

BSO (CHINA) LIMITED

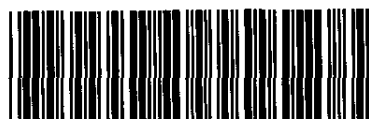
BSO (CHINA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

17 September 2022

(Registered Number: 3799608)

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BSO (CHINA) LIMITED

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Company Information

Directors

MI Carr
QH Heath

Business Address

1 Samson Place
London Road
Hampton
Peterborough
PE7 8QJ

Registered Office

Weston Centre
10 Grosvenor Street
London
W1K 4QY

BSO (CHINA) LIMITED

Strategic Report

The directors present their Strategic Report for the 55-week period ended 17 September 2022.

Review of the business

BSO (China) Limited ("the Company") is a wholly-owned subsidiary of Associated British Foods plc ("ABF") and forms part of that company's sugar division. The Company's principal activity is to act as an investment company. This activity is expected to continue for the foreseeable future.

Results and performance

The Company's result for the period is reflected in the profit and loss account on page 6. The loss for the financial period was £0.7m (2021: Profit of £1.7m).

Principal risks and uncertainties

Currency risk

The Company's functional currency is sterling. As a holding company for ABF's sugar operations in China whose functional currencies are the renminbi, a number of its transactions are denominated in foreign currencies and it is therefore exposed to fluctuations in foreign currency exchange rates.

Average and period end exchange rates for the Chinese Renminbi against sterling were:

	Average		Period end	
	2022	2021	2022	2021
Renminbi	8.43	8.90	8.00	8.89

Interest rate risk

The Company has interest-bearing assets and liabilities and in all cases the counterparty is within the ABF group. Inter-company loans are subject to formal contracts which specify interest rates.

Investment risk

The Company holds indirect investments in various trading entities via its investment in Botian Sugar Industry Co., Ltd ("Botian"). These entities operate within different markets and are accordingly subject to a range of operational issues which could impact the directors' assessment of the carrying value of the investment in Botian.

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a wholly owned subsidiary, are disclosed on pages 94 to 101 of the 2022 Annual Report, which is available at www.abf.co.uk.

Engaging with our stakeholders – Section 172 Statement

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The Company is a subsidiary of Associated British Foods plc and, as such, the Company has adopted and directors have due regard to applicable group policies and procedures which impact on the Company's stakeholders, including those referred to on page 71 of the Associated British Foods plc Annual Report and Accounts 2022. Please also see the Associated British Foods plc Section 172 Statement on pages 64 to 68 of that document.

Stakeholders and engagement

The key stakeholders with whom engagement is fundamental to the Company's ongoing success are:

- subsidiaries of the Company
- its shareholder

Subsidiaries of the Company

The Company forms part of the group of companies headed by Associated British Foods plc and the Company's accounts are consolidated into the Associated British Foods plc accounts. Group companies can provide

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financial and other support to the Company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged. The Company is kept up to date on key business activities and decisions of its subsidiaries and provides all necessary support.

Shareholder

The Company takes appropriate steps to ensure that its shareholder is kept up to date on key business activities and decisions.

By Order of the Board

MI Carr
Director

Date: 14/12/2022

A handwritten signature in black ink, appearing to be 'MI Carr', written over a horizontal line.

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Directors' Report

The directors present their Annual Report and the audited financial statements for the 55-week period ended 17 September 2022.

Dividends

The directors did not declare a dividend in respect of the period ended 17 September 2022 (2021: £nil).

Directors and employees

Details of the number of employees and related costs can be found in Note 5 to the financial statements. The directors of the Company who held office during the period and to the date of signing were:

MI Carr
QH Heath

Directors' liability insurance

During the 55 week period ended 17 September 2022, the directors of the Company benefited from the ABF group's Directors and Officers insurance policy, as permitted by section 233 of the Companies Act 2006.

Principal risks and uncertainties

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a wholly owned subsidiary, are disclosed on pages 94 to 101 of the 2022 Annual Report, which is available at www.abf.co.uk.

Going concern

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 8 November 2022 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 2 March 2024, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Auditor

The Company is exempt from the requirements of the Companies Act 2006 (the 'Act') relating to the audit of individual accounts pursuant to section 479A of the Act.

Energy usage

The directors consider the Company to be a low energy user. For further information please refer to full disclosures made in the Associated British Foods plc annual report for the year ended 17 September 2022.

Health, Safety and Environmental

The Company, and the broader group of which it forms part, keeps its health, safety and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective.

By Order of the Board

MI Carr
Director

Date: 14/12/2022



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Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 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.

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Profit and loss account

for 55 week period ended 17 September 2022

	Note	55 week period to 17 September 2022 £000	52 week period to 28 August 2021 £000
Interest payable and similar charges	5	(1,141)	(476)
Interest receivable and similar income	6	305	3
(Loss) on ordinary activities before taxation		(836)	(473)
Tax	7	159	2,205
(Loss)/Profit for the period		(677)	1,732

The notes on pages 9 to 13 form part of these financial statements.

There are no recognised gains or losses other than the profit for the current period and loss for the prior period hence no statement of comprehensive income is presented for either period.

Balance sheet
at 17 September 2022

	Note	17 September 2022 £000	28 August 2021 £000
Fixed assets			
Investments	9	-	-
Total fixed assets		-	-
Current assets			
Debtors	10	249	301
Cash at bank and at hand		2,382	2,078
Total current assets		2,631	2,379
Creditors: amounts falling due within one year	11	(116,806)	(115,877)
Net current liabilities		(114,175)	(113,498)
Total assets less current liabilities		(114,175)	(113,498)
Net liabilities		(114,175)	(113,498)
Capital and reserves			
Called up share capital	12	32,000	32,000
Profit and loss account		(146,175)	(145,498)
Total shareholders' deficit		(114,175)	(113,498)

The notes on pages 9 to 13 form part of these financial statements.

The financial statements were approved by the Board on 14 December 2022 and signed on its behalf by:

For the year ended 17 September 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

MI Carr
Director



Statement of changes in shareholders' equity
for 55 week period ended 17 September 2022

	Called up share capital £000	Profit and loss account £000	Total Shareholders' equity £000
At 29 August 2020	32,000	(147,230)	(115,230)
Profit for the period	-	1,732	1,732
Total comprehensive loss for the period	-	1,732	1,732
At 28 August 2021	32,000	(145,498)	(113,498)
Loss for the period	-	(677)	(677)
Total comprehensive loss for the period	-	(677)	(677)
At 17 September 2022	32,000	(146,175)	(114,175)

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Notes to the financial statements

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

The financial statements of BSO (China) Limited (the "Company") for the period ended 17 September 2022 were authorised for issue by the board of directors on 14 December 2022. The Company is a private company limited by shares incorporated and domiciled in England and Wales.

As set out in Note 3, these financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") and in accordance with applicable accounting standards. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated. The Company has 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. The results of the Company are included in the consolidated financial statements of Associated British Foods plc which are available from Weston Centre, 10 Grosvenor Street, London W1K 4QY.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Associated British Foods plc. The results of the Company are included in the consolidated financial statements of Associated British Foods plc which are available from Weston Centre, 10 Grosvenor Street, London W1K 4QY.

The principal accounting policies adopted by the Company are set out in Note 3.

2. Accounting reference date

The accounting reference date of the Company is 15 September in each year. In accordance with section 390(3) of the Companies Act 2006, these financial statements have been prepared for the 55 weeks ended 17 September 2022.

3. Accounting policies

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

Basis of preparation: (i) Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* in respect of disclosure of key management personnel compensation;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets* which deal with certain assumptions and sensitivities significant for an impairment review;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which deals with IFRSs issued but not yet effective; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.

Other exemptions are available under FRS 101 but these have not been set out above as they are not relevant to the Company's financial statements.

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Notes to the financial statements (continued)

Accounting policies (continued)

Basis of preparation: (ii) Going concern

As set out in Note 13, the smallest group in which the results of the Company are consolidated is that headed by Associated British Foods plc, which confirmed in the Annual Report and Accounts dated 8 November 2022 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 8 November 2022 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 2 March 2024, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

Basis of preparation: (iii) Other

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

Foreign currencies

The Company's functional currency is pounds sterling. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction unless related or matched forward foreign exchange contracts have been entered into, in which case the rate specified in the contract is used. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Fixed asset investments

Unlisted investments are stated at cost, less any provision for impairment. The carrying amounts of the Company's investments are reviewed for impairment at least annually and when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the investment's recoverable amount is estimated and an impairment loss is recognised in the profit and loss account whenever the recoverable amount of an asset is lower than its carrying amount. The recoverable amount of an investment is the greater of the net realisable value of the investment and its value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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Notes to the financial statements (continued)

4. Directors and employees

The directors received no (£nil) fees or emoluments during the period that were directly attributable to their position within the Company (2021: £nil).

The average monthly number of employees, all being directors, of the Company during the period was 2 (2021:2).

5. Interest payable and similar charges

	55 week period to 17 September 2022 £000	52 week period to 28 August 2021 £000
Inter-company interest payable	(1,020)	(415)
Exchange losses on amounts owed to/from group undertakings	(121)	(61)
	(1,141)	(476)

6. Interest receivable and similar income

	55 week period to 17 September 2022 £000	52 week period to 28 August 2021 £000
Exchange gains on amounts owed to/from group undertakings	296	-
Outside interest receivable	9	3
	305	3

7. Taxation

	55 week period to 17 September 2022 £000	52 week period to 28 August 2021 £000
(Loss) on ordinary activities before tax	(836)	(473)
Current tax credit at 19.00% (2021: 19.00%)	159	90
Effects of:		
Withholding tax written off	-	2,115
Total tax charge	159	2,205

The UK corporation tax rate of 19% is set to increase to 25% from 1 April 2023. The legislation to effect these changes was enacted before the balance sheet date and deferred tax has been calculated accordingly.

8. Related party transactions

The Company, being a wholly-owned subsidiary of ABF, has taken advantage of the IAS 24 *Related Party Disclosures* exemption not to disclose related party transactions with other entities in the same group.

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Notes to the financial statements (continued)

9. Fixed asset investments

	Shares in subsidiary undertakings £000
Cost:	
At 17 September 2022 and 28 August 2021	158,579
Accumulated impairment:	
At 28 August 2021	(158,579)
Charge in the period	-
At 17 September 2022	(158,579)
Net book value:	
At 17 September 2022 and 28 August 2021	-

The principal undertakings in which the Cosmpany's interest is more than 10% are:

Name of subsidiary undertaking and registered office address	Country of incorporation	Principal activity	Percentage of ordinary shares held
Room 1110, No. 368, Changjiang Road, Nangang Concentrated District, Economic Development Zone, Harbin, China			
Botian Sugar Industry Co., Ltd.	China	Sugar manufacturer	71.04%
17 Xiangyang Street, Tu Township, Chayou Qianqi, Inner Mongolia, China			
Botian Sugar Industry (Chayou Qianqi) Co., Ltd. *	China	Sugar manufacturer	71.04%
No.1 Botian Road, Economic Development Zone, Zhangbei County, Zhangjiakou City, Hebei Province, China			
Botian Sugar Industry (Zhangbei) Co., Ltd. *	China	Sugar manufacturer	71.04%

* indicates held indirectly.

Botian Sugar Industry Co., Ltd. has a financial year ending on 31 December.

Impairment review

As at the balance sheet date, in the opinion of the directors, the investment in the Company's subsidiary undertaking is worth at least the value at which it is stated in the financial statements.

10. Debtors

	17 September 2022 £000	28 August 2021 £000
Taxation	249	301
Total	249	301

The fair values of these debtors approximate their book values. All receivables that have not been provided for and have fixed payment dates and are not past due.

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Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	17 September 2022 £000	28 August 2021 £000
Amounts falling due within one year:		
Accruals and deferred income	-	6
Amounts due to group undertakings	116,806	115,871
Total	116,806	115,877

12. Called up share capital

	17 September 2022 £000	28 August 2021 £000
Issued and fully paid:		
32,000,002 ordinary shares of £1 each	32,000	32,000

13. Holding company

The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales.

The largest group of undertakings for which group accounts are drawn up (within which the results of the Company are consolidated) and of which the Company is a member is headed by Wittington Investments Limited. The smallest such group of undertakings is headed by Associated British Foods plc, which is incorporated in the United Kingdom and registered in England and Wales.

The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of Wittington Investments Limited and Associated British Foods plc. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.