

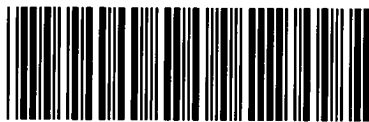
ABF Funding

Annual report and financial statements

Registered number 05380813

16 September 2017

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Strategic report

Review of the company's business

The principal activity is that of a finance and holding company within the Associated British Foods plc group (the "group"). The main activities of the company remained unchanged and the directors anticipate that the company will continue to operate on the same basis.

Trading results and transfer to reserves

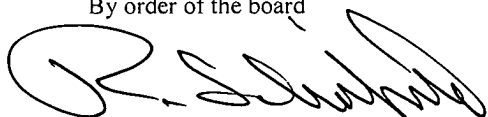
The company's result for the year is reflected in the statement of total comprehensive income on page 6. The profit on ordinary activities in the period was US\$0.4m (2016: loss US\$0.9m).

On 12 December 2016, the immediate parent company, ABF Investments plc, subscribed in shares of the company of US\$106 million as part of the foreign currency management of the proceeds received from the sale of a business in the United States of America.

Principal risks and uncertainties

The company is not exposed to any significant unusual risks or uncertainties in its role as a holding company within the group. A full description of the risks and uncertainties to which the group is exposed is included within the Associated British Foods plc annual report and accounts.

By order of the board



RS Schofield

Secretary

13 December 2017

Directors' report

The directors present their annual report and financial statements for the 52 week period ended 16 September 2017. The financial statements are presented in US dollars, rounded to the nearest thousand.

Dividends

During the period, the company did not declare or pay a dividend (2016: *US\$ nil*).

Directors

The directors who held office during the period were:

PA Russell
RS Schofield

Directors' indemnities

The directors have benefited from the ABF Group's Directors and Officers Insurance policy and from indemnity provisions provided by an intermediate holding company during the financial period and as at the date of this report, subject to the conditions set out in the Companies Act 2006.

Health and safety

The company keeps its safety, health and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective. The company's board of directors reviews these at least annually, as does the board of Associated British Foods plc.

Post balance sheet event

On 12 October 2017 the company undertook a reduction of its share capital in order to facilitate payment of a US \$47m dividend to its immediate parent company.

Going concern

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis.

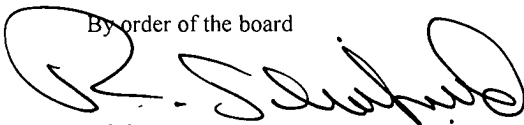
Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board



RS Schofield
Secretary

Weston Centre
10 Grosvenor Street
London
W1K 4QY

13 December 2017
Registered Number 05380813

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Standards (UK Accounting Standards and applicable law), including Financial Reporting Standard 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of ABF Funding

Opinion

We have audited the financial statements of ABF Funding for the 52 week period ended 16 September 2017 which comprise the Statement of total comprehensive income, the Balance sheet, the Statement of changes in shareholder's equity and the related notes 1 to 12, including a summary of 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 company's affairs as at 16 September 2017 and of its profit for the 52 week 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.

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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of ABF Funding (*continued*)

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

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP

Andrew Walton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 December 2017

Statement of total comprehensive income

For the period ended 16 September 2017

	<i>Note</i>	52 week period ended 16 September 2017 US\$'000	53 week period ended 17 September 2016 US\$'000
Interest due from intermediate parent company		1,256	-
Profit on ordinary activities before taxation		1,256	-
Taxation	6	(878)	(895)
Profit/(loss) for the financial period		378	(895)
Other comprehensive income		-	-
Total comprehensive income/(loss)		378	(895)

There is no material difference between the company's results as reported and on an historical cost basis. Accordingly no note of historical cost, profits and losses has been prepared.

The notes on pages 9 to 13 form part of the financial statements.

Balance sheet

at 16 September 2017

	<i>Note</i>	2017 US\$'000	2016 US\$'000
Non-current assets			
Investment in subsidiary	7	66,197	66,197
Total non-current assets		66,197	66,197
Current assets			
Debtors: amounts falling due within one year	8	258,355	151,098
Current liabilities			
Creditors: amounts falling due within one year	9	(3,854)	(2,975)
Net current assets		254,501	148,123
Net assets		320,698	214,320
Capital and reserves			
Issued share capital	10	257,000	151,000
Share premium		16,197	16,197
Profit and loss reserve		47,501	47,123
Equity shareholder's funds		320,698	214,320

These financial statements were approved by the board of directors on 13 December 2017 and were signed on its behalf by:



PA Russell
Director

Registered Number 05380813

The notes on pages 9 to 13 form part of the financial statements.

Statement of changes in shareholder's equity

For the 52 weeks ended 16 September 2017

	<i>Note</i>	Issued share capital	Share premium	Profit and loss reserve	Total
		US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 12 September 2015		151,000	16,197	48,018	215,215
Loss for the financial year		-	-	(895)	(895)
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year		-	-	(895)	(895)
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 17 September 2016		151,000	16,197	47,123	214,320
Profit for the financial year		-	-	378	378
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	-	378	378
		<hr/>	<hr/>	<hr/>	<hr/>
Issue of shares	10	106,000	-	-	106,000
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 16 September 2017		257,000	16,197	47,501	320,698
		<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of ABF Funding (the “company”) for the 52 week period ended 16 September 2017 were authorised for issue by the board of directors on 13 December 2017.

The company’s financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (US\$’000) except where otherwise indicated. They are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The company has taken advantage of the disclosure exemptions permitted by FRS 101 in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are made in the consolidated financial statements of Associated British Foods plc.

The company has also taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Associated British Foods plc and its results are included in the parent company’s consolidated financial statements. These consolidated financial statements are available to the public and may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. They are also available for download on the group’s website at www.abf.co.uk.

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date on which these financial statements are approved. Accordingly the financial statements have been prepared on the going concern basis. The company is a private limited company incorporated and domiciled in England and Wales.

The principal accounting policies adopted by the company are set out in note 3 below. They have been applied consistently to all years presented.

2 Accounting reference date

These accounts have been prepared for the 52 week period ended 16 September 2017.

3 Significant accounting policies

Foreign currencies

The company’s functional currency and presentation currency is US dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of total comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The company does not apply hedge accounting of foreign exchange risks in its financial statements.

Notes to the financial statements *(continued)*

Investments in subsidiaries

The company values its investments in subsidiaries at cost less any provisions for impairment.

Interest

Interest on borrowings held at amortised cost is recognised in the statement of total comprehensive income using the effective interest method.

Dividends

Dividends both payable and receivable are recognised in the year in which they are paid or received.

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial assets and liabilities

Financial assets and liabilities are measured initially at fair value plus directly attributable transaction costs and thereafter at amortised cost.

4 Auditor's remuneration

Auditor's remuneration has been borne by a holding company in both the current period and the previous period.

5 Directors' and key management emoluments

Key management, which is limited to the named directors of the company, received no emoluments in respect of their services to this company in either the current or the prior period.

Notes to the financial statements (continued)

6 Taxation

(a) Analysis of charge for the period

	2017 US\$'000	2016 US\$'000
Current tax	878	895
Total tax charge	878	895

(b) Factors affecting the tax charge for the period

The tax assessed for the period is more than (2016: more than) the standard rate of corporation tax in the UK of 19.54% (2016: 20.00%).

	2017 US\$'000	2016 US\$'000
Profit on ordinary activities before tax	1,256	-
Current tax at effective rate of 19.54% (2016: 20.00.%)	245	-
<i>Effects of:</i>		
Overseas withholding tax not recoverable	1,143	1,191
Less: group relief received	(510)	(296)
Total tax charge	878	895

The company is a partner in the Luxembourg partnership ABF European Holdings Limited & Co SNC. Partnerships are not taxed on their profits; instead the corporate partners are chargeable to corporation tax on their share of the partnership profits.

Group relief was provided for nil consideration by fellow subsidiary companies in both the current period and previous period.

(c) Factors affecting future tax charges

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017, with a further reduction to 17% in 1 April 2020. The legislation to effect these rate changes had been enacted before the balance sheet date.

Notes to the financial statements (continued)

7 Investment in subsidiary

	Investment in subsidiaries (unlisted) US\$'000
<i>Cost:</i>	
At 16 September 2017 and 17 September 2016	66,197

	Registered office and place of incorporation	Class of units/ shares held	Percentage of units/ shares held
Subsidiaries			
ABF European Holdings & Co SNC	9 Allee Scheffer, Luxembourg, L2520, Luxembourg	Partnership units	99.9%

In the opinion of the directors, the investment in subsidiary is worth at least the amount at which it is stated in the balance sheet.

8 Debtors: amounts falling due within one year

	2017 US\$'000	2016 US\$'000
Amounts due from intermediate holding company	107,355	98
Redeemable preference shares	151,000	151,000
Total debtors: amounts falling due within one year	258,355	151,098

Amounts due from the intermediate holding company were interest bearing (2016: interest bearing).

The redeemable preference shares were issued to the company by Bonuit Investments Limited, a company registered in Jersey and a wholly owned subsidiary within the Associated British Foods plc group. The redeemable preference shares carry no dividend or voting rights and are redeemable by the company. The date of redemption of the redeemable preference shares is at the discretion of the company. As such they are classified as a receivable in accordance with IAS32: 'Financial Instruments: Disclosure and Presentation'.

9 Creditors: amounts due within one year

	2017 US\$'000	2016 US\$'000
Amounts due to subsidiary undertaking	(3,854)	(2,975)

The amount due to subsidiary undertaking is not interest bearing (2016: not).

Notes to the financial statements *(continued)*

10 Issued share capital

The company has in issue 257,000,001 (2016: 151,000,001) ordinary shares of US\$1 each.

	Ordinary shares of US\$1 each	Nominal value US\$'000
<i>Issued and fully paid</i>		
At 17 September 2016	151,000,001	151,000
Issue of shares	106,000,000	106,000
	<hr/>	<hr/>
At 16 September 2017	257,000,001	257,000

11 Holding company

The immediate parent company is ABF Investments plc, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is headed by Wittington Investments Limited, incorporated in Great Britain. The smallest group in which they are consolidated is headed by Associated British Foods plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

12 Post balance sheet event

On 12 October 2017 the company undertook a reduction of its share capital in order to facilitate payment of a US \$47m dividend to its immediate parent company.