BETTYS & TAYLORS OF HARROGATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

Company Registration Number 543821

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BETTYS & TAYLORS OF HARROGATE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2012

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BETTYS & TAYLORS OF HARROGATE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2012

The directors present their report and the financial statements of the Company for the year ended 31 October 2012

Principal activities and business review

The principal activities of the Company have continued to be those of beverage producers, caterers, bakers, confectioners and chocolatiers

The Company distributes its products through its own retail and mail order operations and by wholesale to retailers and caterers in the UK and overseas

The directors believe that the Company's activities are both sufficiently integrated and focused to be effective, and sufficiently diverse to balance risk

Development and performance of the business

£m	2012	2011	2010	2009	2008
Turnover	133 2	117 3	102 8	88 7	77 2
Turnover growth	14%	14%	16%	15%	12%
Profit before tax	9 7	8 1	9 5	7 3	7 6

The financial year to 31 October 2012 has seen strong performance, with turnover growing by 14% (2011 – 14%) This positive sales performance along with a continuing focus on efficiency and process has resulted in Profit before tax increasing by £1 6m to £9 7m

There has been a continued investment in plant, machinery and IT systems of £1 2m in the year (2011 – £2 7m)

The return on capital employed for the year was 13 9% (2011 – 9 4%)

Position of the business

At the end of the year, the net assets totalled £43 3m The Company had cash balances of £5 6m at the end of the year, which compares to £1 8m at the end of October 2011

Results and dividend

The results for the Company are set out in the financial statements

The directors do not recommend the payment of a final dividend (2011 – £nil)

Dividends paid during the year comprise an interim dividend in respect of the year ended 31 October 2012 of £24 8m (£248,490 per share)

Principal risks & uncertainties

The principal risks have been identified and are subject to regular monitoring and review They are detailed below with the corresponding controls

Competition - The business operates in a highly competitive market with the potential for consumers to move to other brands/own label Customer relationships are therefore critical and are managed by our Sales & Commercial team to ensure that we meet customers' needs through product design & development, whilst ensuring availability of products at all times

Food safety - Maintaining high standards of food safety is critical to the business All areas of the business are therefore covered by food safety management systems These are subject to regular monitoring, audit & review Product withdrawal and recall procedures are also in place

Supply chain - We work closely with a range of suppliers to ensure continuous supply of raw materials at an acceptable price Supplier risk is also managed through alternative sourcing or dual sourcing where this is appropriate A number of our commodities suppliers are subject to external audit for ethical and environmental accreditation

Health & Safety – The business recognises that operational disruption can result from poor health & safety management so therefore has systems and standards in place to mitigate this risk across all areas of the business These are subject to regular monitoring, audit & review Crisis management and business continuity plans are also in place across the business

Fire safety - Fire mitigation measures are in place, as well as emergency procedures and continuity plans

Information Technology - Disruption to the availability of our IT systems could interrupt key business processes Our IT system can therefore be run from one of two server rooms, both of which are regularly backed up We also have IT support to ensure that any disruptions are dealt with quickly as well as a disaster recovery plan

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The Company's principal financial assets and liabilities comprise bank balances, trade debtors, trade creditors and investments

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest All of the business' cash balances are held in such a way that achieves a competitive rate of interest

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits The amounts presented in the balance sheet are net of allowances for doubtful debtors

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

The Company's activities expose it primarily to the financial risks of changes in commodity prices and changes in foreign currency exchange rates The Company uses foreign exchange forward contracts to hedge the foreign currency exposures There is no currency speculation

BETTYS & TAYLORS OF HARROGATE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2012

Directors

The directors who served the Company during the year were as follows

L Wild
S J Rosenvinge
V M Rose
B J Flanagan
B S Smith
P M Cogan (appointed on 23/04/12)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis in preparing the financial statements

Employees

All employees, regardless of seniority or length of service, participate in the Group's profit sharing scheme, paid quarterly and shared in proportion to each individual's earnings This scheme has been running continuously for 32 years

The Company's 1,239 employees represent a wide variety of skills, abilities and disabilities The directors endeavour to provide training, safe and pleasant working conditions, good communication and teamwork, and a sense of pride and purpose that enables each individual to flourish The Bettys & Taylors Group has held 'Investors in People' status continuously since its inception in 1991

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company This is achieved through monthly briefing meetings for all employees, the monthly 'Rascal' staff newsletter and an Annual Review report

Recruitment and promotion is undertaken without prejudice to age, sex or race and, in particular, the Company recognises the contribution which can be made by disabled employees and gives them consideration for employment equal to that of the able-bodied, taking into account job requirements and the practical accommodations which can be made In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged

Suppliers

The majority of the Company's purchases are imported agricultural commodities, principally tea and coffee The Company buys firstly on quality, secondly from suppliers it trusts and has close, long-term relationships with, and thirdly at sustainable prices that allow the grower to make a reasonable profit, as well as enabling the Company to deliver good value to the consumer

The Company has a commitment to ethical buying and continues to take a leading role in the Ethical Tea Partnership, the tea industry's body working on certification, producer support and strategic sustainability Where appropriate, external accreditation is used and by the end of 2013 all the tea and coffee products will be certified by Rainforest Alliance or the Fairtrade Foundation

In the UK, as well as overseas, the Company's policy is to pay promptly to suppliers' terms The average number of creditor days was 24 days (2011 24 days)

The Company has a high proportion of local suppliers in its supply chain, and food and packaging miles are taken into account in assessing supplier suitability

Community

The Bettys & Taylors Group aims to contribute the equivalent of 5% of after-tax profits, in cash or in kind, to charitable, social and local community projects The group seeks to balance local impact with global reach

The total charitable contribution in cash and in kind was £356,000 (2011 – £248,000), which represents the equivalent of 4 9% (2011 – 4 5%) of after tax profits

Consumers

The Company is famous for the uniqueness of its quality and service The directors are determined to preserve and develop this reputation, whilst acknowledging consumer spending uncertainties

The directors believe that 'good value' for the consumer begins with good quality, good values and the efficient, effective use of resources The directors will not erode quality, integrity of product or put suppliers under unfair pressure

Health impact is a key consideration when reviewing the Company's products and introducing new lines Wholesome and natural ingredients are paramount, even with the most indulgent products

The Company holds a royal warrant from HRH The Prince of Wales for Taylors teas and coffees

Environment

Environmental impact is fully considered throughout the Company's activities In particular, there is continuous improvement in waste control, energy efficiency and the use of recycled and recyclable materials

The group's 'Trees for Life' programme has paid for the planting of over three million trees around the world since 1990 and the 'Yorkshire Rainforest Project' will contribute towards protecting the world's rainforests in the future

Holding Company

The Company is a wholly owned subsidiary of Bettys & Taylors Group Limited, a Company incorporated in England

Directors' responsibilities

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 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 of the Company 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, 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 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

In so far as the directors are, individually, aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

RSM Tenon Audit Limited resigned as auditor on 23 March 2012 and KPMG LLP were appointed to fill the vacancy In accordance with section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP, as auditor of the Company, is to be proposed at the forthcoming Annual General Meeting

Signed on behalf of the directors

Lesley Wild

L Wild
Director

Approved by the directors on 27th February 2013

Bettys & Taylors of Harrogate Ltd
1 Parliament Street
Harrogate
North Yorkshire
HG1 2QU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BETTYS & TAYLORS OF HARROGATE LIMITED

YEAR ENDED 31 OCTOBER 2012

We have audited the financial statements of Bettys & Taylors of Harrogate Limited for the year ended 31 October 2012 on pages 8 to 18 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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, and express an opinion on, 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 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 website at www frc org uk/auditscopeukprivate

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 31 October 2012 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

Opinion on other matters 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

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

David Morritt, Senior Statutory Auditor
For and on behalf of

KPMG LLP
Statutory Auditor
1 The Embankment
Neville Street
Leeds
LS1 4DW

Date - 27 February 2013

BETTYS & TAYLORS OF HARROGATE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2012

	Note	2012 £000	*2011 £000*
Turnover	2	133,160	*117,308*
Change in finished goods and work in progress		1,184	*2,963*
Raw materials and consumables		(58,819)	*(53,670)*
Staff costs	3	(25,001)	*(22,727)*
Depreciation written off fixed assets	5	(2,982)	*(3,300)*
Other operating charges		(37,891)	*(31,755)*
Operating profit		9,651	8,819
Exceptional costs	6	-	*(701)*
Profit on ordinary activities before taxation		9,651	*8,118*
Tax on profit on ordinary activities	7	(2,415)	*(2,186)*
Profit for the financial year		7,236	*5,932*

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2012 £000	*2011 £000*
Net profit for the year	7,236	*5,932*
Dividends Paid	(24,849)	-
Total recognised (losses) / gains for the year	(17,613)	5,932

All of the activities of the Company are classed as continuing

The notes on pages 10 to 18 form part of these financial statements

BETTYS & TAYLORS OF HARROGATE LIMITED

Registered Number 543821

BALANCE SHEET

31 OCTOBER 2012

	Note	2012 £000	£000	*2011 £000*	*£000*
Fixed assets					
Tangible assets	9		6,227		*8,151*
Current assets					
Stocks	10	28,670		*23,663*	
Debtors	11	16,816		*40,005*	
Cash at bank and in hand		5,611		*1,803*	
		51,097		*65,471*	
Creditors Amounts falling due within one year	13	(13,995)		*(12,680)*	
Net current assets			37,102		*52,791*
Total assets less current liabilities			43,329		*60,942*
Capital and reserves					
Share capital	15		–		–
Profit and loss account	16		43,329		*60,942*
Shareholders' funds	17		43,329		*60,942*

These financial statements were approved by the directors and authorised for issue on 27th February 2013 and are signed on their behalf by



P Cogan FCA
Director

The notes on pages 10 to 18 form part of these financial statements

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts, net of trade discounts and rebates and excluding value added tax, derived from the provision of goods to third party customers during the year Revenue is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer, the amount of revenue can be measured reliably and the receipt of payment is probable

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Plant and machinery	-	3 to 5 years
Motor vehicles	-	4 years
Fixed assets under construction	-	Not depreciated

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks Net realisable value is based on selling price less anticipated costs to completion and selling costs

Work in progress

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks Net realisable value is based on selling price less anticipated costs to completion and selling costs

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

1 **Accounting policies *(continued)***

Pension costs

The Company operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable, in accordance with the rules of the scheme

The Company also operates a pension scheme providing benefits based on final pensionable pay Details of the scheme are disclosed in the parent Company accounts As the Company is unable to identify its share of underlying assets and liabilities within the scheme it has accounted for costs incurred in line with the generally accepted accounting principles attributed to defined contribution schemes

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds

Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group and is derived from sales in the United Kingdom

3. Particulars of employees

The average number of staff employed by the Company during the financial year amounted to

	2012 No	*2011 No*
Catering and retail	696	*679*
Manufacturing	350	*358*
Administration and support services	193	*145*
	1,239	*1,182*

The aggregate payroll costs of the above were

	2012 £000	*2011 £000*
Wages and salaries	22,314	*20,405*
Social security costs	1,966	*1,809*
Other pension costs	721	*654*
	25,001	*22,868*

Included within the above analysis of staff costs is £nil (2011 - £141,000) in relation to exceptional staff costs incurred during the year which are disclosed separately under operating profit in the profit and loss account for the year (note 6)

4. Directors' remuneration

Directors' remuneration incurred during this and the prior year was £nil Costs in relation to director's remuneration for the year are borne by the parent Company, Bettys and Taylors Group Limited

5 Operating profit

Operating profit is stated after charging/(crediting)

	2012 £000	*2011 £000*
Depreciation of owned fixed assets	2,982	*3,300*
Loss/(profit) on disposal of fixed assets	20	*105*
Operating lease costs		
- Plant and machinery	341	*226*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	27	*23*
Fees payable to the Company's auditor and its associates for other services		
- Tax compliance services	10	*13*

The auditor's remuneration for the current year reflects amounts payable to KPMG LLP Amounts disclosed in respect of the prior year were paid to RSM Tenon Audit Limited

6 Exceptional costs

	2012 £000	*2011 £000*
Write down of fixed assets	-	*507*
Staff costs	-	*141*
Stock written off	-	*53*
	-	*701*

Exceptional costs incurred, as disclosed above, relate to the discontinuation of a trading line during the prior year

The directors are of the opinion that this did not constitute a discontinued operation under Financial Reporting Standard 3 as this was not considered a fundamentally material part of the overall business

7 Taxation on ordinary activities

Analysis of charge in the year

	2012 £000	2011 £000
In respect of the year		
UK Corporation tax	2,663	2,515
Over/under provision in prior year	(75)	(74)
	2,588	2,441
Deferred tax		
Origination and reversal of timing differences	(173)	(255)
Tax on profit on ordinary activities	2,415	2,186

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24 83% (2011 - 26%)

	2012 £000	2011 £000
Profit on ordinary activities before taxation	9,651	8,118
Profit on ordinary activities by rate of tax	2,396	2,111
Effects of		
Expenses not deductible for tax purposes	34	18
Depreciation in excess of capital allowances	216	255
Adjustments to tax charge in respect of previous periods	(75)	(74)
Group relief claimed	-	(4)
Adjustments in respect of tax rate differences	17	135
Total current tax	2,588	2,441

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 The Autumn Statement on 5 December 2012 announced a further reduction to 21% from April 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2011) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012, respectively

This will reduce the Company's future current tax charge accordingly The deferred tax liability at 31 October 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liability accordingly

8 Dividends

Equity dividends

	2012 £000	*2011 £000*
Paid during the year	24,849	-

9 Tangible fixed assets

	Plant & Machinery £000	Motor Vehicles £000	Fixed assets under construction £000	Total £000
Cost				
At 1 November 2011	37,142	367	251	37,760
Additions	671	-	533	1,204
Disposals	(1,350)	-	(59)	(1,409)
Transfers	160	32	(192)	-
At 31 October 2012	36,623	399	533	37,555
Depreciation				
At 1 November 2011	29,311	298	-	29,609
Charge for the year	2,936	46	-	2,982
On disposals	(1,263)	-	-	(1,263)
At 31 October 2012	30,984	344	-	31,328
Net book value				
At 31 October 2012	5,639	55	533	6,227
At 31 October 2011	*7,831*	*69*	*251*	*8,151*

10 Stocks

	2012 £000	*2011 £000*
Raw materials	20,264	*16,441*
Work in progress	105	*116*
Finished goods	8,301	*7,106*
	28,670	*23,663*

11 Debtors

	2012 £000	*2011 £000*
Trade debtors	13,752	*13,802*
Amounts owed by group undertakings	1,595	*24,848*
Prepayments and accrued income	623	*682*
Deferred taxation (note 12)	846	*673*
	16,816	*40,005*

12 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2012 £000	*2011 £000*
Included in debtors (note 11)	846	*673*

The movement in the deferred taxation account during the year was

	2012 £000	*2011 £000*
At 1 November 2011	673	*418*
Profit and loss account movement arising during the year	173	*255*
At 31 October 2012	846	*673*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £000	*201 £000*
Excess of depreciation over taxation allowances	846	*673*
	846	*673*

13 Creditors Amounts falling due within one year

	2012 £000	*2011 £000*
Trade creditors	7,038	*7,382*
Corporation tax	1,316	*1,257*
Accruals and deferred income	5,641	*4,041*
	13,995	*12,680*

Security of borrowings

The Company is party to a group bank overdraft facility, which was not in use at the year end, which is secured against a freehold property of the group headed by Bettys & Taylors Group Limited

Group bank borrowings are covered by cross guarantees between the group companies

14. Commitments under operating leases

At 31 October 2012, the Company had annual commitments under non-cancellable operating leases as set out below

	Other 2012 £000	*Other 2011 £000*
Operating leases which expire		
Within 1 year	18	*13*
Within 2 to 5 years	264	*126*
After more than 5 years	3	*96*
	285	*235*

15 Share capital

Authorised share capital

	2012 £	*2011 £*
100 Ordinary shares of £1 each	100	*100*

Allotted, called up and fully paid

	2012 £	*2011 £*
100 Ordinary shares of £1 each	100	*100*

16. Reserves

	Profit and loss account £000
Balance brought forward	60,942
Profit for the year	7,236
Equity dividends	(24,849)
Balance carried forward	43,329

17 Reconciliation of movements in shareholders' funds

	2012 £000	*2011 £000*
Profit for the financial year	7,236	*5,932*
Equity dividends	(24,849)	-
Opening shareholders' funds	60,942	*55,010*
Closing shareholders' funds	43,329	*60,942*

18 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £364,000 (2011 - £375,000)

19 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £721,000 (2011 - £483,000)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

Defined benefit pension scheme

The Company also operates a pension scheme providing benefit based on final pensionable pay The scheme is a multi-employer scheme As a stand alone entity Bettys & Taylors of Harrogate Limited are unable to identify their share of the underlying assets and liabilities of the scheme

Therefore, in accordance with Financial Reporting Standard 17 the scheme is accounted for under the generally accepted accounting principles attributed to a defined contribution scheme The related pension cost representing contributions payable to the scheme amounted to £nil (2011 - £171,000) There were no outstanding or prepaid contributions at either the beginning or end of the financial year

At 31 October 2012, an external actuarial valuation provided by an independent actuary showed a deficit of £2,973,000 (2011 - £1,761,000) in relation to the above scheme In the year to 31 October 2012, the Company's ultimate parent Company, Bettys & Taylors Group Limited, made additional voluntary contributions to the scheme of £244,000 (2011 - £206,000) It is anticipated that further voluntary contributions of £356,000 will be made in each of the next 10 years

Full details of the scheme, together with Financial Reporting Standard 17 provisions and notes, are disclosed in the accounts of the parent Company, Bettys & Taylors Group Limited, which are available to the public and may be obtained from the Registrar of Companies

20 Related parties

The Company has taken advantage of the exemptions specified in Financial Reporting Standard 8 and has not disclosed the detail and nature of intercompany transactions

The group consolidated financial statements are available to the public and may be obtained from the Registrar of Companies

21 Controlling entity

The Company is a subsidiary of Bettys & Taylors Group Limited, which is the ultimate parent Company, registered in England & Wales