BSO (CHINA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2019

(Registered Number: 3799608)

CONTENTS

Company Information

Directors	MI Carr JC Ryan
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
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 retained loss for the financial period was £48.1m (2018: loss of £0.01m).

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	
	2019	2018	**2019**	2018
Renminbi	**8.72**	8.79	**8.76**	8.97

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 Bo Tian Sugar Industry Company Limited ("Bo Tian"). 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 Bo Tian.

By Order of the Board

MI Carr
Director

21 February 2020

Directors' Report

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

Dividends
The directors did not declare a dividend in respect of the period ended 31 August 2019 (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

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
The financial statements show net current liabilities of £114.3m as at 31 August 2019. However, as the immediate parent company, British Sugar (Overseas) Limited, has confirmed its willingness to support the Company to enable it to meet its present and future obligations, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

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 2018 and the board intends to re-appoint Ernst & Young LLP as auditor for the financial period ending 29 August 2020.

By Order of the Board

MI Carr
Director

21 February 2020

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.

Independent auditor's report to the members of BSO (China) Limited

Opinion

We have audited the financial statements of BSO (China) 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 14, 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 the Financial 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
21 February 2020

Profit and loss account
for 50 week period ended 31 August 2019

	Note	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
Exceptional (charges)/income	5	**(47,079)**	682
Interest payable and similar charges	6	**(1,288)**	(873)
Interest receivable and similar income	7	**-**	16
Loss on ordinary activities before taxation		**(48,367)**	(175)
Tax credit	8	**245**	163
Loss for the period		**(48,122)**	(12)

The notes on pages 10 to 14 form part of these financial statements.

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

Registered number: 3799608

Balance sheet
at 31 August 2019

	Note	31 August 2019 £000	15 September 2018 £000
Fixed assets			
Investments	9	-	47,079
Total fixed assets		-	47,079
Current assets			
Debtors	10	**540**	439
Total current assets		**540**	439
Creditors: amounts falling due within one year	11	**(114,869)**	(113,725)
Net current liabilities		**(114,329)**	(113,286)
Total assets less current liabilities		**(114,329)**	(66,207)
Net liabilities		**(114,329)**	(66,207)
Capital and reserves			
Called up share capital	12	**32,000**	32,000
Profit and loss account		**(146,329)**	(98,207)
Total shareholders' equity		**(114,329)**	(66,207)

The notes on pages 10 to 14 form part of these financial statements.

The financial statements were approved by the Board on 21 February 2020 and signed on its behalf by:

MI Carr
Director

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

	Called up share capital £000	Profit and loss account £000	Total Shareholders' equity £000
At 16 September 2017	**32,000**	**(98,195)**	**(66,195)**
Loss for the period	-	(12)	(12)
Total comprehensive loss for the period	**-**	**(12)**	**(12)**
At 15 September 2018	**32,000**	**(98,207)**	**(66,207)**
Loss for the period	-	(48,122)	(48,122)
Total comprehensive loss for the period	**-**	**(48,122)**	**(48,122)**
At 31 August 2019	**32,000**	**(146,329)**	**(114,329)**

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 31 August 2019 were authorised for issue by the board of directors on February 2020. 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 principal accounting policies adopted by the Company are set out in Note 3.

2. Accounting reference date

Directors decided to reduce the number of reporting periods from 13 to 12 to align year end dates within the division. BSO (China) Limited has therefore changed its reporting date to the Saturday nearest 31 August (2018: 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 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

Although the Company has net current liabilities of £114.3m, these financial statements have been prepared on a going concern basis as the parent company has confirmed that it will provide the Company with adequate financial support to enable it to continue in operation for at least 12 months from the date on which these financial statements are signed.

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 and 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.

Financial liabilities
The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Notes to the financial statements (continued)

3. 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.

Audit fees
Audit fees payable to the Company's auditors for the audit of these financial statements of £4,846 (2018: £4,700) are 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 that were 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 (2018:2).

5. Exceptional items

	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
Profit on sale of fixed asset investments	-	682
Impairment of fixed asset investments (see note 9)	(47,079)	-
	(47,079)	682

As set out in note 9, following an assessment of the carrying value of the investment in Bo Tian Sugar Industry Company Limited, an exceptional charge of £47.1m has been included in these financial statements.

During the prior period some expired warranties provided on the disposal of a former subsidiary were released to the profit and loss.

Notes to the financial statements (continued)

6. Interest payable and similar charges

	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
Inter-company interest payable	(1,247)	(873)
Exchange losses on amounts owed to/from group undertakings	(41)	-
	(1,288)	(873)

7. Interest receivable and similar income

	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
Exchange gains on amounts owed to/from group undertakings	-	16
	-	16

8. Taxation

	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
The tax credit for the period comprises:		
UK corporation tax		
Current tax on loss for the period	245	163
Total current tax credit	245	163
Prior period adjustment	-	-
Tax credit on loss on ordinary activities	245	163

Factors affecting current tax credit for period

The corporation tax charge for the current period is calculated at the standard rate of corporation tax for the UK of 19.00% (2018: 19.00%).

	50 week period to 31 August 2019 £000	52 week period to 15 September 2018 £000
Loss on ordinary activities before tax	(48,367)	(175)
Current tax credit at 19.00% (2018: 19.00%)	9,190	33
Effects of:		
Non-taxable charge (see note 5)	(8,945)	-
Profit/Loss on exempt disposals	-	163
Total current tax credit	245	163

The non-taxable charge relates to the exceptional charge described in Note 5.

Notes to the financial statements (continued)

8. Taxation (continued)

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017 and further reduction to 17% has also been enacted which will take effect in April 2020. Accordingly, deferred tax has been calculated using these rates as appropriate

9. Fixed asset investments

	Shares in subsidiary undertakings £000
Cost:	
At 31 August 2019 and 15 September 2018	158,579
Accumulated impairment:	
At 15 September 2018	(111,500)
Charge in the period	(47,079)
At 31 August 2019	(158,578)
Net book value:	
At 31 August 2019 and 15 September 2018	**-**

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
Bo Tian Sugar Industry Company Limited	China	Sugar manufacturer	71.04%

Bo Tian Sugar Industry Company Limited ("Bo Tian") has a financial year ending on 31 December.

Impairment review

During the period, the directors reviewed the carrying value of the investment in Bo Tian and determined that it exceeded its recoverable amount by £47.1m. Consequently the investment has been written down by this amount.

The recoverable amount of the investment was assessed by reference to its value in use to perpetuity reflecting the projected cash flows of the subsidiary. These projections, which have been approved by the directors, are based on the most recent forecast and reflect management's expectations of sales growth, operating costs and margin, based on past experience and external sources of information. The cash flow projections have been discounted using a rate of 9.69% and the estimate of long-term growth beyond the forecast period was 2% per annum.

10. Debtors

	31 August 2019 £000	15 September 2018 £000
Amounts owed by group undertakings	**132**	122
Taxation	**408**	317
	540	439

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.

Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	31 August 2019 £000	15 September 2018 £000
Amounts falling due within one year:		
Accruals and deferred income	**6**	5
Amounts due to group undertakings	**114,863**	113,720
Total	**114,869**	113,725

12. Called up share capital

	31 August 2019 £000	15 September 2018 £000
Authorised, Issued and fully paid:		
32,000,002 ordinary shares of £1 each	**32,000**	32,000

13. 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.

14. 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.