Registration number: 09852273

HFC Finance Limited

Report and Unaudited Financial Statements

31 December 2018

HFC Finance Limited

Directors	Y N Bomans
	G Boulange
Company secretary	Brodies Secretarial Services Limited
Registered number	09852273
Registered office	Porter Tun House 500 Capability Green Luton LU1 3LS

Directors' Report
for the Year Ended 31 December 2018

The Directors present their report and the unaudited financial statements for the year ended 31 December 2018.

Results and dividends
The profit for the financial year, after taxation, amounted to $10,761,355,000 (2017: loss for the year of $11,307,281,000).

The Directors do not recommend the payment of a dividend (2017: $Nil).

Directors' of the company
The directors, who held office during the year and up to the date of signing the financial statements, were as follows:

Y N Bomans

G Boulange

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

Small companies provision statement
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 27/9/19 and signed on its behalf by:

Y N Bomans
Director

G Boulange
Director

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- notify the shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

Statement of Comprehensive Income

for the Year Ended 31 December 2018

	Note	2018 $ 000	2017 $ 000
Administrative expenses		(73)	(33)
Interest payable and similar charges	4	(2,017,366)	(2,022,281)
Interest receivable and similar income	5	-	153,397
Operating loss		(2,017,439)	(1,868,917)
Income from subsidiary	6	12,778,794	-
Impairment of investment		-	(9,438,364)
Profit/(loss) before tax		10,761,355	(11,307,281)
Tax on profit/(loss)	8	-	-
Profit/(loss) for the year		10,761,355	(11,307,281)
Total comprehensive income/(loss) for the year		10,761,355	(11,307,281)

All amounts relate to continuing activities.

The notes on pages 7 to 16 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2018

	Note	2018 $ 000	2017 $ 000
Fixed assets			
Investments in subsidiaries	9	1	65,457,333
Current assets			
Cash at bank and in hand		42	6
Creditors: Amounts falling due within one year	10	(178)	(73,768,355)
Net current liabilities		(136)	(73,768,349)
Total assets less current liabilities		(135)	(8,311,016)
Creditors: Amounts falling due after more than one year	10	-	(2,450,474)
Net liabilities		(135)	(10,761,490)
Capital and reserves			
Called up share capital	11	252,200	252,200
Share premium account	12	2,197,800	2,197,800
Other reserves account	12	181	181
Profit and loss account	12	(2,450,316)	(13,211,671)
Total equity		(135)	(10,761,490)

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 27/9/19 and signed on its behalf by:

Y N Bomans
Director

G Boulange
Director

The notes on pages 7 to 16 form an integral part of these financial statements.

Statement of Changes in Equity

for the Year Ended 31 December 2018

	Called up share capital *$ 000*	*Share premium account* *$ 000*	*Other reserves account* *$ 000*	*Profit and loss account* *$ 000*	*Total* *$ 000*
At 1 January 2017	252,200	2,197,800	-	(1,904,390)	545,610
Loss for the year	-	-	-	(11,307,281)	(11,307,281)
Total comprehensive income	-	-	-	(11,307,281)	(11,307,281)
Other capital redemption reserve movements	-	-	181	-	181
At 31 December 2017	252,200	2,197,800	181	(13,211,671)	(10,761,490)
Profit for the year	-	-	-	10,761,355	10,761,355
Total comprehensive income	-	-	-	10,761,355	10,761,355
At 31 December 2018	252,200	2,197,800	181	(2,450,316)	(135)

The notes on pages 7 to 16 form an integral part of these financial statements.

Notes to the Unaudited Financial Statements

for the Year Ended 31 December 2018

1 General information

HFC Finance Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Anheuser-Busch InBev NV/SA. The group accounts of Anheuser-Busch InBev NV/SA are available to the public and can be obtained as set out in note 13

The address of its registered office is:
Porter Tun House
500 Capability Green
Luton
LU1 3LS
United Kingdom

These financial statements are presented in USD. The Company's functional currency was determined by reference to the functional currency of it's parent company. The Company's functional currency is USD.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements are prepared on the historical cost basis of accounting, modified to include revaluation to fair value of certain financial instruments as outlined below and in accordance with applicable accounting standards.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

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

Notes to the Unaudited Financial Statements

for the Year Ended 31 December 2018

2 Accounting policies (continued)

Accounting policies have been applied consistently over the financial year and prior period.

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

Summary of disclosure exemptions

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

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of i. paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 10(f) (statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' (inter group transactions)

Exemption from preparing group accounts

The financial statements contain information about HFC Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, , a company incorporated in

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

2 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective
IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 December 2018

IFRS 9 Financial Instruments
IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Company adopted IFRS 9 with a transition date of 1 January 2018. Management has performed an assessment of the intercompany loans held and believe that there is no difference between the contractual and expected future cash flows of those loans, which have all been documented. The loans are all repayable on demand and therefore the simplified approach under IFRS 9 has been followed with 12 month expected credit losses analysed. The impact of this is not material to these financial statements and therefore the loans have not been credit-impaired at the reporting date. Equity investments classified as available-for-sale financial assets under IAS 39 have been classified as being at Fair Value through Other Comprehensive Income (FVTOCI) under IFRS 9. All fair value gains in respect of those assets are recognised in other comprehensive income and are not recycled to profit or loss. Previously under IAS 39, impairment of such assets were recognised in profit or loss, and gains and losses accumulated in reserves were recycled to profit or loss on disposal. As a result of the adoption of IFRS 9 and the changes in the financial instruments accounting policy, there were no adjustments made to the Company's retained earnings as at 1 January 2018 or 1 January 2017 and there were no adjustments made to line items in the Profit and loss account and other comprehensive income statement for the year ended 31 December 2017 relating to the adoption of IFRS 9.

Financial instruments

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

Fair value measurement
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The Company seeks to use valuation techniques using inputs that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), but where such inputs are not observable, fair value is derived using valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

2 Accounting policies (continued)

Loans and receivable
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when their is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present values of the future expected cash flows associated with the impaired receivable.

Financial liabilities
Financial liabilities are initially recognised at fair value and are subsequently measured at the higher of (a) the amount determined in accordance with IFRS 9 and (b) the amount initially recognised less, when appropriate cumulative amortisation recognised in accordance with IFRS 9

Interest receivable and similar income

Interest receivable and similar income is recognised in the statement of comprehensive income using the effective interest method.

Guarantor fee income is recognised in the statement of comprehensive income using the effective interest method.

Interest payable and similar costs

Interest expense is recognised as it accrues on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Guarantee fees are recognised in the statement of comprehensive income using the effective interest method.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Tax
The tax currently receivable/payable is based on taxable loss for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset/liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

2 Accounting policies (continued)

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

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

In the application of the Company's accounting policies which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not feel there are any areas of estimation uncertainty or accounting judgements which are required.

4 Interest payable and similar charges

	2018 *$ 000*	*2017* *$ 000*
Interest payable to other group companies - BFC Finance Limited	2,017,366	1,942,716
Interest payable to other group companies - DFC Finance Limited	-	79,565
	2,017,366	2,022,281

Notes to the Unaudited Financial Statements

for the Year Ended 31 December 2018

5 Interest receivable and similar income

	2018 $ 000	2017 $ 000
Dividend income	-	153,397

6 Income from subsidiary

	2018 $ 000	2017 $ 000
Distribution from BFC Finance Limited	78,236,126	-
Reduction in value of investment	(65,457,333)	-
	12,778,793	-

7 Staff costs

The Company has no employees (2017: Nil)

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

8 Income tax

Tax charged in the statement of comprehensive income

	2018 $ 000	2017 $ 000
Current taxation		
	-	-

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

8 Income tax (continued)

The tax on loss for the year is different to the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%).

The differences are reconciled below:

	2018 *$ 000*	*2017* *$ 000*
Profit/(loss) before tax	10,761,355	(11,307,281)
Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	2,044,658	(2,176,264)
Expenses not deductible	(2,427,971)	1,816,562
Income not taxable	-	(29,524)
Effect of group relief/other relief	383,313	382,052
Excess losses not recognised	-	7,174
Total tax charge/(credit)	-	-

As per current UK corporate tax law, the UK corporation tax rate reduced to 19% from 1 April 2017. Under the Finance (No.2) Act 2016, which received Royal Assent on 15 September 2016, the UK corporation tax rate will be further reduced to 17% effective from 1 April 2020. The reduction to the tax rate included in the Finance (No. 2) Act 2016 was enacted at the balance sheet date and the effect thereof is therefore reflected in these financial statements.

There are $Nil of unused tax losses (2017 - $1,610,858,694) for which no deferred tax asset is recognised in the statement of financial position.

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

9 Investments in subsidiaries

Details of subsidiaries as at 31 December 2018 are as follows:

Name of company	*Nature of business*	*Holding*	*Proportion of shares held*	*2018 $ 000*	*2017 $ 000*
BFC Finance Limited	Investment company	Ordinary shares	100%	1	65,457,333

	BFC Finance Limited $ 000
At 1 January 2018	65,457,333
Distribution received	(65,457,332)
At 31 December 2018	1

The above investment shares the same registered address: Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS.

On 23 November 2018 BFC Finance Limited waived the loan and interest owed by HFC Finance Limited, this was credited direct to the carrying value of the investment and the surplus was recognised in the Statement of Comprehensive Income within this reporting period.

10 Creditors

Amounts falling due within one year

	2018 $ 000	*2017 $ 000*
Interest payable on group undertakings	1	3,773,688
Amounts falling due to group undertakings	-	69,994,599
Other payables	177	68
	178	73,768,355

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

10 Creditors (continued)

Amounts falling due after one year

	2018 $ 000	2017 $ 000
Amounts falling due to group undertakings	-	2,450,474

The bank overdraft is secured by charges on the assets of the company. The company has an overdraft agreement of €5 million, as at 31 December 2018 no amount was overdrawn (2017: Nil).

11 Called up share capital

Authorised, allotted, called up and fully paid

	2018		2017	
	No. 000	$ 000	No. 000	$ 000
Ordinary shares of $1 each	252,200	252,200	252,200	252,200

12 Reserves

Share premium account

The share premium account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Other reserves account

The other reserves account represents the amount of capital contribution given to the company by other group companies with no consideration.

Profit and loss account

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

Notes to the Unaudited Financial Statements
for the Year Ended 31 December 2018

13 Controlling party

The ultimate parent company and controlling party is Anheuser-Busch InBev NV/SA and the immediate parent company is Brandbev S.A.R.L, a company incorporated in Luxembourg.

The largest and smallest group to consolidate these financial statements is Anheuser-Busch InBev NV/SA, incorporated in Belgium. The consolidated financial statements are available to the public and may be obtained from Anheuser-Busch InBev, 2018952, Grand' Place 1, Brussels, Belgium.