AB SUGAR CHINA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2019

(Registered Number: 9468366)

AB SUGAR CHINA HOLDINGS LIMITED

CONTENTS **Page**

Company Information

Directors	MI Carr JC Ryan ZYJ Hanslip
Company Secretary	RS Schofield
Business Address	1 Samson Place London Road Hampton Peterborough PE7 8QJ
Registered Office	Weston Centre 10 Grosvenor Street London W1K 4QY
Independent Auditor	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

Strategic Report

The directors present their Strategic Report for the 50 week period ended 31 August 2019.

Review of the business
AB Sugar China Holdings 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 7. The loss on ordinary activities after taxation amounted to CNY 28,000 (2018: profit of CNY 705,000). Dividends of CNY nil were declared and paid (2018: nil).

Principal risks and uncertainties

Foreign exchange risk
The company's functional currency is Chinese renminbi and it has intercompany receivables denominated in sterling, it is therefore exposed to moving exchange rates.

Average and period end exchange rates for this currency against sterling were:

Average		Period end	
2019	2018	**2019**	2018
0.1147	0.1138	**0.1139**	0.1114

By Order of the Board

MI Carr
Director

4 December 2019

AB SUGAR CHINA HOLDINGS LIMITED

Directors' Report

The directors present their Annual Report and the audited financial statements for the 50 week period ended 31 August 2019.

Dividends
No dividends were declared or paid in respect of the period ended 31 August 2019 (2018: nil). The directors do not recommend the payment of a further dividend (2018: 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
AJ Wells (resigned 19 December 2018)
JC Ryan
ZYJ Hanslip (appointed 19 December 2018)

Directors' liability insurance
During the 50 week period ended 31 August 2019 the parent company, ABF, maintained insurance for the directors to indemnify them against certain liabilities which they may incur in their capacity as directors of the Company, as permitted by section 233 of the Companies Act 2006.

Going concern
After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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
Ernst & Young LLP was appointed by the board of directors as auditor of the Company for the financial period ended 31 August 2019 and the board intends to re-appoint Ernst & Young LLP as auditor for the financial year ending 29 August 2020.

By Order of the Board

MI Carr
Director

4 December 2019

Directors' responsibilities statement

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.

Independent auditor's report to the members of AB Sugar China Holdings Limited

Opinion

We have audited the financial statements of AB Sugar China Holdings limited for the period ended 31 August 2019 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in Shareholders equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 August 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view in accordance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on theFinancial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

William Binns (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF
6 December 2019

Profit and loss account
for the 50 weeks ended 31 August 2019

	Note	**50 weeks ended 31 August 2019 CNY'000**	52 weeks ended 15 September 2018 CNY'000
Operating profit		-	-
Other gains or losses	5	**(28)**	7
Profit on ordinary activities before taxation		**(28)**	7
Tax credit/(charge)	6	-	698
Profit/(loss) for the period		**(28)**	705

The Notes on pages 10 to 15 form part of these financial statements.

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

Balance sheet
at 31 August 2019

	Note	**31 August 2019 CNY'000**	15 September 2018 CNY'000
Fixed assets			
Investments	7	**1,000**	1,000
Total fixed assets		**1,000**	1,000
Debtors	8	**812**	840
Total current assets		**1,812**	1,840
Total net assets		**1,812**	1,840
Capital and reserves			
Called up share capital	9	**1,000**	1,000
Profit and loss account		**812**	840
Total shareholders' equity		**1,812**	1,840

The Notes on pages 10 to 15 form part of these financial statements.

The financial statements were approved by the Board on 4 December 2019 and signed on its behalf by:

MI Carr
Director

Statement of changes in shareholders' equity
for 50 week period ended 31 August 2019

	Note	Called up share capital CNY'000	Profit and loss account CNY'000	Total Shareholders' equity CNY'000
At 16 September 2017	9	1,000	135	1,135
Profit for the period		-	-	-
At 15 September 2018		**1,000**	**840**	**1,840**
Profit for the period		-	(28)	(28)
At 31 August 2019		**1,000**	**812**	**1,812**

Notes to the financial statements

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

The financial statements of AB Sugar China Holdings Limited (the "Company") for the period ended 31 August 2019 were authorised for issue by the board of directors on 4 December 2019. 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 renminbi and all values are rounded to the nearest thousand renminbi's (CNY'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 ("ABF"). The results of the Company are included in the consolidated financial statements of ABF 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

Directors decided to align year end dates within the division. AB Sugar China Holdings Limited has therefore changed its reporting date to the Saturday nearest 31 August (Saturday nearest 15 September). As such the financial statements to 31 August 2019 are prepared for a period of 50 weeks whilst the 2018 comparatives presented are for 52 weeks.

3. Accounting policies

The following accounting policies have been applied consistently, to all years presented, 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.

Basis of preparation: (ii) 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.

Notes to the financial statements (continued)

3. Accounting policies (continued)

Impact of new International Financial Reporting Standards
The Company adopted one new accounting standard issued by the IASB with effect from 16 September 2018, IFRS 9 'Financial instruments'. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements. The adoption of IFRS 9 had had no material impact on the Company's financial statements.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments)

   The Company measures financial assets at amortised cost if both of the following conditions are met:
   - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

   Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost include debtors.

b) Financial assets at fair value through OCI (debt instruments)

   The Company measures debt instruments at fair value through OCI if both of the following conditions are met:
   - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

   For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Company does not have debt instruments at fair value through OCI.

Notes to the financial statements (continued)

3. **Accounting policies** (continued)

c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company does not have equity instruments at fair value through OCI.

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the financial statements (continued)

3. Accounting policies (continued)

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.

Foreign currencies
The Company's functional currency is Chinese renminbi. Transactions in foreign currencies are translated into renminbi at the rate ruling on the day of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate prevailing at the balance sheet date. Any resulting differences are taken to the profit and loss account.

Taxation
The charge for taxation is based on the profit for the period. Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are presented on a net basis in the balance sheet as they relate to income taxes levied by the same taxation authority.

Audit fees
Audit fees payable to the Company's auditor for the audit of these financial statements of £4,846 (2018: £4,700) were borne by the Company's parent company, British Sugar (Overseas) Limited.

4. Directors and employees

The directors received no fees or emoluments during the period directly attributable to their position within the Company (2018: nil).

The average monthly number of employees, all being directors, of the Company during the period was 2 (2018:3).

5. Other gains or losses

	31 August 2019 CNY'000	15 September 2018 CNY'000
Exchange gains/(losses) on amounts owed from group undertaking	**(28)**	7
	(28)	7

Notes to the financial statements (continued)

6. Taxation

	50 week period to 31 August 2019 CNY'000	52 week period to 15 September 2018 CNY'000
The tax credit for the period comprises:		
Current tax credit on loss for the period	-	-
Adjustments in respect of prior years	-	698
Total current tax	-	698
Tax on profit on ordinary activities	-	698

The tax assessed for the period is less than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) a reconciliation of total tax is as follows:

	50 week period to 31 August 2019 CNY'000	52 week period to 15 September 2018 CNY'000
Profit/(loss) on ordinary activities before tax	(28)	7
Current tax credit/(charge) at 19% (2018: 19.00%)	5	(1)
Effects of:		
Group relief received for nil consideration	(5)	1
Adjustments in respect of prior years	-	698
Total tax credit	-	698

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2018 and a further reduction to 17% has also now been enacted which will take effect in April 2020.

Notes to the financial statements (continued)

7. Fixed asset investments

	Shares in subsidiary undertakings CNY'000
Cost:	
At 31 August 2019 and 15 September 2018	121,000
Accumulated impairment:	
At 31 August 2019 and 15 September 2018	(120,000)
Net book value:	
At 31 August 2019 and 15 September 2018	**1,000**

The principal undertaking in which the Company's interest is more than 10% is:

Subsidiary undertaking	Country of incorporation	Principal activity	Percentage of ordinary shares held
AB Sugar China Limited	Great Britain	Holding company	100%

As at the balance sheet date, in the opinion of the directors, the investment in the Company's subsidiary undertakings is worth at least the value at which it is stated in the financial statements, and is fair valued at CNY 1,000.

8. Debtors

	31 August 2019 CNY'000	15 September 2018 CNY'000
Amounts due by group undertakings	**812**	840
	812	840

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.

9. Called up share capital

	2019		2018	
	Number of shares	**Value CNY'000**	Number of shares	Value CNY'000
Ordinary shares of 0.00238951 CNY each	**418,495,000**	**1,000**	418,495,000	1,000

10. 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.

11. Holding company

The immediate holding company is British Sugar (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 ABF, 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 ABF are also available for download on the group's website at www.abf.co.uk.