

ABSTRACT

The aim of this study is to evaluate the financial performance of Associated British foods plc, a company based in United Kingdom. Financial performance evaluation is important in order to assess the financial performance of a company. The study approach adopted in this study was quantitative methods since the nature of the study requires mainly secondary data from the audited financial statements of the company. The financial statements of the company was analysed using financial ratio and other methods such as trend analysis, vertical and horizontal analysis. The findings from this study revealed mixed results that the company's financial performance was generally good however there are areas that need improvement. The trend of revenue generated by the company was good but it was observed that the cost of sales and operating expenses increased at the same rate. The trend of yea-end cash and cash equivalent balance of the company has declined from £361m in 2009 to £245m in 2012. The quick ratio of the company was below one during the past five years which is below the industry average and the competitor. The company need to pay more attention areas that need improvement.

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