

Twining Crosfield & Co. Limited

**Directors' report and financial
statements**

Registered number 144900

For the period ending 17 September 2011

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Directors' report

The directors present their directors report and the audited financial statements for the 52 week period ended 17 September 2011

Principal activities

In the course of the period the principal activities of the company were that of a holding company

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 6 Due to the nature of the company's income the Directors do not consider there to be any impact to the comparability of the prior period amounts due to it being a 53 week period

The profit on ordinary activities after payment of taxation amounted to £38,045,000 (2010 £24,690,000) An interim dividend of £32,400,000 (2010 £18,319,000) was paid during the year The directors do not recommend a final dividend (2010 £nil)

Directors and directors' interests

The directors who held office during the period were as follows

RE Tavener

GT McCallum

Directors' report *(continued)*

Charitable and political contributions

The company made no charitable or political contributions during the period

Going Concern

After making enquiries, the directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements


Auditors

Pursuant to section 487 of the Companies Act 2006, the Auditors are deemed to have been re-appointed and KPMG Audit Plc will therefore remain in office

Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the board



RS Schofield
Secretary

11 May 2012

Weston Centre
10 Grosvenor Street
London
W1K 4QY



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 judgments 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 AUDITORS' REPORT TO THE MEMBERS OF TWINING CROSFIELD & CO LIMITED

We have audited the financial statements of Twining Crosfield & Co Limited for the 52 week period ended 17th September 2011 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 17th September 2011 and of its profit for the 52 week period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Twining Crosfield & Co. Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Chris Hearld (Senior Statutory Auditor) 11 May 2012.

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square,
London E14 5GL

Profit and loss account
for the period ended 17 September 2011

	<i>Note</i>	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
Income from shares in group undertakings		36,980	24 116
Other interest receivable and similar income	3	865	797
Profit on ordinary activities before taxation		37,845	24 913
Tax credit / (charge) on profit on ordinary activities	6	200	(223)
Profit on ordinary activities after taxation		38,045	24,690

All turnover and operating profit is derived from continuing activities

A statement of movements on reserves is given in note 12

There are no recognised gains or losses other than the results for the period and for the previous period

There is no material difference between the company's results as reported and on an historical cost basis
 Accordingly no note of historical cost profits and losses has been prepared

Balance sheet
as at 17 September 2011

	<i>Note</i>	17 September 2011	18 September 2010
		£000	£000
Fixed assets			
Investments	8	7,842	7,855
Current assets			
Debtors	9	68,320	62,664
Creditors amounts falling due within one year	10	(631)	(633)
Net current assets		67,689	62,031
Net assets		75,531	69,886
Capital and reserves			
Called up share capital	11	610	610
Share premium account	12	107	107
Revaluation reserve	12	93	93
Profit and loss account	12	74,721	69,076
Total equity shareholder s funds	13	75,531	69,886

These financial statements were approved by the board of directors on 11 05 12 and were signed on its behalf by



RE Tavener
Director

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 17 September 2011.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings. The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom which have been applied consistently.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A group cash flow statement is included in the financial statements of Associated British Foods plc.

As the company is a wholly owned subsidiary of Associated British Foods Plc, the company has taken advantage of the exemption contained in FRS 8 (amended) and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Related party disclosures

The Company is controlled by its parent company, ABF Holdings Ltd.

Going Concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons:

No material uncertainties that may cast doubt about the ability of the company to continue as a going concern have been identified by the directors, the company is ultimately dependent for its working capital on funds provided to it by Associated British Foods plc, through a Group cash pool arrangement with its principal bankers. As with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Investment

Investments are quoted shares in subsidiaries which are stated at cost less provision for any diminution in value.

Notes (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. 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.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

3 Other interest receivable and similar income

	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
Receivable from group undertakings	865	797
	<u>865</u>	<u>797</u>

Income receivable from group undertakings represents interest on intercompany loan balances.

4 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company in 2011 (2010 Nil).

Retirement benefits did not accrue to any of the directors in respect of their services to the company in 2011 (in 2010 no benefits accrued).

5 Staff numbers and costs

The company did not employ any staff in the current or previous year.

Notes (continued)

6 Taxation

Analysis of charge in period

	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
<i>UK corporation tax</i>		
Current tax on income for the period	(200)	223
	<u>(200)</u>	<u>223</u>
	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	37,845	24,913
	<u>10,256</u>	<u>6,975</u>
Current tax at 27.1% (2010: 28%)		
<i>Effects of</i>		
Income from shares in UK Group undertakings (not taxable)	(8,780)	(5,129)
Income from shares in Overseas Group undertakings (not taxable)	-	(564)
Prior Years Group Relief Reallocation	(434)	-
Double Tax relief from overseas dividends	(1,242)	(1,059)
	<u>(200)</u>	<u>223</u>
Total current tax (benefit)/charge		

Notes (continued)

7 Dividends

	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
Equity shares		
Interim dividend paid	32,400	18,319

8 Investments

	£000
<i>Cost</i>	
At beginning of period	7 950
Capital reduction	(108)
At end of period	7,842
<i>Provisions</i>	
At beginning of period	(95)
Decrease in provision	95
At end of period	-
<i>Net book value</i>	
At 17 September 2011	7,842
At 18 September 2010	7 855

Notes (continued)

8 Investments – (continued)

The principal companies in which the company's interest at the period end is 100% (Excluding Japan (50%)) are as follows

All of the companies were wholly owned by Twining Crosfield & Co. Limited as at the period end	Country of registration or incorporation	Principal activity	Class of shares held
R Twining and Company Limited	England	Tea merchants	Ord £1
*Jacksons of Piccadilly Limited	England	Non-trading	Ord £1 Pref £1
Nambarrie Tea Company Limited (formerly Namosa Ltd)	Northern Ireland	Tea merchants	Ord £1
Iwinings of Ireland Limited	Ire	Non-trading	Ord €1 27 Pref €12 70
Foods International SA	France	Tea merchants	Ord €23 00
Foods International Holding B V	Netherlands	Holding company	Ord €453 78
* Foods International Sales en Marketing N V	Belgium	Tea merchants	Ord €40
* AB Mauri Netherlands	Netherlands	Non-trading	Ord €453 78
* Foods International Verkoop en Marketing Holland B V	Holland	Tea merchants	Ord €453 78
* Foods International Vertriebs und Marketing GmbH	Germany	Non-trading	Ord €1
Iwinings Japan	Japan	Tea merchants	Ord JPY 100,000
Twinnings Private Limited	India	Tea merchants	Ord Rupee 10

* Shareholdings marked are held through subsidiary undertakings the rest are owned directly by Twining Crosfield & Co Limited

Group financial statements have not been prepared as the company is a wholly owned subsidiary of Associated British Foods plc. Associated British Foods plc prepares group financial statements which include the company. In the opinion of the directors the investments in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

On 30th November 2010, Iwinings Japan Limited announced a capital reduction at cost, as such the shareholding at 17 September 2011 has been reduced by £108k. There has been no change to Twining Crosfields shareholding in the entity due to this reduction. There is no significant difference between the exchange rate applied at the date of acquiring the investment and the exchange rate on the 30th November 2011.

In 1999 the trade and net assets of a subsidiary undertaking, Jacksons of Piccadilly Limited, were transferred to another subsidiary undertaking R Twining and Company Limited at their book value which was less than their fair value. The cost of the company's investment in Robert Jackson & Company Limited reflected the underlying fair value of the net assets and goodwill of Jacksons of Piccadilly Limited at the time.

As a result of this transfer the value of the company's investment in Robert Jackson & Company Limited fell below the amount at which it was stated in the company's accounting records. Schedule 4 to the Companies Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, at that time the directors considered that, as there had been no overall loss to the company it would fail to give a true and fair view to charge the diminution to the company's profit and loss account and it should instead be re-allocated to the company's investment in R Twining and Company Limited.

Notes (continued)

9 Debtors

	17 September 2011 £000	18 September 2010 £000
Amounts owed by group undertakings	68,320	62,664
	<u>68,320</u>	<u>62,664</u>

All debts are due within one year

10 Creditors: amounts falling due within one year

	17 September 2011 £000	18 September 2010 £000
UK Corporation Tax	234	236
Amounts owed to subsidiary undertakings	397	397
	<u>631</u>	<u>633</u>

Notes (continued)

11 Called up share capital

	17 September 2011		18 September 2010	
	Number	£000	Number	£000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.25 each	2,440,000	610	2,440,000	610
		<u>610</u>		<u>610</u>

12 Reserves

	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000	Total £000
At beginning of period	107	93	69,076	69,276
Dividend Paid	-	-	(32,400)	(32,400)
Retained profit for the period	-	-	38,045	38,045
At end of period	<u>107</u>	<u>93</u>	<u>74,721</u>	<u>74,921</u>

13 Reconciliation of movement in shareholders' funds

	52 week period ended 17 September 2011 £000	53 week period ended 18 September 2010 £000
Profit for the financial period	38,045	24,690
Dividend	(32,400)	(18,319)
Opening shareholders' funds	<u>69,886</u>	<u>63,515</u>
Closing shareholders' funds	<u>75,531</u>	<u>69,886</u>

Notes (continued)

14 Contingent liabilities

The company, together with Associated British Foods plc and certain fellow UK subsidiary undertakings, is party to a set-off arrangement in respect of its bank accounts with certain of the group's bankers

15 Parent company

The ultimate parent 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 that headed by Wittington Investments Limited. The smallest Group in which they are consolidated is that headed by Associated British Foods plc, 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 Weston Centre, 10 Grosvenor Street, London W1K 4QY. The consolidated accounts of Associated British Foods Plc are also available for download on the Group's website www.abf.co.uk

16 Related Party disclosures

During the year the company undertook business transactions with other Associated British Foods (ABF) plc Group companies that were not wholly owned subsidiaries of ABF plc as outlined below. As at the 17th September 2011 there was a balance of £171k due to the company as a result of such transactions in the period. All other business transactions with other ABF plc Group companies were with wholly owned subsidiaries and as such the company is exempt from disclosing these transactions by virtue of the exemption offered by FRS 8 (amended)

	2011 £'000	2010 £'000
Dividends received	338	-
Payment in respect of capital reduction	108	-