

**AB InBev Corporate Services  
Limited (formerly SABMiller  
Corporate Services Limited)**

*Annual report and unaudited financial statements*

**Year ended**

**31 December 2017**

**Company number 08575040**



# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Company information**

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<b>Directors</b>	K JF Douws S Jiang S J Turner
<b>Company secretary</b>	Brodies Secretarial Services Limited
<b>Registered number</b>	08575040
<b>Registered office</b>	AB Inbev House Church Street West Woking GU21 6HT
<b>Accountants</b>	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

**AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

**Contents**

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	<b>Page</b>
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Accountants' report</b>	<b>4</b>
<b>Profit and loss account and other comprehensive income</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Statement of changes in equity</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 18</b>

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Strategic report for the year ended 31 December 2017**

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The directors present their Strategic report for AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited) (the "Company") for the year ended 31 December 2017.

### **Review of activities and future developments**

The principal activities of the Company are in the supply of services to the Anheuser-Busch InBev Group (the "Group") in areas such as manufacturing, information systems and marketing.

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

With effect from 30 June 2017 the Company's name changed from SABMiller Corporate Services Limited to AB InBev Corporate Services Limited.

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

### **Results**

The Company recorded a result for the financial year ended 31 December 2017 of US\$nil (period ended 31 December 2016: profit of US\$67,000) and reported comprehensive expenses for the period of US\$1,435,000 (period ended 31 December 2016: expense of US\$831,000). The detailed results are set out in the profit and loss account on page 5.

Details of movements during the year in debtors and creditors can be found in notes 8 and 9 to the financial statements.

### **Principal risks and uncertainties**

From the perspective of the Company, during the period under review the principal risks and uncertainties were integrated with the principal risks of the AB InBev Group and were not managed separately. Accordingly, the principal risks and uncertainties of Anheuser-Busch InBev SA/NV include those of the Company and are described on risks and uncertainties section of the Group's 31 December 2017 annual report which does not form part of this report. The consolidated financial statements for Anheuser-Busch InBev SA/NV for the year ended 31 December 2017 are available at the address detailed in note 14 to these financial statements.

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

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

The report was approved by the board and signed on its behalf.

  
.....  
S Jiang  
Director

Date: 28. 11. 18

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Directors' report for the year ended 31 December 2017**

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The directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2017.

### **Dividends**

No interim dividends were paid for the financial year ended 31 December 2017 (period ended 31 December 2016: US\$nil). No final dividend is proposed (period ended 31 December 2016: 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:

K JF Douws (appointed 25 June 2018)  
S Jiang (appointed 25 June 2018)  
S J Turner (appointed 7 July 2017)  
Y Bomans (appointed 29 September 2017, resigned 25 June 2018)  
T M Boucher (resigned 29 September 2017)  
V J Balchin (resigned 7 July 2017)

### **Directors' insurance and indemnity**

Anheuser-Busch InBev SA/NV maintains directors' and officers' liability insurance in respect of its directors and those directors of its subsidiary companies.

### **Independent auditors**

As a result of the Company taking the exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act"), Pricewaterhouse Coopers LLP are not deemed to be reappointed as auditors, and thus, have resigned as auditors of the Company.

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Directors' report (continued) for the year ended 31 December 2017**

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors' approval of the financial statements appears on page 6.

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

  
.....  
**S Jiang**  
**Director**

Date: 28. 11. 18

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Chartered accountants' report to the board of directors on the unaudited financial statements of AB InBev Corporate Services Limited**

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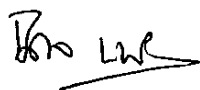
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AB InBev Corporate Services Limited for the year ended 31 December 2017 which comprise Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of AB InBev Corporate Services Limited, as a body, in accordance with the terms of our engagement letter dated 11 September 2017. Our work has been undertaken solely to prepare for your approval the accounts of AB InBev Corporate Services Limited and state those matters that we have agreed to state to the board of directors of AB InBev Corporate Services Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AB InBev Corporate Services Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that AB InBev Corporate Services Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and result of AB InBev Corporate Services Limited. You consider that AB InBev Corporate Services Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of AB InBev Corporate Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



**BDO LLP**  
Chartered Accountants  
Reading  
UK

Date: 28 November 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)

## Profit and loss account and other comprehensive income for the year ended 31 December 2017

		1 January 2017 to 31 December 2017 US('\$000)	1 April 2016 to 31 December 2016 US('\$000)
	Note		
Turnover		35,491	34,153
Other operating expenses	4	(31,819)	(26,533)
<b>Profit before interest and taxation</b>		<b>3,672</b>	<b>7,620</b>
Finance expense	6	(3,672)	(7,671)
<b>Result / (loss) on ordinary activities before taxation</b>		<b>-</b>	<b>(51)</b>
Taxation on result / loss	7	-	118
<b>Result / profit for the financial year / period</b>		<b>-</b>	<b>67</b>
<b>Other comprehensive income / (expense):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Cash flow hedges: fair value gain / (loss) arising in the year / period		1,487	(898)
<b>Total comprehensive income / (expense) for the year / period</b>		<b>1,487</b>	<b>(831)</b>

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

The notes on pages 8 to 18 form part of these financial statements.



**AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

Registered number: 08575040

**Balance sheet  
as at 31 December 2017**

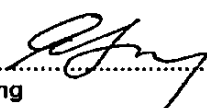
	Note	2017 US('\$000)	2016 US('\$000)
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	17,572	70,181
		<u>17,572</u>	<u>70,181</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(17,505)	(70,166)
Derivative financial instruments: amounts falling due within one year	11	-	(1,435)
		<u>-</u>	<u>(1,435)</u>
<b>Net assets/(liabilities)</b>		<u><b>67</b></u>	<u><b>(1,420)</b></u>
<b>Capital and reserves</b>			
Called up share capital	10,11	-	-
Cash flow hedge reserve	11	-	(1,487)
Profit and loss account	11	67	67
		<u>67</u>	<u>67</u>
<b>Total shareholders' deficit</b>		<u><b>67</b></u>	<u><b>(1,420)</b></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

  
 .....  
**S Jiang**  
**Director**

Date: 28.11.18

The notes on pages 8 to 18 form part of these financial statements.

**AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

**Statement of changes in equity  
for the year ended 31 December 2017**

	<b>Called up share capital US('\$000)</b>	<b>Cash flow hedge reserve US('\$000)</b>	<b>Profit and loss account US('\$000)</b>	<b>Total shareholders' deficit US('\$000)</b>
<b>At 1 April 2016</b>	-	(589)	-	(589)
Profit for the financial period	-	-	67	67
Cash flow hedge movements	-	(898)	-	(898)
<b>Total comprehensive (expense)/income for the period</b>	<b>-</b>	<b>(898)</b>	<b>67</b>	<b>(831)</b>
<b>At 31 December 2016</b>	-	(1,487)	67	(1,420)
Cash flow hedge movements	-	1,487	-	1,487
<b>Total comprehensive income/(expense) for the year</b>	<b>-</b>	<b>1,487</b>	<b>-</b>	<b>1,487</b>
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>67</b>

The notes on pages 8 to 18 form part of these financial statements.

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **1. Presentation of financial statements**

The Company's financial statements are prepared using the US Dollar as the presentational currency. The US Dollar is also the Company's functional currency, representing the currency of the primary economic environment in which the Company operates.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: AB Inbev House, Church Street West, Woking, Surrey, GU21 6HT, United Kingdom.

### **2. Accounting policies**

#### **Basis of preparation**

These financial statements have been prepared in accordance with *Financial Reporting Standard 101 Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2013/14, 2014/15 and 2015/16 cycle) issued in July 2014, July 2015 and July 2016 effective immediately have been applied.

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

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

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

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

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

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **2. Accounting policies (continued)**

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

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

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

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

#### **Turnover**

Turnover is recognised to the extent that it is probable that economic benefits will flow to the Company, and it can be reliably measured. The total revenue of the Company for the period has been derived from management fees primarily from Asia, Europe, SA, LatAm and North America.

#### **Interest income**

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

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

#### **Foreign exchange**

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

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

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

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

#### **Interest expense on loans from fellow group undertakings**

Interest 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.

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 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 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 balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Financial instruments**

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

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **Financial instruments (continued)**

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

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

#### **Non derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, cash and cash equivalents, loans and borrowings, and issued financial guarantee contracts.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Loans receivable and borrowings*

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

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **Hedge accounting**

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

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedging relationship.

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

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

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

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

#### **(i) Fair value hedges**

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

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **Hedge accounting (continued)**

##### **(ii) Cash flow hedges**

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

Details of the group's financial risk management objectives and policies are provided in note 21 to the consolidated financial statements of the Group.

#### **Impairment of financial assets**

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

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

#### **Share capital**

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

#### **Dividend payable**

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

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



# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

### **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 for the Company due to greater complexity and/or particularly subject to the exercise of judgement.

#### *Impairment review*

Impairment reviews in respect of financial assets are performed if events indicate that this is necessary. Impairment reviews are based on future cash flows discounted using the weighted average cost of capital. The future cash flows are based on business forecasts, and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the Company.

### **4. Operating expenses**

	1 January 2017 to 31 December 2017 US('\$000)	1 April 2016 to 31 December 2016 US('\$000)
Consultancy fees	-	3
Management fees	22,318	20,207
Administrative expenses, net of recovery	9,501	6,312
Net other operating costs	-	11
<b>Total other operating expenses</b>	<b>31,819</b>	<b>26,533</b>

### **5. Key management compensation and employees**

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

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

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

# AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)

## Notes to the financial statements for the year ended 31 December 2017

### 6. Finance expense

	1 January 2017 to 31 December 2017 US(' \$000)	1 April 2016 to 31 December 2016 US(' \$000)
Interest payable to fellow Group undertakings	2,110	804
Fair value loss on derivative financial instruments	760	6,227
Foreign exchange loss	802	640
<b>Total finance expense</b>	<b>3,672</b>	<b>7,671</b>

### 7. Taxation on result / loss

#### Analysis of charge / (credit) in the year / period

	1 January 2017 to 31 December 2017 US(' \$000)	1 April 2016 to 31 December 2016 US(' \$000)
<b>Current taxation</b>		
UK Corporation tax on losses for the year / period	(10)	(10)
Adjustments in respect of previous periods	10	(13)
Withholding taxes and other remittance taxes	-	(95)
<b>Total taxation charge / (credit)</b>	<b>-</b>	<b>(118)</b>

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

### **7. Taxation on result / loss (continued)**

#### **Factors affecting the taxation charge / (credit) for the year / period**

The tax assessed for the year / period is the same as (period ended 31 December 2016: lower than) the UK standard rate of corporation tax for the year ended 31 December 2017 of 19.25% (period ended 31 December 2016: 20%). The differences are explained below:

	1 January 2017 to 31 December 2017 US(' \$000)	1 April 2016 to 31 December 2016 US(' \$000)
Result / (loss) on ordinary activities before taxation	-	(51)
Tax credit at UK standard rate of corporation tax of 20% (period ended 31 December 2016: 20%)	-	(10)
Effects of:		
Adjustments in respect of prior periods	10	(13)
Withholding tax and other remittance taxes	-	(95)
Unrecognised tax losses	-	-
Group relief not paid for	(10)	-
<b>Total tax charge / (credit) for the year / period</b>	<b>-</b>	<b>(118)</b>

#### **Factors that may affect future tax charges**

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017.

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate to 17% from April 2020.

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

# **AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)**

## **Notes to the financial statements for the year ended 31 December 2017**

### **8. Debtors: amounts falling due within one year**

	2017 US('\$000)	2016 US('\$000)
Amounts owed by fellow Group undertakings	16,987	69,690
Other debtors	585	481
Corporation tax	-	10
	<u>17,572</u>	<u>70,181</u>

Amounts owed by fellow Group undertakings bear interest at 1-month LIBOR (or currency equivalent) with spreads ranging from minus 12.5 to plus 110 basis points (period ended 31 December 2016: minus 12.5 to plus 110 basis points) and are unsecured and repayable on demand.

The carrying amounts of trade and other debtors are denominated in US dollars, which is the functional currency of the respective subsidiaries.

### **9. Creditors: amounts falling due within one year**

	2017 US('\$000)	2016 US('\$000)
Loans owed to parent undertaking	8,166	44,378
Amounts owed to fellow Group undertakings	9,313	25,775
Accruals and deferred income	1	13
Bank overdrafts	25	-
	<u>17,505</u>	<u>70,166</u>

Loans owed to parent undertakings bear interest at 1-month LIBOR (or currency equivalent) with spreads ranging from minus 12.5 to plus 110 basis points (period ended 31 December 2016: minus 12.5 to plus 110 basis points) and are unsecured and repayable on demand.

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

The fair value of trade and other creditors approximates to their book value. The carrying amounts of trade and other creditors are denominated in US dollars.

### **10. Called up share capital**

	2017 US\$	2016 US\$
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of US\$1 each (31 December 2016: 1)	<u>1</u>	<u>1</u>

# AB InBev Corporate Services Limited (formerly SABMiller Corporate Services Limited)

## Notes to the financial statements for the year ended 31 December 2017

### 11. Reserves

Reserves are comprised of the following:

Called up share capital represents the nominal value of shares subscribed for.

Other comprehensive income/expense represents the fair value gain/loss arising from cash flow hedges.

The Company's profit and loss account represents cumulative profits or losses net of transactions with owners (e.g. dividends) not recognised elsewhere.

### 12. Capital commitments and contingent liabilities

There were no capital commitments or material contingent liabilities at 31 December 2017 (period ended 31 December 2016: US\$ nil).

### 13. Related party transactions

During the year the Company had transactions with members of the Group in which the Group does not hold a 100% interest as follows:

	2017 US('\$000)	2016 US('\$000)
Management fee income	1,993	325
Management fee expense	-	(780)
Administrative expense recovery	-	6,691
At 31 December		
Amounts owed by fellow Group undertakings	<u>5,766</u>	<u>7,591</u>

### 14. Ultimate parent undertaking

The immediate parent undertaking as at 31 December 2017 was AB InBev Holdings Limited (formerly SABMiller Holdings Limited), a company incorporated in England and Wales.

At 31 December 2017 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's consolidated financial statements can be obtained from Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium.