3. Going concern

The Company continues to operate as an intermediate holding company. The Company's principal risks and uncertainties are discussed in the Director's Report. After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and to meet its obligations as they fall due for a period of at least 12 months after the signing of the accounts. The company has received a letter of support from Anheuser Busch InBev SA/NV, its ultimate parent entity, that it will be provided with such support as may be needed to achieve this. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

2.4. Exemption from preparation of consolidated financial statements

These financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the accounts of a larger group.

These financial statements are separate financial statements.

2.5. New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Company's financial statements.

2.6. Income from shares in Group undertakings

Dividends receivable from subsidiary undertakings are recognised in profit or loss when the right to the dividend income has been established. Interim dividends are recognised when paid and any final dividends receivable are recognised when declared at a general meeting.

2.7. 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 year-end 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.

2.8. Finance income and expense

Finance income is recognised on an accrual basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount by discounting the estimate future cash flows at the original effective interest rate, and continuing to unwind the discount as finance income.

Finance expense on loans in respect of borrowings from other subsidiaries within the Group is recognised on an amortised cost basis using the effective interest rate method.

2.9. Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, 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 year 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 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

Anheuser-Busch Europe Limited

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

2.10. Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment with impairment reviews being performed on an annual basis. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Impairment reviews are performed by comparing the carrying value of the investment 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.

2.11. Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the investment. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

2.11.1. Financial assets at amortised cost

Financial assets, which include debtors and loans to fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment. Financial assets classified as receivable within one year are not amortised.

2.11.2. Impairment of financial assets

Impairment allowances are recognised when there is objective evidence that the Company will be unable to collect all of the amounts due under the terms receivable. The amount of such an allowance being the difference between the carrying amount and the present value of the future expected cash flows associated with the impairment receivable.

2.11.3. Financial liabilities at amortised cost

Financial liabilities, including creditors that are classified as debt, are initially recognised at transaction price. Preference shares are classified as liabilities since the Company has a contractual obligation to make a stream of fixed dividend payments in the future. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest method. Financial liabilities classified as payable within one year are not amortised.

2.11.4. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.12. Share capital

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

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2.13. Dividend payable

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's directors. Interim dividends are recognised when paid. Dividends declared after the reporting date are not recognised, as there is no present obligation at the reporting sheet date.

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 Company, 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 uncertainty for the Company.

3.1 Impairment of investments

Determining whether an investment is impaired requires an estimation of the recoverable value of the investments. Recoverable value calculation requires the directors to determine appropriate method of valuation and if needed to estimate the future cash flows expected to arise from operations of the subsidiaries and suitable discount rate in order to calculate present value. Based on the estimation, no impairment was noted as at the reporting date (note 11).

4. Directors' remuneration

The Company did not have any employees in 2021 (2020: nil). The directors are remunerated, including pension contributions, for their services through their relative employing company and these costs are not recharged. In 2021, 1 director participated in pension schemes managed by related group undertakings.

5. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's financial statements, and that of other related Group undertakings, amounted to £336 thousand, and were paid on behalf of the Company by another Group undertaking, ABI SAB Group Holding Ltd, and not recharged. No non-audit services were provided to the Company in the current period.

6. Finance income

	2021 US('\$000)	2020 (unaudited) US('\$000)
Interest receivable from fellow Group undertakings	<u>904</u>	<u>4,757</u>

7. Finance expense

	2021 US('\$000)	2020 (unaudited) US('\$000)
Foreign exchange loss	253	5
Interest payable to fellow Group undertakings	-	10,393
	<u>253</u>	<u>10,397</u>

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8. Taxation on profit on ordinary activities

	2021 US('\$000)	2020 (unaudited) US('\$000)
Current tax		
UK corporation tax on profit for the period	-	-
Total current tax	-	-
Deferred tax		
Adjustments in respect of prior periods	-	(164)
Total deferred tax	-	(164)
Total taxation charge/(credit) for the year	-	(164)

Deferred tax assets in respect of tax losses are not recognised unless there is convincing evidence that existing taxable temporary differences will reverse in the future or there will be sufficient taxable profits in future years to recover the assets. As at December 2021, the Company has unrecognised deferred tax assets of US\$242 thousand (2020: US\$164 thousand) as detailed in note 9.

Factors affecting the taxation charges for the year

The tax assessed for the year is lower than (2020: lower than) the UK standard rate of corporation tax for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 US('\$000)	2020 (unaudited) US('\$000)
Profit on ordinary activities before tax	526,815	3,940,192
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	100,095	748,636
Effects of:		
Income not taxable	(99,973)	(749,709)
Group relief	(122)	1,073
Adjustment to tax charge in respect of prior periods (deferred tax)	-	(164)
Total tax charge/(credit) for the year	-	(164)

Factors that may affect future tax charges

The UK corporation tax rate for the financial year was 19%. During the year, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023.

There were no other factors that may affect future tax charges.

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9. Deferred taxation

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2020: 19%). As discussed in note 8, the main rate of corporation tax will increase to 25% with effect from 1 April 2023. Therefore, the rate of 25% has been applied to all deferred tax balances at the reporting date.

Deferred taxation

	2021 US\$('000)	2020 (unaudited) US\$('000)
At beginning of year	-	(164)
Charged to income statement	-	164
At end of year	-	-

The provision for deferred tax is made up as follows:

	2021 US\$('000)	2020 (unaudited) US\$('000)
Other timing differences	-	-

Deferred tax assets have not been recognised in respect of the following:

	2021 US\$('000)	2020 restated (unaudited) US\$('000)
Tax losses	242	164

10. Dividends

	2021 US\$('000)	2020 (unaudited) US\$('000)
Dividends on ordinary capital during the year	2,230,824	2,393,826

Interim dividends were paid in the year at US\$0.24784 (2020: US\$0.26595) per £1.00 Ordinary share.

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11. Investments

	Investments in subsidiary companies US('000)
Cost	
At 1 January 2021 (unaudited)	18,558,659
At 31 December 2021	18,558,659
Net book value	
At 31 December 2021	18,558,659
At 31 December 2020 (unaudited)	18,558,659

The directors believe that the carrying value of the investments is supported by their underlying net assets or value in use.

Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	% Holding	Principal activity
AB InBev UK Finance Company Limited ⁽¹⁾	Ordinary	100%	Holding company
Silvester Brothers (AMH) Pty Limited ⁽²⁾	Ordinary	100%	Dormant

Registered addresses:

⁽¹⁾ Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN

⁽²⁾ Level 20, 2 Southbank Boulevard, Southbank, Australia, VIC 3006

Indirect investments held by the Company are detailed in note 17.

12. Debtors

	2021 US('000)	2020 (unaudited) US('000)
Amounts falling due within one year		
Amounts owed by fellow Group undertakings	66	4,011
Loans owed by fellow Group undertakings	-	1,700,000
	66	1,704,011

Loans owed by fellow Group undertakings as of 31 December 2020 were unsecured, repayable on demand and subject to a floating rate based on 3-month LIBOR plus 0.25% spread.

Amounts owed by fellow Group undertakings comprise amounts which are unsecured, repayable on demand and subject to interest at a daily rate mirroring the external daily market rate obtained by the Group treasury function for the applicable currency.

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13. Share capital

	2021	2020
	US(' \$000)	(unaudited) US(' \$000)
Allotted, called up and fully paid		
Ordinary shares at £1 each	<u>11,218,359</u>	<u>11,218,359</u>

As at 31 December 2021, the Company had 9,001,046,241 Ordinary shares (2020: 9,001,046,241).

The Company has one class of Ordinary shares which carry no right to fixed income.

14. Reserves

Reserves are comprised of the following:

- Share capital represents the nominal value of shares subscribed for.
- Share premium represents amounts subscribed for share capital in excess of nominal value, net of issue costs.
- Foreign currency translation reserve represents foreign exchange differences arising due to the change in the Company's presentation currency from Pound Sterling to United States Dollars in a prior period.
- The Company's retained earnings represent cumulative profits or losses net of transactions with owners (e.g., dividends) not recognised elsewhere.

15. Capital commitments and contingent liabilities

There were no capital commitments or material contingent liabilities at 31 December 2021 (2020: US\$nil).

16. Ultimate parent undertaking

The immediate parent undertaking as at 31 December 2021 was Ambrew S.à.r.l., a company incorporated in Luxembourg.

At 31 December 2021 the ultimate parent undertaking 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 consolidated financial statements can be obtained from AB InBev NV, Brouwerijplein 1, B 3000 Leuven, Belgium.

17. Holdings in undertakings indirectly held by the Company

At 31 December 2021 the Company held the following indirect investments in subsidiaries.

Name	Address	Class of shares	Total effective share holding
HFC Finance Limited	Porter Tun House, Capability Green 500, Luton, LU1 3LS	Ordinary	100%
BFC Finance Limited	Porter Tun House, Capability Green 500, Luton, LU1 3LS	Ordinary	100%