

AB Sugar Africa Limited

**Strategic report, Directors' report
and financial statements**

Registered number 04317607

For the 28 weeks ended 31 March 2017

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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"). The directors anticipate that the company will continue to operate on the same basis.

On 27 March 2017 the company shortened its accounting period so as to end on 31 March 2017. The results for the period reflect the 28 week period ended 31 March 2017 ("the 28 week period"). Comparative information reflects the results for the 53 week period ended 17 September 2016 ("2016, 53 weeks").

During the 28 week period the company issued share capital and associated share premium totalling ZAR 6,411 million and used the proceeds to acquire the remaining 51.347% holding in Illovo Sugar Proprietary Limited ("Illovo") from ABF Overseas Limited, its parent company.

During the prior 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. 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 prior period from sterling to South African rand to reflect this.

On 28 April 2017, the company issued 75,445 ordinary shares of ZAR 1 each which, together with associated share premium generated total proceeds of ZAR 75 million. These proceeds were used to repay the amount due to the intermediate holding company.

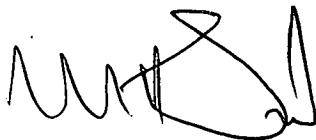
Trading results and transfer to reserves

The company did not trade and its result for the period is reflected in the statement of total comprehensive income on page 5. The profit on ordinary activities after taxation for the 28 week period amounted to ZAR nil (2016, 53 weeks: ZAR 75 million loss). No dividend was declared or paid in the 28 week period (2016, 53 weeks: ZAR 1 million).

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

21 August 2017

Directors' report

The directors present their report, the Strategic report and the financial statements for the 28 week period ended 31 March 2017. The financial statements are presented in South African rand, rounded to the nearest million.

Dividends

No dividend was declared or paid in the 28 week period (2016, 53 weeks: ZAR 1 million). The directors do not recommend the payment of a further dividend.

Going concern

After making due enquiries and receiving confirmation from the intermediate parent company that financial support will continue to be made available for at least 12 months from the date that these financial statements are signed, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least the next 12 months. 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
GB Dagleish

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

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



MH Abdool-Samad
Director

1 Nokwe Avenue
Ridgeside
Umhlanga Rocks
Durban

21 August 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 period ended 31 March 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 13. 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 Strategic report, Directors' 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 31 March 2017 and of its result 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the 28 week period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Directors' report.

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

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

Ernst & Young LLP

Andrew Walton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
25 August 2017

Statement of total comprehensive income

For the 28 week period ended 31 March 2017

	<i>Note</i>	28 week period to 31 March 2017 ZAR'm	53 week period to 17 September 2016 ZAR'm
Exceptional item	6	-	(75)
Profit/(loss) on ordinary activities before taxation		-	(75)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(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 31 March 2017

	<i>Note</i>	31 March 2017 ZAR'm	17 September 2016 ZAR'm
Non-current assets			
Investments in associated undertakings	9	12,029	5,618
Current liabilities			
Creditors: amounts falling due within one year	10	(75)	(75)
Net current liabilities		(75)	(75)
Net assets		11,954	5,543
Capital and reserves			
Called up share capital	11	12	6
Share premium account		12,017	5,612
Profit and loss account		(75)	(75)
Equity shareholder's funds		11,954	5,543

These financial statements were approved by the board of directors on 21 August 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 28 week period ended 31 March 2017

	<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 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	11	6	5,612	-	5,618
Balance as at 17 September 2016		6	5,612	(75)	5,543
Profit for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Share capital issued	11	6	6,405	-	6,411
Balance as at 31 March 2017		12	12,017	(75)	11,954

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 28 week period ended 31 March 2017 were authorised for issue by the board of directors on 21 August 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.

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.

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 28 week period ended 31 March 2017 in order to align with the accounting reference date of the company's sole investee, Illovo Sugar Proprietary Limited. As a result of the difference in the length of the period (28 weeks) and the prior period (53 weeks), the financial statements are not entirely comparable.

3 Accounting policies

Functional currency

The company's functional and presentational currency is South African rand (ZAR).

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.

Financial assets and liabilities

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

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of ZAR 75m, which the directors believe to be appropriate for the following reasons:

- the company is dependent upon its parent company and fellow subsidiaries for continuing financial support; and
- ABF Investments plc (intermediate parent company) has provided the company with an undertaking that it will continue to make available such funds as are needed by the company at least for the next twelve months from the date that these financial statements are signed.

Notes to the financial statements *(continued)*

After considering the above, the directors have concluded that they have a reasonable expectation that the company has adequate resources to meet its financial obligations as they fall due for the foreseeable future. For this reason they adopt the going concern basis.

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 and prior period.

6 Exceptional item

The exceptional item in the prior year 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

	28 week period to 31 March 2017 ZAR'm	53 week period to 17 September 2016 ZAR'm
Current tax	-	-

(b) Factors affecting tax charge for the period

The tax assessed for the period is equal to (2016: less than) the standard rate of corporation tax in South Africa of 28% (2016: in the UK of 20 %). The differences are explained below:

	28 week period to 31 March 2017 ZAR'm	53 week period to 17 September 2016 ZAR'm
Loss on ordinary activities before tax	-	(75)
Loss on ordinary activities before tax at the standard rate of corporation tax of 28% (2016: 20%)	-	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 legislation. The main rate of corporation tax in South Africa is 28%.

Notes to the financial statements *(continued)*

8 Dividends paid and proposed

	28 week period to 31 March 2017 ZAR'm	53 week period to 17 September 2016 ZAR'm
Equity dividends on ordinary shares declared and paid during the period	-	1
	<u> </u>	<u> </u>

No further dividends have been proposed.

9 Investments in associated undertakings

	Total ZAR'm
Cost and carrying value	
At 17 September 2016	5,618
Additions	6,411
At 31 March 2017	<u><u>12,029</u></u>

	Place of incorporation or registration	Percentage of ordinary shares
Illovo Sugar Proprietary Limited	South Africa	100%

During the period the company issued share capital and associated share premium totalling ZAR 6,411 million and used the proceeds to acquire the remaining 51.347% holding in Illovo Sugar Proprietary Limited ("Illovo") from ABF Overseas Limited its parent company.

10 Creditors

	31 March 2017 ZAR'm	17 September 2016 ZAR'm
Amount due to intermediate holding company	(75)	(75)
	<u> </u>	<u> </u>

11 Share capital

	31 March 2017 Number	ZAR'm	17 September 2016 Number	ZAR'm
<i>Issued, called up and fully paid</i>				
Ordinary shares of ZAR 1 each (2016: ZAR 1 each)	12,029,070	12	5,618,044	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company issued ZAR 6,411,026 of share capital in the period with an associated share premium of ZAR 6,405 million.

Notes to the financial statements *(continued)*

12 Events after the reporting date

On 28 April 2017, the company issued 75,445 ordinary shares of ZAR 1 each which, together with associated share premium generated total proceeds of ZAR 75 million. These proceeds were used to repay the amount due to the intermediate holding company.

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.