

# Nambarrie Tea Company Limited

Directors' report and  
financial statements

Period ended 12 September 2009

Company number NI 1317

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# Nambarrie Tea Company Limited

## Directors' report and financial statements

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# Nambarrie Tea Company Limited

## Directors' and other information

### **Directors**

BW Davis (resigned 4 November 2008)  
PS Murphy  
RS Schofield (appointed 4 November 2008)  
PA Russell (appointed 4 November 2008)

### **Secretary**

RS Schofield

### **Auditors**

KPMG  
17/25 College Square East  
Belfast  
BT1 6DH

### **Bankers**

Lloyds Bank Plc  
City Office  
Bailev Drive  
Gillingham Business Park  
Kent  
ME8 0PZ

Alliance & Leicester Commercial Bank plc  
Bridle Road  
Bootle  
Merseyside  
G1R 0AA

### **Solicitors**

Tughan & Co  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GS

### **Company registration number**

NI 1317

# Nambarrie Tea Company Limited

## Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 12 September 2009

### Principal activities

The Company did not trade during the period and so made neither profit nor loss. A profit for the financial period of £1,249,791 was transferred to reserves in 2008.

### Business review and future outlook

Nambarrie Tea Company Limited (Nambarrie) operated as importers, manufacturers and sellers of high quality mainstream and specialty teas throughout Ireland. It also had a strong intercompany business producing mainstream and infusion products for its sister company R. Twining and Company Limited. The Company worked towards regional specific strategic objectives within its various marketplaces as well as managing factory volumes and unit costs whilst improving staff capabilities, motivation and retention. The focus on employee health and safety continued throughout the year in line with Group policy.

Nambarrie ceased trading on 13 September 2008 and the trade and assets of the company were sold to its sister company R. Twining and Company Limited. As a consequence the previous period's accounts were prepared on a break-up basis. Included within the previous period's result was an exceptional cost of £1.5m relating to the cessation of operations.

The directors have no plans to recommence trading in the future.

### Principal risks and uncertainties

The company is not subject to future risks and uncertainties due to the cessation of trade in the previous period.

### Key performance indicators

Given the cessation of trade in the previous financial period, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### Financial risk management objectives and policies

The ongoing credit, currency and interest rate risk is minimal due to the limited trading activities during the current financial period with all funding being provided to by other group companies in sterling on a non-interest bearing basis.

### Dividend

The Company did not pay a dividend during the current period (2008: £1,500,000).

# Nambarrie Tea Company Limited

## Directors' report *(continued)*

### **Directors**

The directors who held office during the period were as follows

BW Davis (resigned 4 November 2008)  
PS Murphy  
RS Schofield (appointed 4 November 2008)  
AP Russell (appointed 4 November 2008)

### **Political and charitable contributions**

The Company made no political or charitable donations during the period (2008 £Nil)

### **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

### **Auditors**

Pursuant to Section 487 of Companies Act 2006 the auditors will be deemed to be reappointed and KPMG therefore continue in office

On behalf of the Board

PS Murphy  
Director



7/6/10

[Date] 2010

# Nambarrie Tea Company Limited

## Statement of directors responsibilities in respect of the directors report and 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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

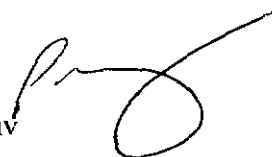
- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements and
- prepare 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 records that disclose with reasonable accuracy at any time the financial position for 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 to prevent and detect fraud and other irregularities

Under applicable law the directors are also responsible for preparing a directors report that complies with that law

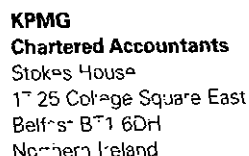
On behalf of the Board

PS Murphy  
Director



7/6/10

[Date] 2010



We have audited the financial statements of Nambarrie Tea Company Limited for the 52 week period ended 12 September 2009 which comprise the Profit and Loss Account the Balance Sheet and the Note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 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.

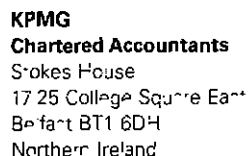
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.apb.org.uk/apb/scope>.

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 12 September 2009 and of its result 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 is consistent with the financial statements

**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

Herb Rabe

**John Poole (Senior Statutory Auditor)**  
**For and on behalf of KPMG Statutory Auditor**  
*Chartered Accountants*  
 Stokes House  
 17/25 College Square East  
 Belfast  
 BT1 6DH

7 June 2010



# Nambarrie Tea Company Limited

## Profit and loss account

Period ended 12 September 2009

|   | Note | 2009<br>£ | 2008<br>£   |
|---|------|-----------|-------------|
| <b>Turnover</b>   | 4    |           | 12 724 922  |
| <b>Operating profit</b>   | 4    |           | 2 690 973   |
| Exceptional costs on cessation of trade and disposal of assets    | 5    |           | (1 548 613) |
| <b>Profit on ordinary activities before interest and taxation</b> |      |           | 1 142 360   |
| Interest receivable   | 7    |           | 533 431     |
| <b>Profit on ordinary activities before taxation</b>              |      |           | 1 675 791   |
| Tax on profit on ordinary activities                              | 8    |           | (426 000)   |
| <b>Profit for the financial period</b>                            | 13   |           | 1 249 791   |

All amounts relate to discontinued operations

A statement of movements on reserves is given in note 12

During the financial period the Company did not trade and received no income and incurred no expenditure. Consequently during the current period the Company made neither a profit nor a loss.

The Company had no recognised gains or losses in the financial period or the preceding financial period other than those dealt with in the profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

# Nambarrie Tea Company Limited

## Balance sheet

At 12 September 2009

|  | Note | 2009       |   | 2008       |   |
|--|------|------------|---|------------|---|
|  |      | £          | £ | £          | £ |
| <b>Current assets</b>                                |      |            |   |            |   |
| Debtors  | 10   | 10,029,365 |   | 10,029,365 |   |
|  |      | <hr/>      |   | <hr/>      |   |
|  |      | 10,029,365 |   | 10,029,365 |   |
| <b>Creditors</b> Amounts falling due within one year |      | <hr/>      |   | <hr/>      |   |
| <b>Net current assets</b>                            |      |            |   |            |   |
|  |      | <hr/>      |   | <hr/>      |   |
| <b>Net assets</b>                                    |      | 10,029,365 |   | 10,029,365 |   |
|  |      | <hr/>      |   | <hr/>      |   |
| <b>Capital and reserves</b>                          |      |            |   |            |   |
| Called up share capital                              | 11   | 10,020     |   | 10,020     |   |
| Profit and loss account                              | 12   | 10,019,345 |   | 10,019,345 |   |
|  |      | <hr/>      |   | <hr/>      |   |
| <b>Shareholders funds</b>                            | 13   | 10,029,365 |   | 10,029,365 |   |
|  |      | <hr/>      |   | <hr/>      |   |

The financial statements were approved by the Board of Directors on ~~xx xxx~~ 7 June 2010 and were signed on their behalf by

PS Murphy  
Director



7/6/10

2010

Company registration number NI 1317

The notes on pages 10 to 17 form part of these financial statements

# Nambarrie Tea Company Limited

## Note of historical cost profits and losses

*At 12 September 2009*

|  | <b>2009</b><br><b>£</b> | <b>2008</b><br><b>£</b> |
|--|-------------------------|-------------------------|
| <b>Reported profit on ordinary activities before taxation</b>                          |                         | 1 675 791               |
| Realisation of property revaluation reserve on disposal of asset                       |                         | 2 500                   |
|  | <hr/>                   | <hr/>                   |
| <b>Historical cost profit on ordinary activities before taxation</b>                   |                         | 1 678 291               |
|  | <hr/>                   | <hr/>                   |
| <b>Historical cost profit for the period retained after<br/>taxation and dividends</b> |                         | (283 709)               |
|  | <hr/>                   | <hr/>                   |

# Nambarrie Tea Company Limited

## 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 period ended 12 September 2009.

### 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, and in accordance with applicable accounting standards. Due to the transfer of the Company's trade and assets to its parent company at book value, these accounts have been prepared on a break up basis, with the balance sheet at 12 September 2009 reflecting the fair value of assets at 12 September 2009.

Under Financial Reporting Standard No 1 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.

#### ***Turnover***

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services delivered to or collected by customers during the period. It is stated net of discounts and allowances designed to encourage sales such as over riders and retro bonuses which are repaid after the event of the sale and other promotional offers made at the time of the sale. The directors are of the opinion that disclosure of the analysis of turnover and profit by geographical market would be seriously prejudicial to the interests of the Company.

#### ***Fixed assets and depreciation***

Tangible fixed assets are stated at historical cost less accumulated depreciation, except for certain items of land and buildings which were carried at revalued amount less accumulated depreciation. In 2007 the Company availed of the transitional provisions of FRS 15 *Tangible Fixed Assets* in continuing to carry such assets at their previous revalued amount, which was not updated for subsequent changes in value, except as adjusted for subsequent additions, disposals, depreciation and impairment, if any. Depreciation, calculated on cost or on valuation, was provided on a straight line basis over the anticipated life of the asset to the residual value of the asset. No depreciation was provided on freehold land. The anticipated life of other assets was generally deemed to be no longer than

|                       |              |
|-----------------------|--------------|
| Land and buildings    | 50 years     |
| Plant and equipment   | 12 years     |
| Fixtures and fittings | 5 – 12 years |
| Motor vehicles        | 5 – 8 years  |

# Nambarrie Tea Company Limited

## Notes *(continued)*

### **2 Accounting policies *(continued)***

#### ***Leases***

All leases entered into by the Company were operating leases whereby substantially all the risks and rewards of ownership of an asset remain with the lessor. Rental payments were charged against profits on a straight line basis over the life of the lease.

#### ***Taxation***

The Company provides for taxation using rates and laws that have been enacted or substantively enacted by the balance sheet date.

The charge for taxation was based on the profit for the period and took into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax was recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which arose but did not reverse by the balance sheet date except as otherwise required by FRS 19. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

#### ***Pension costs***

The Company is a member of the Associated British Foods Pension Scheme which operates both a defined contribution and defined benefit pension scheme. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable. The defined benefit scheme is a multi employer scheme and the Company is unable to identify its share of underlying assets and liabilities on a consistent and reasonable basis. Contributions to the defined benefit scheme are therefore accounted for as if they were contributions to a defined contribution scheme.

#### ***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 contracted rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

# Nambarrie Tea Company Limited

## Notes (continued)

### 3 Dividends

|            | 2009<br>£ | 2008<br>£ |
|------------|-----------|-----------|
| Final paid |           | 1 500 000 |

The dividend paid represented £149 70 per share in 2008

### 4 Turnover and operating profit

|  | 2009<br>£ | 2008<br>£   |
|--|-----------|-------------|
| Turnover discontinued operations         |           | 12 724 922  |
| Cost of sales                            |           | (7 916 165) |
| Gross profit                             |           | 4 808 756   |
| Distribution costs                       |           | (1 499 017) |
| Administrative expenses                  |           | (618 767)   |
| Operating profit discontinued operations |           | 2 690 973   |

Operating profit is stated after charging/(crediting)

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Depreciation of fixed tangible assets              |           | 184 429   |
| Auditors remuneration                              |           |           |
| audit  |           | 20 200    |
| other services                                     |           |           |
| Operating leases land and buildings                |           | 107 221   |
| Loss/(profit) on disposal of tangible fixed assets |           | 3 051     |

In the current period auditors remuneration for audit services will be paid by R Twinings and Company Limited and will not be recharged to Nambarrie Tea Company Limited

### 5 Exceptional costs

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Exceptional costs on cessation of trade and disposal of assets |           | 1 548 613 |

Exceptional costs in the period ended 13 September 2008 relate to redundancy costs write off of certain fixed assets and various ancillary costs arising from the cessation of trade

# Nambarrie Tea Company Limited

## Notes (continued)

### 6 Directors and employees

The average number of persons employed by the Company (including executive directors) analysed by category during the period was as follows

|                             | 2009<br>No | 2008<br>No |
|-----------------------------|------------|------------|
| Administration              |            | 7          |
| Production and distribution |            | 42         |
| Sales                       |            | 7          |
|                             | <hr/>      | <hr/>      |
|                             |            | 56         |
|                             | <hr/>      | <hr/>      |

The aggregate staff costs of these persons were as follows

|                       | 2009<br>£ | 2008<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    |           | 1 280 602 |
| Social security costs |           | 115 839   |
| Other pension costs   |           | 105 204   |
|                       | <hr/>     | <hr/>     |
|                       |           | 1 501 645 |
|                       | <hr/>     | <hr/>     |

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Directors' emoluments<br>(including benefits in kind)      |           | 110 297   |
| Company pension contributions<br>to defined benefit scheme |           | 15 140    |
|  | <hr/>     | <hr/>     |
|  |           | 125 437   |
|  | <hr/>     | <hr/>     |

|  | 2009<br>No | 2008<br>No |
|--|------------|------------|
| Retirement benefits are accruing to the following<br>number of directors under defined benefit schemes |            | 2          |
|  | <hr/>      | <hr/>      |

# Nambarrie Tea Company Limited

## Notes *(continued)*

### 6 Directors and employees (continued)

|   | 2009<br>No | 2008<br>No |
|---|------------|------------|
| The number of directors who exercised share options was   |            | 1          |
| The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was |            |            |

### 7 Interest receivable

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Interest receivable from other group companies |           | 533 431   |

Interest receivable is in respect of intercompany balances which are repayable on demand

### 8 Tax on profit on ordinary activities

|                                       | 2009<br>£ | 2008<br>£ |
|---------------------------------------|-----------|-----------|
| UK corporation tax for the period     |           | 609 000   |
| Adjustments relating to earlier years |           |           |
| Total current tax charge              |           | 609 000   |
| Deferred tax (see note 9)             |           | (183 000) |
|                                       |           | 426 000   |

The basis by which taxation is calculated is stated in note 2



# Nambarrie Tea Company Limited

## Notes (continued)

### 8 Tax on profit on ordinary activities (continued)

There is no current tax charge for the period (2008 £609 000) The tax was higher in 2008 than the standard rate of corporation tax in the UK The differences are explained below

|   | 2009<br>£ | 2008<br>£ |
|---|-----------|-----------|
| <b>Current tax reconciliation</b>                       |           |           |
| Profit on ordinary activities before tax                |           | 1 675 791 |
|   |           |           |
| Current tax at an effective tax rate of 28% (2008 29%)  |           | 487 644   |
| <b>Effects of</b>                                       |           |           |
| Capital allowances for period in excess of depreciation |           | 118 000   |
| Expenses not deductible                                 |           | 4 000     |
| Other adjustments                                       |           | (644)     |
|   |           |           |
| Total current tax charge                                |           | 609 000   |

The directors are not aware of any factors that may have a significant impact on the future tax charge of the Company

### 9 Provisions for liabilities and charges

|   | 2009<br>£ | 2008<br>£ |
|---|-----------|-----------|
| <b>Deferred taxation</b>                              |           |           |
| At beginning of period                                |           | 183 000   |
| Charge to the profit and loss for the period (note 8) |           | (183 000) |
|   |           |           |
| At end of period                                      |           |           |

The basis by which taxation is calculated is stated in note 2 There is no unprovided deferred tax

# Nambarrie Tea Company Limited

## Notes (continued)

### 10 Debtors

|   | 2009<br>£  | 2008<br>£  |
|---|------------|------------|
| Amounts owed by parent and fellow subsidiary undertakings | 10 029 365 | 10 029 365 |

### 11 Called up share capital

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| <i>Allotted called up and fully paid</i><br>Ordinary shares of £1 each | 10 020    | 10 020    |

### 12 Reserves

|                                 | <i>Profit<br/>and loss<br/>account</i><br>£ |
|---------------------------------|---|
| At beginning of period          | 10 019 345                                  |
| Profit for the financial period |   |
| <b>At end of period</b>         | <b>10,019 345</b>                           |

### 13 Reconciliation of movement on shareholders funds

|  | 2009<br>£  | 2008<br>£   |
|--|------------|-------------|
| Profit for the financial period                |            | 1 249 791   |
| Dividends                                      |            | (1 500 000) |
| Net (reduction)/addition to shareholders funds |            | (250 209)   |
| Opening shareholders funds                     | 10,029 365 | 10 279 574  |
| Closing shareholders funds                     | 10,029 365 | 10 029 365  |

# Nambarrie Tea Company Limited

## Notes *(continued)*

### **14 Parent Company**

The ultimate holding company is Wittington Investment 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 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](http://www.abf.co.uk)

### **15 Related party transactions**

Since more than 90% of the Company's voting rights are controlled within the Wittington Investments Limited group of companies, of which it is a member, the Company has taken advantage of the exemption not to disclose transactions with entities that are part of the group.