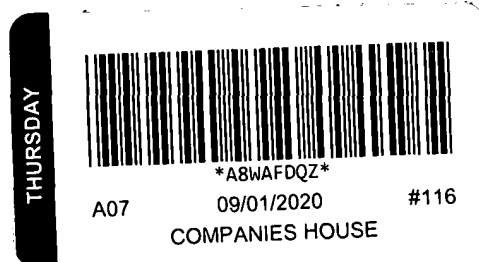


Twining Crosfield & Co. Limited

Annual report and financial statements
For the year ended
31 August 2019

Company number 00144900



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Strategic report

The directors present their annual report and the audited financial statements for the year ended 31 August 2019.

Business Review

The results for the year are set out on page 6.

The results of the company show a pre-tax profit of £12.65m (2018: £10.44m).

The company has total net assets of £45m (2018: £32.5m).

Principal activities

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

Principal Risks and Uncertainties

The company is a holding company and its results are dependent on interest and similar income receivable from or payable to other group companies.

By order of the board



G T McCallum
Director
12 December 2019

Directors' report

The directors present their report for the year ended 31 August 2019.

Directors of the company

The directors who held office during the period were:

RE Tavener

GT McCallum

Dividends

No dividends were paid during the year (2018 Interim: Nil, Final: Nil).

Political contributions

The company made no political contributions during the period (2018: Nil)

Going Concern

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 and, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office

Directors' statement as to disclosure of information to auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



G T McCallum

Director

12 December 2019

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable UK 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Twining Crosfield & Co. Limited for the year ended 31 August 2019 which comprise, the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 15, 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT Continued

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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 the directors either intend to liquidate the company or to cease operations, or have 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



Joe Yglesia (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

17 December 2019

Statement of comprehensive income
for the year ended 31 August 2019

	<i>Note</i>	Year ended 31 August 2019 £000	Year ended 31 August 2018 £000
Income from shares in group undertakings		12,025	10,545
Other interest receivable or (payable)	3	621	(109)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		12,647	10,436
Tax (charge)/ credit on ordinary activities	6	(118)	20
		<hr/>	<hr/>
Profit on ordinary activities after taxation		12,529	10,456
		<hr/>	<hr/>

All results arise from continuing activities.

A statement of movements on reserves is given in note 11.

There was no other comprehensive income or loss for the year.

The notes on pages 9 to 15 form part of these financial statements.

Statement of changes in equity

for the year ended 31 August 2019

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 September 2017	610	107	93	21,262	22,072
Profit for the financial year	-	-	-	10,456	10,456
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,456	10,456
At 31 August 2018	610	107	93	31,718	32,528
Profit for the financial year	-	-	-	12,529	12,529
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	610	107	93	44,247	45,057
At 31 August 2019	610	107	93	44,247	45,057

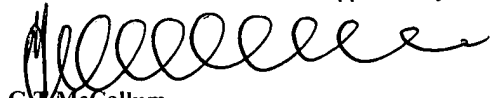
Balance sheet

as at 31 August 2019

	Note	31 August 2019		31 August 2018	
		£000	£000	£000	£000
Fixed assets					
Investments	7		9,249		9,249
Current assets					
Debtors	8	236,244		159,466	
Creditors: amounts falling due within one year	9	(200,436)		(136,187)	
Net current assets			35,808		23,279
Net assets			45,057		32,528
Capital and reserves					
Called up share capital	10		610		610
Share premium account	11		107		107
Revaluation reserve	11		93		93
Retained earnings	11		44,247		31,718
Total equity shareholder's funds			45,057		32,528

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 12 December 2019 and were signed on its behalf by:



G. J. McCallum

Director

Registered number 00144900

Notes

(forming part of the financial statements)

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

The financial statements of Twining Crosfield & Co. Limited (the company) for the year ended 31 August 2019 were authorised for issue by the board of directors on 12 December 2019 and the balance sheet was signed on the board's behalf by George McCallum. The company is incorporated and domiciled in England and Wales. The address of the Company's registered office is Weston Centre, 10 Grosvenor Street, London, W1K 4QY.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. They 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 and its results are included in the consolidated financial statements of Associated British Foods plc which are available at Weston Centre, 10 Grosvenor Street, London, W1K 4QY.

The principal accounting policies adopted by the company are set out in note 2.

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.

Changes in accounting policy: New Standards, interpretations and amendments effective

The following has been applied for the first time from 1 September 2018 and have had an effect on the financial statements:

IFRS 9: Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of accounting for financial instruments: classification and measurement; impairment; and hedged accounting. The company has applied IFRS 9 prospectively, with an initial application date of 1 September 2018. The company has not restated the comparative information, which continues to be reported under IAS 39. The effect of adopting IFRS 9 as at 1 September 2018 was not significant.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 August 2019

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

- a) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- b) The requirements in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - i. Paragraph 79(a)(iv) of IAS 1
- c) The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- d) The requirements of IAS 7 Statement of Cash Flows;
- e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- f) 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;
- g) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- h) The requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- i) The requirement of IFRS 9 Financial Instruments: Recognition and Disclosures

Notes (continued)

Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Management determines the classification of its financial assets initially at fair value and are subsequently carried at amortised cost using the effective interest method.

A financial asset is primarily derecognised 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.

Impairment of financial assets

In accordance with IFRS 9, 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.

Twining Crosfield has intercompany debtor balances only, therefore the ECL model has not been used as all inter-company debts are considered to always be recoverable.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Going Concern

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 and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Investment

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

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 income statement.

Taxation

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

Notes *(continued)*

3 Other interest Receivable or Payable

	Year ended 31 August 2019 £000	Year ended 31 August 2018 £000
Receivable/(payable) from group undertakings	621	(109)
	<u>621</u>	<u>(109)</u>

Income receivable / (payable) 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 2019 (*2018: £Nil*). Retirement benefits did not accrue to any of the directors in respect of their services to the company in 2019 (*in 2018: £Nil*).

5 Staff numbers and costs

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

Notes (continued)

6 Taxation

Analysis of tax in period

	Year ended 31 August 2019 £000	Year ended 31 August 2018 £000
<i>UK corporation tax</i>		
Current tax charge/(credit) on income for the period	118	(20)
Tax charge/(credit) on profit on ordinary activities	118	(20)

	Year ended 31 August 2019 £000	Year ended 31 August 2018 £000
Total tax reconciliation		
Profit on ordinary activities before tax	12,647	10,439
Current tax at effective rate 19% (2018: 19%)	2,403	1,983
<i>Effects of:</i>		
Non-taxable dividends from overseas companies	(2,285)	(2,003)
Total current tax	118	(20)

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017, with a further reduction to 17% effective from 1 April 2020. The legislation to affect these rate changes had been enacted before the balance sheet date.

Notes (continued)

7 Investments

	31 August 2019 £000
<i>Cost and Net Book Value</i>	
At beginning of period	9,249
Movements	-
	<hr/>
At end of period	9,249
	<hr/>

The full list of companies in which the company's interest at the period end is 100% (excluding Japan and Synchronis (50%)) are as follows:

Name of companies	Country of registration or incorporation	Principal activity	Class of shares held (at par value)
R. Twining and Company Limited	England	Tea merchants	Ord. £1
Foods International SAS	France	Tea merchants	Ord. €23.00
Synchronis*	France	Distribution	Ord. £1
Foods International Holding B.V.	Netherlands	Holding company	Ord. €100.00
AB Mauri Netherlands*	Netherlands	Non-trading	Ord. €1
Twinings Japan	Japan	Tea merchants	Ord. JPY 100,000
Twinings 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 which prepares group financial statements that 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.

Notes *(continued)*

8 Debtors

	31 August 2019 £000	31 August 2018 £000
Amounts owed by group undertakings	236,244	159,435
UK Corporation Tax credit	-	31
	<u>236,244</u>	<u>159,466</u>

All debts are repayable on demand.

9 Creditors: amounts falling due within one year

	31 August 2019 £000	31 August 2018 £000
Amounts owed to subsidiary undertakings	200,339	136,187
UK Corporation Tax creditor	97	-
	<u>200,436</u>	<u>136,187</u>

10 Called up share capital

	31 August 2019		31 August 2018	
	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>

Notes (continued)

11 Reserves

	Share Premium account £000	Revaluation Reserve £000	Retained earnings £000	Total £000
At beginning of period	107	93	31,718	31,918
Retained profit for the period	-	-	12,529	12,529
At end of period	107	93	44,247	44,447

Revaluation Reserve

The revaluation reserve is used to record increases in the fair value of assets and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

13 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.

14 Parent company

The ultimate holding company and controlling party 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 trustees of Garfield Weston Foundation are the controlling shareholders of 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 Associated British Foods plc, 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 at www.abf.co.uk.

15 Related Party disclosures

During the year the company undertook no business transactions with any subsidiaries within the Associated British Foods plc group that were not wholly-owned and, as such, at 31 August 2019 no amounts were due to or from such subsidiaries. The company is exempt from disclosing transactions with wholly-owned subsidiaries within the Associated British Foods plc group by virtue of the exemption available under paragraph 8(k) of FRS101.