

Company Registration No. SC045152 (Scotland)

SCOTCH FROST OF GLASGOW LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

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SCOTCH FROST OF GLASGOW LIMITED

COMPANY INFORMATION

Directors	Derrick G Loudon Adrian R Loudon Pamela J Harvey
Secretary	Adrian R Loudon
Company number	SC045152
Registered office	Hornal Road Bothwell Park Industrial Estate Uddingston G71 6NZ
Auditors	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers	The Royal Bank of Scotland plc 10 Gordon Street Glasgow G1 3PL
Solicitors	Wright, Johnston & Mackenzie 302 St Vincent Street Glasgow G2 5RZ

SCOTCH FROST OF GLASGOW LIMITED

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SCOTCH FROST OF GLASGOW LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2012

The directors present their report and financial statements for the year ended 31 May 2012.

Principal activities and review of the business

The principal activity of the company continued to be the distribution of fresh and frozen foods.

We aim to represent a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The size and non-complex nature of the business allows our review to be written in the context of the risks and uncertainties we face.

Throughout the year the economic climate and general market instability have proved to be extremely challenging. Despite this, the business has continued to operate successfully reporting a profit which is considered satisfactory by the directors.

Numerous aspects of the environment in which the business operates are volatile, thus creating extremely tough market conditions. An increase in the cost of goods, fluctuations in foreign currency, credit risks, liquidity risk, and interest rate risk have all affected profitability.

The necessity to retain and grow the customer base has resulted in a slight reduction in margin. Conversely, the rationalisation of the business during the year has reduced operational costs and mitigated some of this margin reduction.

The investment programme identified during the last financial year began with the opening of a custom built 20,000 sq ft warehouse at Harlow in March 2012. This incorporated a relocation of the Enfield and Lincoln sites allowing the business to provide customers, existing and new, with an improved product and service offering. It is anticipated that in time this will strengthen our market position south of the border.

In order to communicate the financial performance and strength of the company as a whole a number of financial and non financial key performance indicators are used. The company has identified turnover, gross margin and return on capital employed as its core performance indicators.

The year to May 2012 reported a small decline in turnover of 3.22% . Difficult economic conditions, deflation and prolonged weather conditions in December and January has made this financial year particularly exigent.

The GP % has decreased to 13.18% from 13.25% in 2011. Overall operating profit has decreased to £176,253 (2011- £217,090) and profit before tax has decreased to £123,559 (2011- £172,324). After taxation £111,489 (2011- £132,670) has been retained to be added to reserves.

Return on capital employed has decreased to 1.01% (2011- 1.49%). Return on capital employed is calculated as profit before interest and tax divided by capital employed which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

The business environment in which the company operate continues to be challenging. Focus for the business remains on the recovery of turnover and margin whilst remaining focused on customer service.

Review of business performance, a strengthened structure, and focused competitive strategy will ensure the business continues to be proactive in mitigating any risks it may encounter.

The directors believe they are well placed to come out of this recession in a strong position, with confidence for the future. Strategic acquisitions are reviewed on their own merit as and when they arise.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

SCOTCH FROST OF GLASGOW LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

Results and dividends

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

No dividend was paid in the year.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Directors

The following directors have held office since 1 June 2011:

Derrick G Loudon
Adrian R Loudon
Pamela J Harvey

Charitable donations	2012 £	2011 £
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During the year the company made the following payments:

Charitable donations	675	3,310
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Auditors

The auditors, Wylie & Bisset LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

SCOTCH FROST OF GLASGOW LIMITED

DIRECTORS' REPORT (CONTINUED)

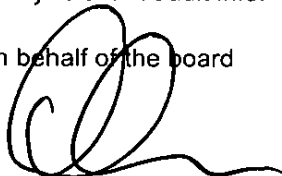
FOR THE YEAR ENDED 31 MAY 2012

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Adrian R Loudon

Director

9 October 2012

SCOTCH FROST OF GLASGOW LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOTCH FROST OF GLASGOW LIMITED

We have audited the financial statements of SCOTCH FROST OF GLASGOW LIMITED for the year ended 31 May 2012 set out on pages 6 to 21. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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

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 company's 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. In addition, we read all the financial and non financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 May 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 matter 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.

SCOTCH FROST OF GLASGOW LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SCOTCH FROST OF GLASGOW LIMITED

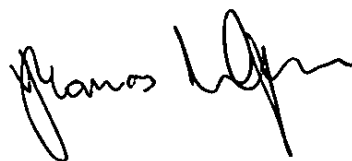
Matters on which we are required to report by exception

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.

Tom McGuire (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

Chartered Accountants
Statutory Auditor



9 October 2012

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

SCOTCH FROST OF GLASGOW LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2012

	Notes	2012 £	2011 £
Turnover	2	48,317,716	49,925,988
Cost of sales		(41,948,085)	(43,310,242)
Gross profit		6,369,631	6,615,746
Administrative expenses		(6,193,378)	(6,398,656)
Operating profit	3	176,253	217,090
Other interest receivable and similar income	4	700	1,855
Interest payable and similar charges	5	(53,394)	(46,621)
Profit on ordinary activities before taxation		123,559	172,324
Tax on profit on ordinary activities	6	(12,070)	(39,654)
Profit for the year	17	111,489	132,670

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SCOTCH FROST OF GLASGOW LIMITED

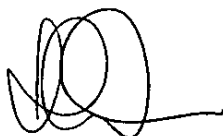
BALANCE SHEET

AS AT 31 MAY 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	8	560,000		735,000	
Tangible assets	9	2,366,783		1,550,773	
		<u>2,926,783</u>		<u>2,285,773</u>	
Current assets					
Stocks	10	3,573,953	3,592,237		
Debtors	11	5,439,748	5,388,389		
Cash at bank and in hand		346,692	318,411		
		<u>9,360,393</u>	<u>9,299,037</u>		
Creditors: amounts falling due within one year	12	(6,936,985)	(6,786,041)		
Net current assets		<u>2,423,408</u>		<u>2,512,996</u>	
Total assets less current liabilities		<u>5,350,191</u>		<u>4,798,769</u>	
Creditors: amounts falling due after more than one year	13	(809,214)	(742,357)		
Provisions for liabilities	14	(26,214)	(26,148)		
		<u>4,514,763</u>	<u>4,030,264</u>		
Capital and reserves					
Called up share capital	16	1,000,000	1,000,000		
Revaluation reserve	17	373,010	-		
Profit and loss account	17	3,141,753	3,030,264		
Shareholders' funds	18	<u>4,514,763</u>	<u>4,030,264</u>		

Approved by the Board and authorised for issue on 9 October 2012

Derrick G Loudon
Director



Company Registration No. SC045152

SCOTCH FROST OF GLASGOW LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		608,900		882,434
Returns on investments and servicing of finance				
Interest received	700		1,855	
Interest paid	(53,394)		(46,621)	
Net cash outflow for returns on investments and servicing of finance		(52,694)		(44,766)
Taxation		(21,293)		(104,204)
Capital expenditure				
Payments to acquire tangible assets	(89,007)		(249,552)	
Receipts from sales of tangible assets	7,350		54,651	
Net cash outflow for capital expenditure		(81,657)		(194,901)
Equity dividends paid		-		(120,000)
Net cash inflow before management of liquid resources and financing		453,256		418,563
Financing				
Repayment of other long term loans	(256,920)		(332,874)	
Capital element of hire purchase contracts	(168,055)		(98,427)	
Net cash outflow from financing		(424,975)		(431,301)
Increase/(decrease) in cash in the year		28,281		(12,738)

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	176,253	217,090
	Depreciation of tangible assets	234,248	225,476
	Amortisation of intangible assets	175,000	175,000
	Profit on disposal of tangible assets	(46)	(33,277)
	Decrease/(increase) in stocks	18,284	(393,813)
	Increase in debtors	(51,359)	(471)
	Increase in creditors within one year	56,520	692,429
	Net cash inflow from operating activities	608,900	882,434

2	Analysis of net debt	1 June 2011	Cash flow	Other non-cash changes	31 May 2012
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	318,411	28,281	-	346,692
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(156,051)	168,055	(595,545)	(583,541)
	Debts falling due within one year	(338,604)	-	-	(338,604)
	Debts falling due after one year	(678,199)	256,920	-	(421,279)
		(1,172,854)	424,975	(595,545)	(1,343,424)
	Net debt	(854,443)	453,256	(595,545)	(996,732)

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase/(decrease) in cash in the year	28,281	(12,738)
	Cash outflow from decrease in debt and lease financing	424,975	431,301
	Change in net debt resulting from cash flows	453,256	418,563
	New finance lease	(595,545)	-
	Movement in net debt in the year	(142,289)	418,563
	Opening net debt	(854,443)	(1,273,006)
	Closing net debt	(996,732)	(854,443)

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight Line over fifty years
Land and buildings Leasehold	Straight Line over ten years
Plant and machinery	10% Straight Line
Fixtures, fittings & equipment	3-5 years Straight Line
Motor vehicles	20% Straight Line

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

1 Accounting policies (continued)

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2012	2011
	£	£

Operating profit is stated after charging:

Amortisation of intangible assets	175,000	175,000
Depreciation of tangible assets	234,248	225,476
Auditors' remuneration (including expenses and benefits in kind)	9,107	9,415

and after crediting:

Profit on disposal of tangible assets	(46)	(33,277)
Profit on foreign exchange transactions	(46,372)	(53,861)

4 Investment income

	2012	2011
	£	£

Bank interest	700	1,855
	700	1,855

5 Interest payable

	2012	2011
	£	£

On bank loans and overdrafts	33,512	30,718
Hire purchase interest	18,878	15,903
On overdue tax	1,004	-
	53,394	46,621

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U.K. corporation tax	12,004	21,293
	Adjustment for prior years	-	(1,004)
	Total current tax	12,004	20,289
	Deferred tax		
	Deferred tax charge/credit current year	66	19,365
		12,070	39,654
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	123,559	172,324
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 21.00%)	24,712	36,188
	Effects of:		
	Non deductible expenses	489	2,079
	Depreciation add back	7,819	40,362
	Capital allowances	(21,016)	(57,165)
	Adjustments to previous periods	-	(1,004)
	Other tax adjustments	-	(171)
		(12,708)	(15,899)
	Current tax charge for the year	12,004	20,289
7	Dividends	2012 £	2011 £
	Ordinary interim paid	-	120,000

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2011 & at 31 May 2012	1,798,672
Amortisation	
At 1 June 2011	1,063,672
Charge for the year	175,000
At 31 May 2012	1,238,672
Net book value	
At 31 May 2012	560,000
At 31 May 2011	735,000

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 June 2011	1,140,584	155,026	812,269	425,756	640,664	3,174,299
Additions	-	23,187	407,776	245,639	7,950	684,552
Revaluation	59,416	-	-	-	-	59,416
Disposals	-	-	(16,571)	(2,092)	(47,845)	(66,508)
At 31 May 2012	1,200,000	178,213	1,203,474	669,303	600,769	3,851,759
Depreciation						
At 1 June 2011	290,782	38,141	367,741	340,617	586,245	1,623,526
Revaluation	(313,594)	-	-	-	-	(313,594)
On disposals	-	-	(9,685)	(1,674)	(47,845)	(59,204)
Charge for the year	22,812	16,285	89,007	72,366	33,778	234,248
At 31 May 2012	-	54,426	447,063	411,309	572,178	1,484,976
Net book value						
At 31 May 2012	1,200,000	123,787	756,411	257,994	28,591	2,366,783
At 31 May 2011	849,802	116,885	444,528	85,139	54,419	1,550,773

The freehold land and buildings were valued in September 2011 on an open market basis by Allied Scotland, a firm of independent Chartered Surveyors.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

9 Tangible fixed assets (continued)

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 June 2011 & at 31 May 2012	1,140,584
Depreciation based on cost	
At 1 June 2011	270,782
Charge for the year	22,812
At 31 May 2012	293,594
Net book value	
At 31 May 2012	846,990
At 31 May 2011	869,802

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 May 2012	740,254
At 31 May 2011	199,740
Depreciation charge for the year	
At 31 May 2012	148,108
At 31 May 2011	32,120

10 Stocks	2012 £	2011 £
Finished goods and goods for resale	3,573,953	3,592,237

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

11 Debtors	2012 £	2011 £
Trade debtors	3,762,241	3,923,033
Amounts owed by subsidiary undertakings	1,207,882	1,207,882
Other debtors	211,370	57,348
Prepayments and accrued income	258,255	200,126
	<u>5,439,748</u>	<u>5,388,389</u>

12 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	338,604	338,604
Net obligations under hire purchase contracts	195,606	91,893
Trade creditors	6,264,769	6,128,820
Corporation tax	12,004	21,293
Other taxes and social security costs	61,693	84,743
Other creditors	-	15,430
Accruals and deferred income	64,309	105,258
	<u>6,936,985</u>	<u>6,786,041</u>

The directors loan accounts bear no interest, are unsecured and have no fixed terms for repayment. The loans are split as follows:- Derek Loudon Debit balance £33,092 (2011: Debit balance £14,606); Adrian Loudon Debit balance of £95,903 (2011: Debit balance £685) and Pamela Harvey balance of £nil (2011: Credit balance £10,932).

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

13 Creditors: amounts falling due after more than one year	2012 £	2011 £
Other loans	421,279	678,199
Net obligations under hire purchase contracts	387,935	64,158
	<u>809,214</u>	<u>742,357</u>
Analysis of loans		
Wholly repayable within five years	759,883	1,016,803
	<u>759,883</u>	<u>1,016,803</u>
Included in current liabilities	(338,604)	(338,604)
	<u>421,279</u>	<u>678,199</u>
Loan maturity analysis		
In more than one year but not more than two years	338,604	338,604
In more than two years but not more than five years	82,675	339,595
	<u>338,604</u>	<u>339,595</u>
Net obligations under hire purchase contracts		
Repayable within one year	226,611	114,331
Repayable between one and five years	440,166	70,376
	<u>666,777</u>	<u>184,707</u>
Finance charges and interest allocated to future accounting periods	(83,236)	(28,656)
	<u>583,541</u>	<u>156,051</u>
Included in liabilities falling due within one year	(195,606)	(91,893)
	<u>387,935</u>	<u>64,158</u>

The loan is secured by a bond and floating charge over the assets of the company. The bank also has a standard security over the commercial premises. The loan is being repaid by quarterly instalments and the rate of interest is 2.75% above LIBOR.

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2011	26,148
Profit and loss account	66
	<u>26,214</u>
Balance at 31 May 2012	<u>26,214</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>26,214</u>	<u>26,148</u>

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2012 £	2011 £
Contributions payable by the company for the year	<u>33,048</u>	<u>38,062</u>

16 Share capital

	2012 £	2011 £
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

17 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 June 2011	-	3,030,264
Profit for the year	-	111,489
Revaluation during the year	373,010	-
Balance at 31 May 2012	<u>373,010</u>	<u>3,141,753</u>

18 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	111,489	132,670
Dividends	-	(120,000)
	<u>111,489</u>	<u>12,670</u>
Other recognised gains and losses	373,010	-
Net addition to shareholders' funds	<u>484,499</u>	<u>12,670</u>
Opening shareholders' funds	4,030,264	4,017,594
Closing shareholders' funds	<u>4,514,763</u>	<u>4,030,264</u>

19 Contingent liabilities

There is a guarantee given to the bank for members of the group.

SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

20 Financial commitments

At 31 May 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2013:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire:				
Within one year	7,500	-	91,981	11,427
Between two and five years	-	-	367,609	490,674
In over five years	160,680	70,000	-	-
	<u>168,180</u>	<u>70,000</u>	<u>459,590</u>	<u>502,101</u>

21 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	<u>249,991</u>	<u>393,892</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2011 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>130,085</u>	<u>194,377</u>
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SCOTCH FROST OF GLASGOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2012 Number	2011 Number
Office and management	43	58
Stores	16	14
Drivers	69	71
	<u>128</u>	<u>143</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,943,406	3,174,751
Social security costs	291,308	319,551
Other pension costs	33,048	38,062
	<u>3,267,762</u>	<u>3,532,364</u>

23 Control

The ultimate controlling party is SFG Holdings Limited a company registered in Scotland.