

**A.B. Exploration Limited**

**Directors' report and financial  
statements**

**Registered number 487323**

**12 September 2009**

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## Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 12 September 2009.

### Principal activities

During the period the principal activity was the holding of intellectual property rights.

### Business review and future developments

During the period the main activities of the company remained unchanged and the directors anticipate that any future developments will relate to the company's principal activity.

### Profit, dividends and transfer to reserves

The profit and loss account for the period is set out on page 4. The profit on ordinary activities after taxation amounted to £6,103,000 (2008: £9,381,000).

An ordinary dividend of £7,650,000 was declared and paid for the period (2008: £850,000). No preference dividends were declared (2008: £nil). The right to cumulative preference dividends has been waived.

### Directors

The directors who held office during the period were:

JG Bason  
PA Russell

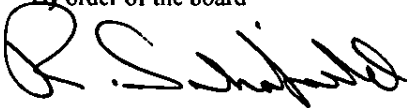
### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information. For these purposes, relevant audit information means information needed by the company's auditors in connection with preparing their report on page 3.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors are deemed to have been reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



RS Schofield  
Secretary

Weston Centre  
10 Grosvenor Street  
London  
W1K 4QY

14. 2009

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



KPMG Audit Plc  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Independent auditors' report to the members of A.B. Exploration Limited**

We have audited the financial statements of A.B. Exploration Limited for the 52 week period ended 12 September 2009 which comprises the Profit and Loss Account, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 Practises Board (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

### **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 12 September 2009 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.

**Stephen Oxley (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants  
8 Salisbury Square  
London  
EC4Y 8BB  
14 January 2010

## Profit and loss account

for the year ended 12 September 2009

	<i>Note</i>	2009 £'000	2008 £'000
Royalty income		6,773	7,514
Administration costs		(5,172)	(4,647)
<b>Operating profit</b>		<b>1,601</b>	<b>2,867</b>
Investment income		6,875	10,154
<b>Profit on ordinary activities before taxation</b>		<b>8,476</b>	<b>13,021</b>
Tax on profit on ordinary activities	5	(2,373)	(3,640)
<b>Profit on ordinary activities after taxation</b>		<b>6,103</b>	<b>9,381</b>

There are no other recognised gains and losses in the period. Accordingly, no statement of total recognised gains and losses and no statement of movements in reserves have been presented.

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.

## Balance sheet

at 12 September 2009

	<i>Note</i>	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Intangible assets	6	42,254	47,106
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	7	175,296	173,447
<b>Creditors: amounts falling due within one year</b>	8	(1,643)	(3,099)
		<hr/>	<hr/>
<b>Net current assets</b>		173,653	170,348
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		215,907	217,454
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	9	200,784	200,784
Share premium account		200	200
Profit and loss account		14,923	16,470
		<hr/>	<hr/>
<b>Shareholder's funds - equity interests</b>	10	215,907	217,454
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 14 January 2010 and were signed on its behalf by:



**PA Russell**

*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 12 September 2009.

### 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements. A group cash flow statement is included in the financial statements of Associated British Foods plc.

The company is controlled by Associated British Foods plc and is exempt from disclosing transactions with it and other group companies under Financial Reporting Standard 8 as it is a wholly owned subsidiary included within consolidated financial statements which are publicly available.

#### *Royalty income*

Royalty income is recognised on the basis of sales made by fellow subsidiaries of products for which the company owns the intellectual property rights.

#### *Dividends*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Goodwill and intangible assets*

Impairment reviews of goodwill and intangible assets are carried out at the end of the first financial year after acquisition and where there is any indication of impairment.

Goodwill is amortised over its estimated useful life of 20 years. Intangible fixed assets are capitalised at their cost. Purchased intangible assets are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of 10 years.

### 3 Directors' emoluments

The directors have received no emoluments in respect of their services as directors of the company in the current or the previous period.

### 4 Auditors' remuneration

Auditors' remuneration has been borne by the holding company in the current and the previous period.



**Notes (continued)**

**5 Tax on profit on ordinary activities**

**(a) Analysis of charge in the period**

	2009 £'000	2008 £'000
<b>Current Tax Expense</b>		
UK- corporation tax at 28.00% (2008: 29.08%)	(2,804)	(4,070)
<b>Deferred Tax</b>		
UK deferred tax	431	430
<b>Total tax expense</b>	<u>(2,373)</u>	<u>(3,640)</u>

**(b) Factors affecting the current tax charge for the period**

Profit on ordinary activities before tax	8,476	13,021
UK corporation tax rate of 28.00% (2008: 29.08%)	(2,373)	(3,787)
Adjustment in respect of prior years	-	164
Timing differences	(431)	(447)
<b>Total current tax</b>	<u>(2,804)</u>	<u>(4,070)</u>

**(c) Factors that may affect future tax charges**

There were no factors that are expected to affect future charges.

**6 Intangible fixed assets**

	Goodwill £'000	Intangibles £'000	Total £'000
<b>Cost</b>			
At 12 September 2009 and 13 September 2008	57,646	10,084	67,730
<b>Amortisation</b>			
At 13 September 2008	17,130	3,494	20,624
Provided during year	3,843	1,009	4,852
At 12 September 2009	20,973	4,503	25,476
<b>Net book value</b>			
12 September 2009	36,673	5,581	42,254
13 September 2008	40,516	6,590	47,106

**Notes (continued)**

**7 Debtors: amounts falling due within one year**

	2009 £'000	2008 £'000
Amounts owed by group companies:		
Parent company	172,097	170,001
Fellow subsidiaries	1,200	1,878
Deferred tax	1,999	1,568
	175,296	173,447
	175,296	173,447

**8 Creditors: amounts falling due within one year**

	2009 £'000	2008 £'000
Corporation tax	1,643	3,099
	1,643	3,099
	1,643	3,099

**9 Called up share capital**

	2009 £'000	2008 £'000
<i>Authorised</i>		
1,196,000,000 Ordinary shares of 25p each	299,000	299,000
1,000,000 6.5% Cumulative redeemable preference shares of £1 each	1,000	1,000
	300,000	300,000
<i>Allotted, called up and fully paid</i>		
800,800,000 Ordinary shares of 25p each	200,200	200,200
583,750 6.5% Cumulative redeemable preference shares of £1 each	584	584
	200,784	200,784
	200,784	200,784

Dividends on cumulative redeemable preference shares are paid at the discretion of the issuer. The right to these dividends has been waived.

**Notes** *(continued)*

**10 Reconciliation of movements in shareholder's funds**

	2009 £'000	2008 £'000
<b>Profit on ordinary activities after taxation</b>	<b>6,103</b>	<b>9,381</b>
Ordinary dividends paid	(7,650)	(850)
	<hr/>	<hr/>
<b>Net addition to shareholder's funds</b>	<b>(1,547)</b>	<b>8,531</b>
Opening shareholder's funds	217,454	208,923
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<b>Closing shareholder's funds</b>	<b>215,907</b>	<b>217,454</b>
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**11 Holding company**

The immediate holding company is ABF (No. 2) 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](http://www.abf.co.uk).