

**Twining Crosfield & Co Limited**

**Directors' report and financial  
statements**

**Registered number 144900**

**13 September 2003**



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## Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 13 September 2003.

### Principal activities

In the course of the period the principal activities of the company were that of a holding company. The company's subsidiaries were engaged in the purchase and sale of tea and coffee.

### Trading results and transfer to reserves

The profit and loss account for the period is set out on page 5. The loss on ordinary activities after payment of taxation amounted to £4,167,000 (2002: profit of £7,372,000). An interim dividend of £4,300,000 was paid during the year (2002: £3,950,000). The directors do not recommend the payment of a final dividend (2002: £nil).

### Directors and directors' interests

The directors who held office during the period were as follows:

BJ Evans (resigned 31 December 2002)  
 IWK Dewar (resigned 31 December 2002)  
 SHG Twining  
 SA Burr  
 RE Tavener  
 GH Weston

Subsequent to the year end, on 16 March 2004, Mr SA Burr resigned as a director of the company. The following directors had the following outstanding options to acquire ordinary shares in Associated British Foods plc.

	Number		Exercise price	Date exercisable from	Expiry date
	At end of period	At beginning of period			
	Shares of 5 15/22p each	Shares of 5 15/22p each			
SA Burr	20,000	20,000	561.5p	28 April 2003	27 April 2008
RE Tavener	33,000	33,000	564.0p	9 December 2005	8 December 2012
GH Weston	15,000	15,000	561.5p	28 April 2003	27 April 2008

According to the register of directors' interests, no rights to subscribe for shares in this company or shares in or debentures of any other group company were granted to any of the other directors or their immediate families, during the financial period.

## Directors' report *(continued)*

### Directors and directors' interests *(continued)*

The following directors had the following interests in the ordinary shares of 5 15/22p each of Associated British Foods Plc, as recorded in the register of directors' interests.


	Interest at end of period Shares of 5 15/22p each	Interest at beginning of period Shares of 5 15/22p each
GH Weston	3,177,565	3,177,565
SHG Twining	21,462	21,462
	<hr/>	<hr/>

The other directors in office at the year end notified no interests.

### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the board

  
RS Mendelsohn  
Secretary

Weston Centre  
Bowater House  
68 Knightsbridge  
London  
SW1X 7LQ

20.05. 2004

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



## KPMG Audit Plc

Arlington Business Park

Theale

Reading

RG7 4SD

United Kingdom

### **Report of the independent auditors to the members of Twining Crosfield & Co Limited**

We have audited the financial statements on pages 5 to 13.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 13 September 2003 and of its loss for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

*11 June 2004*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

**Profit and loss account**  
*for the period ended 13 September 2003*

	<i>Note</i>	<b>52 week period ended 13 September 2003 £000</b>	<b>52 week period ended 14 September 2002 £000</b>
Income from shares in group undertakings		230	7,367
Administrative expenses		(317)	(3)
Other income receivable and similar income	3	592	18
Interest payable and similar charges	4	-	(7)
Exchange loss on group company funding		(21)	-
Amounts written off intangible fixed assets		(5,176)	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>(4,692)</b>	<b>7,375</b>
Taxation	6	525	(3)
<b>Profit/(loss) for the financial period</b>		<b>(4,167)</b>	<b>7,372</b>
Dividends	7	(4,300)	(3,950)
Retained profit/(loss) for the period		(8,467)	3,422
Retained profit brought forward		11,189	7,767
<b>Retained profit carried forward</b>	12	<b>2,722</b>	<b>11,189</b>

The above results comprise the company's continuing operations.

A statement of movement 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**  
*at 13 September 2003*

	<i>Note</i>	<b>13 September 2003</b>	<b>14 September 2002</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	8	38,533	43,709
<b>Current assets</b>			
Debtors	9	20,600	23,211
Cash at bank and in hand		505	431
		<u>21,105</u>	<u>23,642</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(56,071)</u>	<u>(55,317)</u>
<b>Net current liabilities</b>		<u>(34,966)</u>	<u>(31,675)</u>
<b>Net assets</b>		<u>3,567</u>	<u>12,034</u>
<b>Capital and reserves</b>			
Called up share capital	11	610	610
Share premium account	12	107	107
Capital redemption reserve	12	128	128
Profit and loss account	12	2,722	11,189
<b>Total equity shareholders' funds</b>		<u>3,567</u>	<u>12,034</u>

These financial statements were approved by the board of directors on 20.05.2004 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 13 September 2003.

### 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, and in accordance with applicable accounting standards. 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 228 of the Companies Act 1985 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.

Despite net current liabilities of £34,966,000 the financial statements have been prepared on a going concern basis because the parent company (creditor balance less than one year £45,468,000) has indicated that although the loan is repayable on demand, it is not expected to be called in the next 12 months.

#### *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 and the gains or losses on translation are included in the profit and loss account.

#### *Post-retirement benefits*

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. The scheme is fully paid up.

#### *Taxation*

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

## Notes (continued)

### 3 Other income receivable and similar income

	52 week period ended 13 September 2003 £000	52 week period ended 14 September 2002 £000
Receivable from group undertakings	508	-
Bank interest receivable	7	3
Other operating income	77	15
	<hr/> 592	<hr/> 18

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

### 4 Interest payable and similar charges

	52 week period ended 13 September 2003 £000	52 week period ended 14 September 2002 £000
Payable to group undertakings	-	7
	<hr/>	<hr/>

### 5 Directors and employees

The average number of persons employed by the company (including directors) during the period was 4 (2002: 5). The directors received no remuneration for services to the company during the year (2002: £nil).

### 6 Taxation

Analysis of charge/(credit) in the period

	52 week period ended 13 September 2003 £000	52 week period ended 14 September 2002 £000
UK corporation tax		
Current tax on income for the period	240	3
Adjustments in respect of prior periods	(209)	-
Group relief receipt	(556)	-
	<hr/> (525)	<hr/> 3

The group relief receipt relates to losses group relieved in 1999 and 2001.

## Notes (continued)

### 6 Taxation (continued)

*Factors affecting the tax charge for the current period.*

The current tax charge for the period is higher (2002: lower) than the standard rate of corporation tax in the UK (30%, 2002: 30%). The differences for 2002 are explained below:

	52 week period ended 13 September 2003 £000	52 week period ended 14 September 2002 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(4,692)	7,375
Current tax at 30%	(1,408)	2,213
<i>Effects of:</i>		
Expenses not deductible for tax purposes (primarily impairment of investment)	1,648	-
Overseas dividends covered by double tax treaty	-	(1,025)
UK dividends under group elections	-	(1,185)
Total current tax charge	240	3

### 7 Dividends

	52 week period ended 13 September 2003 £000	52 week period ended 14 September 2002 £000
Equity shares:		
Interim dividend paid	4,300	3,950

## Notes (continued)

### 8 Fixed asset investments - Shares

	Unlisted subsidiary undertakings £000
<b>Shares</b>	
<i>Cost</i>	
At beginning of period	43,804
Additions	317
Disposals	-
Impairment	(5,176)
	<hr/>
At end of period	38,945
	<hr/>
<i>Provisions</i>	
At beginning of period	95
Increase in provision	317
	<hr/>
At end of period	412
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<i>Net book value</i>	
At 13 September 2003	38,533
	<hr/>
At 14 September 2002	43,709
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## Notes (continued)

### 8 Fixed asset investments - Shares (continued)

The principal companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class of shares held
<i>Companies whose share capital is wholly owned by Twining Crosfield &amp; Co Limited</i>			
R Twining and Company Limited	England	Tea merchants	Ord. £1
Robert Jackson & Co Ltd	England	Holding company	Ord. £1 'A' Ord. £1 'B' Pref. £1
* Jacksons of Piccadilly Limited	England	Non-trading	Ord. £1 Pref. £1
Tuke Shipping	England	Non-trading	Ord. £1 'A' Ord. £0.10 'B'
Walter Williams & Co (London) Ltd	England	Non-trading	Ord. £1 Deferred £1
Matheson McLaren & Co Ltd	Scotland	Non-trading	Ord. £1
Nambarrie Tea Company Limited (formerly Namosa Ltd)	Northern Ireland	Tea merchants	Ord. £1
Twinnings of Ireland Ltd	Eire	Non-trading	Ord. €1.27 Pref. €12.70
Foods International S.A.	France	Tea merchants	Ord. €22.87
Foods International Holding B.V.	Netherlands	Holding company	Ord. €453.78
* Foods International Sales en Marketing N.V.	Belgium	Tea merchants	Ord. CHF1.00
* Fritz Walter AG	Switzerland	Tea merchants	Ord. CHF1.00
* Julia B.V.	Netherlands	Non-trading	Ord. €453.78
* Foods International Verkoop en Marketing	Holland	Tea merchants	Ord. €453.78
* Foods International Vertriebs und Marketing GmbH	Germany	Non-trading	
Haugen Gruppen AS	Norway	Distributor	Ord. NKR 1
International Seed Technologies B.V.	Netherlands	Seed Coating	Ord. €453.78
International Seed Technologies SA	Spain	Seed Coating	Ord. €60.10
International Seed Technologies GmbH	Germany	Seed Coating	Ord. €25,565
Haugen Gruppen Denmark	Denmark	Distributor	Ord. DKK 1,000
Haugen Gruppen Sweden	Sweden	Distributor	Ord. 'A' SEK 10

#### *Companies whose share capital is 80% owned by Twining Crosfield & Co Limited*

Twinnings Private Limited	India	Tea merchants	Ord. Rupee 10
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\* 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 undertaking 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.

## Notes (continued)

### 9 Debtors

	13 September 2003 £000	14 September 2002 £000
Amounts owed by subsidiary undertakings	20,600	23,150
Corporation tax recoverable	-	61
	<u>20,600</u>	<u>23,211</u>

All debtors are due within one year.

### 10 Creditors: amounts falling due within one year

	13 September 2003 £000	14 September 2002 £000
Corporation tax payable	144	-
Amounts owed to group undertakings:		
Parent undertaking	45,468	44,773
Subsidiary undertakings	10,459	10,544
	<u>56,071</u>	<u>55,317</u>

### 11 Called up share capital

	13 September 2003		14 September 2002	
	Number	£000	Number	£000
<i>Authorised</i>				
Ordinary shares of 25p each	3,000,000	750	3,000,000	750
6.5 % cumulative, redeemable preference shares of £1 each	150,000	150	150,000	150
		<u>900</u>		<u>900</u>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 25p each	2,440,000	610	2,440,000	610
6.5 % cumulative, redeemable preference shares of £1 each	-	-	-	-
		<u>610</u>		<u>610</u>

## Notes (continued)

### 12 Reserves

	Share premium account £000	Capital reserves £000	Profit and loss account £000	Total £000
At beginning of period	107	128	11,189	11,424
Retained loss for the period	-	-	(8,467)	(8,467)
At end of period	107	128	2,722	2,957

### 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 parent company is Wittington Investments Limited which is incorporated in Great Britain and registered in England.

The largest group in which the results of the company are consolidated is that headed by Wittington Investment Limited. The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England. The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, Bowater House, 68 Knightsbridge, London SW1X 7LQ.