

TWIL COMPANY

Report and Financial Statements

31 December 2006

Deloitte & Touche LLP
Leeds

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TWIL COMPANY

REPORT AND FINANCIAL STATEMENTS 2006

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TWIL COMPANY

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D.J.C. Berten

D.C. Smith

SECRETARY

D.C. Smith

REGISTERED OFFICE

Old Popplewell Lane

Scholes

Cleckheaton

West Yorkshire

BD19 6DW

AUDITORS

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Leeds

TWIL COMPANY

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 31 December 2006.

PRINCIPAL ACTIVITY

The company is a holding company. The company did not trade but did pay interest on loans to other group companies. The company is not expected to trade for the foreseeable future.

RESULTS AND DIVIDENDS

There was a loss for the financial year of £7,000 (2005: loss £77,000). The directors do not recommend payment of a dividend (2005: £nil).

DIRECTORS

The directors of the company are listed below:

D.J.C. Berten

D.R. Hawkes (resigned 31 July 2007)

D.C. Smith (appointed 31 July 2007)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D.J.C. Berten
Director

28/10/2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs at the company and of the profit or loss for that period and comply with UK GAAP and the Companies Act 1985. 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;
- 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 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 AUDITORS' REPORT TO THE MEMBERS OF TWIL COMPANY

We have audited the financial statements of Twil Company for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Leeds

31 October 2007

TWIL COMPANY

PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Administrative expenses		-	(5)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		-	(5)
Net interest payable	3	(3)	(64)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3)	(69)
Tax on loss on ordinary activities	4	(4)	(8)
LOSS FOR THE FINANCIAL YEAR		(7)	(77)

The accompanying notes are an integral part of this profit and loss account.

There were no recognised gains or losses in either year other than the result for the year, accordingly no Statement of total recognised gains and losses is presented.

TWIL COMPANY

BALANCE SHEET 31 December 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors			
- amounts owed by group undertakings		-	815
		-	815
CREDITORS: amounts falling due within one year	6	(47)	(855)
NET LIABILITIES		(47)	(40)
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	(47)	(40)
EQUITY SHAREHOLDERS' DEFICIT	9	(47)	(40)

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

23/10/2007.


D.J.C. Berten
Director

The accompanying notes are an integral part of this balance sheet

NOTES TO THE FINANCIAL STATEMENTS
31 December 2006

1. ACCOUNTING POLICIES

The principal accounting policies are set out below. All of these have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. No cash flow statement has been provided as the company is a wholly-owned subsidiary of N.V. Bekaert S.A., a company incorporated in Belgium, which prepares consolidated financial statements which are publicly available. Group financial statements have not been presented as permitted by Section 228 of the Companies Act 1985.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 when, 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Investments in subsidiary undertakings

Investments in subsidiary undertakings including loans are stated at cost less provisions for impairment.

2. STAFF COSTS, DIRECTORS' REMUNERATION AND AUDITORS' REMUNERATION

The company has no employees other than directors (2005 – None).

The directors received no remuneration in the year in respect of their services as directors of the company (2005 - £nil).

Auditors' fees allocated as £500 (2005: £400) are met by other group companies in both the current and prior year.

TWIL COMPANY

NOTES TO THE FINANCIAL STATEMENTS 31 December 2006

3. NET INTEREST PAYABLE

	2006 £'000	2005 £'000
Interest on ACT repayment	(15)	(97)
Interest to group companies	(1)	-
	<u>(16)</u>	<u>(97)</u>
Interest receivable and similar income		
- from third parties	-	2
- from group companies	13	31
	<u>13</u>	<u>33</u>
Net interest payable	<u>(3)</u>	<u>(64)</u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax on loss on ordinary activities comprises:

	2006 £'000	2005 £'000
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	4	8

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:-

	2006 £'000	2005 £'000
Loss on ordinary activities	(3)	(69)
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2004 : 30%)	(1)	(21)
Amounts not deductible for tax purposes	5	29
Current tax charge	<u>4</u>	<u>8</u>

The company has agreed capital losses amounting to £2.7 million (2005: £2.7 million), in respect of which no deferred taxation asset is recognised.

A change in the corporation rate for future accounting periods from 30% to 28% was announced after the balance sheet date. This change in the tax legislation has been substantially enacted and will come into effect from 1 April 2008.

5. FIXED ASSET INVESTMENTS:

At 31 December 2006, the only subsidiary undertaking of the company was Tinsley Wire Limited, a 100% owned, dormant company, registered in England and Wales.

TWIL COMPANY

NOTES TO THE FINANCIAL STATEMENTS 31 December 2006

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts due to other group companies	35	-
Other creditors - taxation	12	855
	<u>47</u>	<u>855</u>

7. CALLED-UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised		
12,500,000 ordinary shares of £1 each	12,500	12,500
Allotted, called-up and fully paid		
10 ordinary shares of £1 each	-	-

8. RESERVES

The movement during the year was as follows:

	Profit and loss account £'000	2005 £'000
At 1 January 2006	(40)	37
Loss retained for the year	(7)	(77)
At 31 December 2006	<u>(47)</u>	<u>(40)</u>

9. MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Loss for the financial year	(7)	(77)
Opening equity shareholders' (deficit)/funds	<u>(40)</u>	<u>37</u>
Closing equity shareholders' deficit	<u>(47)</u>	<u>(40)</u>

10. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of N.V. Bekaert S.A., the company has taken advantage of the exemption provided by FRS 8 "Related party disclosures" not to disclose transactions with any other members of the group headed by N.V. Bekaert S.A.

TWIL COMPANY

NOTES TO THE FINANCIAL STATEMENTS **31 December 2006**

11. ULTIMATE PARENT COMPANY

The ultimate parent company is N.V. Bekaert S.A., a company incorporated in Belgium, which heads the only group in which the results of TWIL Company are consolidated. The consolidated financial statements of this group are available to the public and may be obtained from N.V. Bekaert S.A., Corporate Communication, President Kennedypark 18, BE-8500 Kortrijk, Belgium, and are also published on the internet. The company's immediate parent company is Sentinel Garden Products Limited, a company incorporated in England and Wales.