

BSO (CHINA) LIMITED

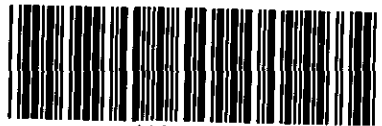
BSO (CHINA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

16 September 2023

(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 52-week period ended 16 September 2023.

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 £3.9m (2022: Loss of £0.7m).

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	
	2023	2022	2023	2022
Renminbi	8.61	8.43	9.02	8.00

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 68 to 75 of the 2023 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 46 of the Associated British Foods plc Annual Report and Accounts 2023. Please also see the Associated British Foods plc Section 172 Statement on pages 40 to 45 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 financial and other support to the Company and the sharing of best practice and know-how between the

BSO (CHINA) LIMITED

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

DocuSigned by:


MI Carr
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Director

Date: 05 February 2024

BSO (CHINA) LIMITED

Directors' Report

The directors present their Annual Report for the 52-week period ended 16 September 2023.

Dividends

The directors did not declare a dividend in respect of the period ended 16 September 2023 (2022: £nil).

Directors and employees

Details of the number of employees and related costs can be found in Note 4 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 indemnities

The directors have benefited from the Associated British Foods plc group Directors and Officers Insurance policy.

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 68 to 75 of the 2023 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 7 November 2023 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 1 March 2025, 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 16 September 2023.

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

DocuSigned by:

MI Carr 4520CFFF68B2842F...

Director

Date: 05 February 2024

BSO (CHINA) LIMITED

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.

BSO (CHINA) LIMITED**Profit and loss account**

for 52 week period ended 16 September 2023

		52 week period to 16 September 2023 £000	55 week period to 17 September 2022 £000
Interest payable and similar charges	Note 5	<u>(5,203)</u>	<u>(1,141)</u>
Interest receivable and similar income	6	<u>268</u>	<u>305</u>
Loss on ordinary activities before taxation		(4,935)	(836)
Tax	7	988	159
Loss for the period		<u>(3,947)</u>	<u>(677)</u>

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.

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Registered number: 3799608

Balance sheet

at 16 September 2023

	Note	16 September 2023 £000	17 September 2022 £000
Fixed assets			
Investments	9	-	-
Total fixed assets		-	-
Current assets			
Debtors	10	1,147	249
Cash at bank and at hand		-	2,382
Total current assets		1,147	2,631
Creditors: amounts falling due within one year	11	(119,269)	(116,806)
Net current liabilities		(118,122)	(114,175)
Total assets less current liabilities		(118,122)	(114,175)
Net liabilities		(118,122)	(114,175)
Capital and reserves			
Called up share capital	12	32,000	32,000
Profit and loss account		(150,122)	(146,175)
Total shareholders' deficit		(118,122)	(114,175)

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

For the year ended 16 September 2023 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.

The financial statements were approved by the Board on 05 February 2024 and signed on its behalf by:

MI Carr
Director

DocuSigned by:

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Statement of changes in shareholders' equity
for 52 week period ended 16 September 2023

	Called up share capital £000	Profit and loss account £000	Total Shareholders' equity £000
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)
Loss for the period	-	(3,947)	(3,947)
Total comprehensive loss for the period	-	(3,947)	(3,947)
At 16 September 2023	32,000	(150,122)	(118,122)

BSO (CHINA) LIMITED

Notes to the financial statements

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

BSO (China) Limited (the “Company”) is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Weston Centre, 10 Grosvenor Street, London W1K 4QY.

The Company’s financial statements are presented in Sterling rounded to the nearest thousand Sterling except where otherwise indicated. The financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (‘FRS 101’) and the Companies Act 2006.

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 52 weeks ended 16 September 2023.

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 disclosure exemptions permitted by FRS 101 in relation to presentation of financial statements, statement of cash flows, accounting policies, changes in accounting estimates (standards not yet effective), related party disclosures and impairment of assets. Where required, the equivalent disclosures are included in the consolidated financial statements of Associated British Foods plc.

Basis of preparation: (ii) Going concern

As set out in Note 12, 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 7 November 2023 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 7 November 2023 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 1 March 2025, 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 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 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.

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Notes to the financial statements (continued)

Accounting policies (continued)

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.

BSO (CHINA) LIMITED**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 (2022: £nil).

The average monthly number of employees, all being directors, of the Company during the period was 2 (2022: 2).

5. Interest payable and similar charges

	52 week period to 16 September 2023 £000	55 week period to 17 September 2022 £000
Inter-company interest payable	(4,736)	(1,020)
Exchange losses on amounts owed to/from group undertakings	(467)	(121)
	(5,203)	(1,141)

6. Interest receivable and similar income

	52 week period to 16 September 2023 £000	55 week period to 17 September 2022 £000
Exchange gains on amounts owed from group undertakings	266	296
Outside interest receivable	2	9
	268	305

7. Taxation

	52 week period to 16 September 2023 £000	55 week period to 17 September 2022 £000
(Loss) on ordinary activities before tax	(4,935)	(836)
Tax charge at UK corporation tax rate of 21.76% (2022: 19.00%)	(1,074)	159
Adjustment in respect of a prior period – current tax	(124)	-
Adjustment in respect of a prior period – deferred tax	210	-
Total tax charge/(credit)	(988)	159

The UK corporation tax rate of 19% increased to 25% from 1 April 2023. The legislation to effect these changes was enacted before the Balance Sheet date and UK deferred tax has been calculated accordingly

BSO (CHINA) LIMITED**Notes to the financial statements (continued)****8. Fixed asset investments**

	Shares in subsidiary undertakings £000
Cost:	
At 16 September 2023 and 17 September 2022	158,579
Accumulated impairment:	
At 16 September 2023 and 17 September 2022	(158,579)
Net book value:	
At 16 September 2023 and 17 September 2022	-

The principal undertakings in which the Company'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
Botian Sugar Industry Co., Ltd. Room 1110, No. 368, Changjiang Road, Nangang Concentrated District, Economic Development Zone, Harbin, China	China	Sugar manufacturer	71.04%
Botian Sugar Industry (Chayou Qianqi) Co., Ltd. * 17 Xiangyang Street, Tu Township, Chayou Qianqi, Inner Mongolia, China	China	Sugar manufacturer	71.04%
Botian Sugar Industry (Zhangbei) Co., Ltd. * No.1 Botian Road, Economic Development Zone, Zhangbei County, Zhangjiakou City, Hebei Province, China	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.

9. Debtors

	16 September 2023 £000	17 September 2022 £000
Taxation	1,147	249
Total	1,147	249

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.

BSO (CHINA) LIMITED**Notes to the financial statements (continued)****10. Creditors: amounts falling due within one year**

	16 September 2023 £000	17 September 2022 £000
Amounts falling due within one year:		
Amounts due to group undertakings	119,269	116,806
Total	119,269	116,806

11. Called up share capital

	16 September 2023 £000	17 September 2022 £000
Issued and fully paid:		
32,000,002 ordinary shares of £1 each	32,000	32,000

12. 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.