

**AB Sugar Africa Limited
(formerly AB Sugar Limited)**

Annual report and financial statements

Registered number 04317607

17 September 2016

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Strategic report

Review of the company's business

The principal activity of the company is that of a holding company within the Associated British Foods plc group (the "group").

During the period the company undertook a redenomination of its share capital in order to facilitate a return of capital to its parent company. Subsequently the company issued share capital and associated share premium totalling ZAR 5,618 million and used the proceeds to acquire a 48.653% holding in Illovo Sugar Proprietary Limited (formerly Illovo Sugar Limited) ("Illovo"). As Illovo is the sole investee of the company the primary economic environment of the company is assessed to be South Africa. The functional and presentational currency of the company was changed in the year from sterling to South African rand to reflect this. See note 3 of the financial statements.

The company was dormant in the prior period but now acts as a holding company within the group. The directors anticipate that the company will continue to operate on the same basis.

On 10 February 2016 the company changed its name from AB Sugar Limited to AB Sugar Africa Limited.

Trading results and transfer to reserves

The company's result for the year is reflected in the statement of comprehensive income on page 5. The loss on ordinary activities after taxation amounted to ZAR 75 million (2015: ZAR nil), representing the transaction costs on the investment in Illovo. Prior to the investment in Illovo a dividend of ZAR 1 million was declared and paid in the period (2015: ZAR nil).

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



MH Abdool-Samad
Director

10 March 2017

Directors' report

The directors present their annual report and financial statements for the 53 week period ended 17 September 2016. The financial statements are presented in South African rand, rounded to the nearest million.

Dividends

A dividend of ZAR 1 million was declared and paid in the period (2015: ZAR nil). The directors do not recommend the payment of a further dividend.

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.

Directors

The directors who held office during the period were:

MH Abdool-Samad (appointed 14 September 2016)
GB Dalglish (appointed 14 September 2016)
RS Schofield (resigned 14 September 2016)
PA Russell (resigned 14 September 2016)

Directors' indemnities

Certain directors benefited from qualifying third party indemnity provisions provided by an intermediate holding company during the financial period.

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 to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The company was previously exempt under section 480 of the Companies Act relating to dormant companies from appointing an auditor.

Since coming out of dormancy, and in accordance with section 485(3)(b) of the Companies Act 2006, Ernst & Young LLP was appointed as auditor of the company for the period ended 17 September 2016.

Pursuant to Section 485(4) of the Companies Act 2006, the directors are proposing that the sole member of the company passes a resolution to appoint Ernst & Young LLP as auditor of the company for the year commencing 18 September 2016.

By order of the board



MH Abdool-Samad
Director

I Nokwe Avenue
Ridgeside
Umhlanga Rocks
Durban

10 March 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the 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 Practice (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 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.

Independent auditor's report to the members of AB Sugar Africa Limited

We have audited the financial statements of AB Sugar Africa Limited for the 53 week period ended 17 September 2016 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 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 17 September 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matter

The corresponding figures for the 52 weeks to 12 September 2015 are unaudited.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Andrew Walton (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

10 March 2017

Ernst & Young LLP
1 More London Place
London SE1 2AF

Statement of total comprehensive income

For the 53 week period ended 17 September 2016

	Note	53 week period to 17 September 2016 ZAR'm	52 week period to 12 September 2015 ZAR'm
Exceptional item	6	(75)	-
Loss on ordinary activities before taxation		(75)	-
Tax on profit on ordinary activities	7	-	-
Loss on ordinary activities after taxation		(75)	-
Other comprehensive income		-	-
Total comprehensive income		(75)	-

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.

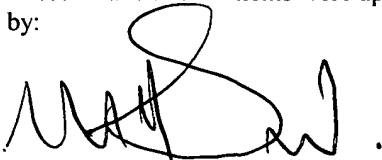
The notes on pages 8 to 11 form part of the financial statements.

Balance sheet

at 17 September 2016

	<i>Note</i>	2016 ZAR'm	2015 ZAR'm
Non-current assets			
Investments in associated undertakings	9	5,618	-
Current assets			
Debtors: amounts falling due within one year	10	-	1
Current liabilities			
Creditors: amounts falling due within one year	11	(75)	-
Net current liabilities		(75)	-
Net assets		5,543	1
Capital and reserves			
Called up share capital	12	6	-
Share premium account		5,612	1
Profit and loss account		(75)	-
Equity shareholder's funds		5,543	1

These financial statements were approved by the board of directors on 10 March 2017 and were signed on its behalf by:



MH Abdool-Samad
Director

The notes on pages 8 to 11 form part of the financial statements.

Statement of changes in shareholder's equity

For the 53 weeks ended 17 September 2016

	<i>Note</i>	Called up share capital	Share premium account	Profit and loss account	Total
		ZAR'm	ZAR'm	ZAR'm	ZAR'm
Balance as at 13 September 2014		-	1	-	1
Result for the financial year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Balance as at 12 September 2015		-	1	-	1
Loss for the financial year		-	-	(75)	(75)
Total comprehensive income for the year		-	-	(75)	(75)
Capital reduction		-	(1)	1	-
Dividend paid	8	-	-	(1)	(1)
Share capital issued		6	5,612	-	5,618
Balance as at 17 September 2016		6	5,612	(75)	5,543

Notes to the financial statements

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

The financial statements of AB Sugar Africa Limited (the “company”) for the period ended 17 September 2016 were authorised for issue by the board of directors on 10 March 2017.

The company’s financial statements are presented in South African Rand and all values are rounded to the nearest million rand (ZAR’m) except where otherwise indicated. They are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the Companies Act 2006. These financial statements are the first the company has prepared in accordance with FRS 101. Details of the impact of transition are given in note 14.

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 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 53 week period ended 17 September 2016.

3 Accounting policies

Functional currency

The company’s functional and presentational currency is South African Rand (ZAR). In the prior year, the company’s functional and presentational currency was sterling (GBP). The change in functional currency has had no material impact on the accounts or disclosures. The exchange rate used at 17 September 2016 was ZAR 18.743/£1 (2015: ZAR 20.988/£1).

Investments

Investments in associated undertakings are reported at cost less any provision for impairment.

Exceptional items

Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement.

Notes to the financial statements *(continued)*

4 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.

5 Auditor's remuneration

The auditor's remuneration was borne by Associated British Foods plc in the current period (2015: dormant accounts were not audited).

6 Exceptional item

The exceptional item is a charge of ZAR 75 million for costs associated with the investment in 48.653% of Illovo.

7 Tax on loss on ordinary activities

(a) Analysis of charge for the period

	2016 ZAR'm	2015 ZAR'm
Current tax	-	-

(b) Factors affecting tax charge for the period

The tax assessed for the period is less than (2015: equal to) the standard rate of corporation tax in the UK of 20% (2015: 20.54%). The differences are explained below:

	2016 ZAR'm	2015 ZAR'm
Loss on ordinary activities before tax	(75)	-
Profit on ordinary activities before tax at the standard rate of corporation tax of 20% (2015: 20.54%)	15	-
Expenses not deductible	(15)	-
Total tax charge	-	-

(c) Factors that may affect future tax charges

As of 15 September 2016 the company became tax resident in South Africa. Accordingly, for the foreseeable future, the company will be subject to South African tax legislations. The main rate of corporation tax in South Africa is 28%.

Notes to the financial statements *(continued)*

8 Dividends paid and proposed

	2016 ZAR'm	2015 ZAR'm
Equity dividends on ordinary shares declared and paid during the period	1	-
No further dividends have been proposed.		

9 Investments in associated undertakings

	Total ZAR'm
Cost and carrying value	
At 12 September 2015	-
Additions	5,618
At 17 September 2016	5,618

	Place of incorporation or registration	Percentage of ordinary shares
Illovo Sugar Proprietary Limited	South Africa	48.653%
During the period the company purchased 224,161,325 Ordinary shares in Illovo Sugar Proprietary Limited (formerly Illovo Sugar Limited).		

10 Debtors: due within one year

	2016 ZAR'm	2015 ZAR'm
Amounts owed by parent undertaking	-	1

11 Creditors

	2016 ZAR'm	2015 ZAR'm
Amount due to intermediate holding company	(75)	-

Notes to the financial statements (continued)

12 Share capital

	17 September 2016		12 September 2015	
	Number	ZAR'm	Number	ZAR'm
<i>Issued, called up and fully paid</i>				
Ordinary shares of ZAR 1 each (2015: £0.01 each)	5,618,044	6	1,772,164	-

The company undertook a redenomination and consolidation of its share capital in the period in order to facilitate a return of capital to its parent company. Subsequent to this, the company issued ZAR 6 million of share capital.

13 Holding company

The immediate holding company is ABF Overseas Limited, 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.

14 Transition to FRS 101

For all periods up to and including the period ended 12 September 2015, the company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). The financial statements for the 53 weeks ended 17 September 2016 are the first the company has prepared in accordance with FRS 101.

The company's transition date to FRS101 is 13 September 2014, which is the date from which any changes in accounting policies, restatements or presentational changes required on adoption of FRS101 have been made. The comparative financial information for the 52 weeks ended 12 September 2015 has been re-presented in line with FRS101.

No material measurement or recognition adjustments were required upon adoption of FRS 101.