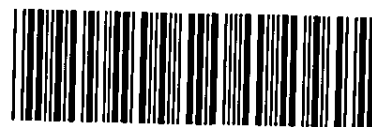


**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011
FOR
SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

TUESDAY



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**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

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FOR THE YEAR ENDED 30 JUNE 2011**

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**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2011**

DIRECTORS: W T L Wicklow BSc (Econ), M Inst M
A J Wicklow BSc (Hons)
G T Wicklow BSc (Hons)

SECRETARY: Maclay Murray & Spens LLP

REGISTERED OFFICE: 1 George Square
Glasgow
G2 1AL

REGISTERED NUMBER: 47779 (Scotland)

AUDITORS: Henderson Loggie
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

BANKERS: The Royal Bank of Scotland plc
East Kilbride Branch
24/25 Princes Square
East Kilbride
G74 1LJ

SOLICITORS: Maclay Murray & Spens
Solicitors
1 George Square
Glasgow
G2 1AL

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2011**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the sale and manufacture of food ingredients, food casings, packaging materials, machinery and other items associated with these activities.

REVIEW OF BUSINESS

The results for the year and the financial position of the company and the group are shown in the annexed financial statements.

Operating Review

Turnover at £20.85m has risen 4.84% since the previous year. The strategy of investing in our organic range of seasonings and blends, as well as expanding our internet based sales activity on www.scobiesdirect.com has contributed to this continued sales growth. There has been a small increase in gross margin of 0.2%.

Distribution costs have risen 4.9% and administration costs have increased by 0.2% both in line with expectations.

Overall, the Group achieved an operating profit of £580,864 (2010- £407,929).

The deficit in the Group's defined benefit pension scheme has decreased by £354,750.

Results and Dividends

The Group's consolidated net profit for the year after taxation was £266,951 (2010- £204,527).

The total distribution of dividends for the year ended 30 June 2011 was £104,000.

Financial Key Performance Indicators (KPIs)

The directors use Financial Key Performance Indicators to measure gross and net profit margins to review the company performance during the year, the indices are in line with the director's expectations.

Financial Risk Management

Group retained profits together with bank borrowings finance on-going activities and major capital expenditure. The Group operate a strict regime of working capital management.

Competitive Risk Assessment

The Group operates in a competitive environment; however the Directors believe that the Group, through its continued investment in new products and technology is well placed to continue growing its own market share.

Environmental Risk Assessment

The Directors recognise the Group's environmental responsibilities and the increasing legislation in this area. The Group complies with relevant legislation and also strives to ensure that environmental best practices are adopted, particularly in fuel efficiency, management of waste and reducing consumption of packaging. The Directors are satisfied that through such initiatives, the Group continues to improve its environmental efficiency.

Uncertainties and Prospects

The main uncertainties facing the Group are the extent to which other producers of food stuffs and related products can increase their market share and the future costs of labour, energy and fuel.

Opportunities for growth within the Group's target markets give the Directors confidence for the future of the group which continues to enjoy sustained growth.

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2011**

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2011 will be £104,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2010 to the date of this report.

W T L Wicklow BSc (Econ), M Inst M
A J Wicklow BSc (Hons)
G T Wicklow BSc (Hons)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

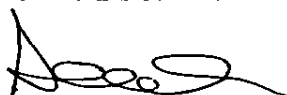
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Henderson Loggie will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



A J Wicklow BSc (Hons) - Director

14 March 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

We have audited the financial statements of Scobie and Junor (Holdings) Limited and Subsidiaries for the year ended 30 June 2011 on pages six to twenty seven. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 financial statements 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 group's and of the parent company's affairs as at 30 June 2011 and of the group's 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Douglas Woodhouse (Senior Statutory Auditor)
for and on behalf of Henderson Loggie
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

14 March 2012

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 £	2010 £
TURNOVER	2	20,854,409	19,892,193
Cost of sales		<u>15,824,506</u>	<u>15,134,664</u>
GROSS PROFIT		5,029,903	4,757,529
Distribution costs		2,035,506	1,940,150
Administrative expenses		<u>2,429,017</u>	<u>2,424,467</u>
		<u>4,464,523</u>	<u>4,364,617</u>
		565,380	392,912
Other operating income		<u>15,484</u>	<u>15,017</u>
OPERATING PROFIT	4	580,864	407,929
Interest receivable and similar income		<u>832</u>	<u>284</u>
		581,696	408,213
Interest payable and similar charges	5	143,305	128,068
Other finance costs	22	<u>84,000</u>	<u>119,000</u>
		<u>227,305</u>	<u>247,068</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		354,391	161,145
Tax on profit on ordinary activities	6	<u>87,440</u>	<u>(43,382)</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>266,951</u>	<u>204,527</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

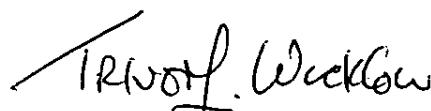
**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	266,951	204,527
Actuarial gains/ (losses)	483,000	(175,000)
Deferred tax on defined benefit pension	<u>(118,250)</u>	<u>51,750</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>631,701</u>	<u>81,277</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEET
30 JUNE 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	9	178,731	276,221
Tangible assets	10	653,194	651,309
Investments	11	-	-
		<u>831,925</u>	<u>927,530</u>
CURRENT ASSETS			
Stocks	12	3,251,009	3,263,758
Debtors	13	4,196,140	3,314,433
Cash at bank and in hand		<u>17,523</u>	<u>19,153</u>
		7,464,672	6,597,344
CREDITORS			
Amounts falling due within one year	14	<u>4,212,544</u>	<u>3,629,550</u>
NET CURRENT ASSETS		<u>3,252,128</u>	<u>2,967,794</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,084,053	3,895,324
CREDITORS			
Amounts falling due after more than one year	15	(1,310,066)	(1,297,766)
PROVISIONS FOR LIABILITIES	19	(58,790)	(55,312)
PENSION LIABILITY	22	<u>(1,107,000)</u>	<u>(1,461,750)</u>
NET ASSETS		<u><u>1,608,197</u></u>	<u><u>1,080,496</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	28,000	28,000
Capital redemption reserve	21	32,000	32,000
Profit and loss account		<u>1,548,197</u>	<u>1,020,496</u>
SHAREHOLDERS' FUNDS	26	<u><u>1,608,197</u></u>	<u><u>1,080,496</u></u>

The financial statements were approved by the Board of Directors on 14 March 2012 and were signed on its behalf by:



W T L Wicklow BSc (Econ), M Inst M

The notes form part of these financial statements

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**COMPANY BALANCE SHEET
30 JUNE 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	291,621	324,023
Investments	11	<u>32,535</u>	<u>32,535</u>
		324,156	356,558
CURRENT ASSETS			
Debtors	13	1,277,204	1,264,427
Cash at bank		<u>1,564,866</u>	<u>1,573,808</u>
		2,842,070	2,838,235
CREDITORS			
Amounts falling due within one year	14	<u>76,518</u>	<u>37,220</u>
NET CURRENT ASSETS		<u>2,765,552</u>	<u>2,801,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,089,708	3,157,573
CREDITORS			
Amounts falling due after more than one year	15	(1,250,000)	(1,250,000)
PROVISIONS FOR LIABILITIES	19	<u>(48,606)</u>	<u>(50,635)</u>
NET ASSETS		<u>1,791,102</u>	<u>1,856,938</u>
CAPITAL AND RESERVES			
Called up share capital	20	28,000	28,000
Capital redemption reserve	21	32,000	32,000
Profit and loss account		<u>1,731,102</u>	<u>1,796,938</u>
SHAREHOLDERS' FUNDS	26	<u>1,791,102</u>	<u>1,856,938</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 14 March 2012 and were signed on its behalf by:



A J Wicklow BSc (Hons) - Director

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	27	435,280	571,182
Returns on investments and servicing of finance	28	(142,473)	(127,784)
Taxation		(79,684)	(37,385)
Capital expenditure	28	(197,959)	(199,408)
Equity dividends paid		<u>(104,000)</u>	<u>(44,000)</u>
		(88,836)	162,605
Financing	28	<u>57,536</u>	<u>(76,730)</u>
(Decrease)/Increase in cash in the period		<u>(31,300)</u>	<u>85,875</u>
Reconciliation of net cash flow to movement in net debt	29		
(Decrease)/Increase in cash in the period		(31,300)	85,875
Cash inflow from increase in debt and lease financing		<u>(29,932)</u>	<u>(11,330)</u>
Change in net debt resulting from cash flows		<u>(61,232)</u>	<u>74,545</u>
Movement in net debt in the period		(61,232)	74,545
Net debt at 1 July		<u>(1,796,148)</u>	<u>(1,870,693)</u>
Net debt at 30 June		<u>(1,857,380)</u>	<u>(1,796,148)</u>

The notes form part of these financial statements

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of Scotnet(1974) Limited which has been reflected at the lower of cost or net realisable value.

Basis of consolidation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, as modified by the treatment of Scotnet (1974) Limited which has been reflected at the lower of cost and net realisable value.

The group financial statements consolidate the financial statements of Scobie & Junor (Holdings) Limited and its subsidiaries made up to 30 June 2011.

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities and is stated net of Value Added Tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Plant and machinery	- 20% on a straight line basis, 10% on a reducing balance basis and at varying rates on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 25% on a straight line basis
Computer equipment	- 50% on a straight line basis

The estimated useful life of the assets depreciated at varying rates on cost does not exceed 10 years.

Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. Cost of work in progress and finished goods includes an appropriate proportion of production overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to expenditure as incurred.

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
1. ACCOUNTING POLICIES - continued
Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme and also contributes to a defined benefit pension scheme which ceased to accrue benefits with effect from 30 June 2004.

For defined benefit schemes, the cost of providing benefits is determined by independent actuaries using the projected unit credit method by discounting the estimated future cash flows. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of recognised gains and losses. Past service cost is recognised immediately, to the extent that the benefits are already vested, or are amortised on a straight line basis over the average period until the benefits become vested. Scheme assets and liabilities are recognised at fair value in the balance sheet.

Payments in respect of defined contribution schemes are charged against profits when due.

Foreign currencies

Income and expenditure in foreign currencies is converted to Sterling at rates approximating to those ruling at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at the balance sheet date.

Investments

Fixed asset investments are stated at cost less any amounts written off for permanent diminution in value.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2011 £	2010 £
United Kingdom	14,672,247	14,005,628
EC Member States	5,810,217	5,722,723
Europe	14,128	17,194
North America	109,227	44,648
Rest of the World	248,590	102,000
	<u>20,854,409</u>	<u>19,892,193</u>

3. STAFF COSTS

	2011 £	2010 £
Wages and salaries	2,257,237	2,183,096
Social security costs	225,562	198,095
Other pension costs	181,190	173,021
	<u>2,663,989</u>	<u>2,554,212</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2011	2010
Production	51	48
Sales	11	10
Administration	32	34
	<u>94</u>	<u>92</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2011 £	2010 £
Hire of plant and machinery	55,288	41,755
Other operating leases	3,457	2,933
Depreciation - owned assets	192,888	162,028
Loss/(Profit) on disposal of fixed assets	3,186	(5,345)
Goodwill amortisation	97,490	97,490
Auditors' remuneration	<u>30,209</u>	<u>23,605</u>
Directors' remuneration	<u>286,823</u>	<u>275,227</u>

Retirement benefits are accruing to 2 (2010 - 2) directors under a defined contribution pension scheme. Retirement benefit payments are also being made for 3 directors (2010 - 3) under a defined benefit pension scheme. The scheme ceased to accrue benefits with effect from 30 June 2004.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	136,137	122,396
Hire purchase	<u>7,168</u>	<u>5,672</u>
	<u>143,305</u>	<u>128,068</u>

**WESCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2011 £	2010 £
Current tax:		
UK corporation tax	83,910	-
Under/(over) provision for tax	<u>52</u>	<u>(46,651)</u>
Total current tax	83,962	(46,651)
Deferred tax	<u>3,478</u>	<u>3,269</u>
Tax on profit on ordinary activities	<u>87,440</u>	<u>(43,382)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	<u>354,391</u>	<u>161,145</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.210% (2010 - 21%)	82,254	33,840
Effects of: purposes		
Expenses not deductible for tax purposes	3,629	2,098
Depreciation less capital allowances	(4,297)	(7,460)
Defined benefit pension scheme adjustment	2,322	6,720
R&D Tax credits	-	(81,789)
Loss relief	-	(60)
Under provision prior years	<u>54</u>	<u>-</u>
Current tax charge/(credit)	<u>83,962</u>	<u>(46,651)</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £38,164 (2010 - £70,107).

8. DIVIDENDS

	2011 £	2010 £
Dividends paid	<u>104,000</u>	<u>44,000</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
9. INTANGIBLE FIXED ASSETS
Group
**Goodwill
£**
COST

 At 1 July 2010
and 30 June 2011

389,960
AMORTISATION

 At 1 July 2010
Amortisation for year

113,739

97,490

At 30 June 2011

211,229
NET BOOK VALUE

At 30 June 2011

178,731

At 30 June 2010

276,221
10. TANGIBLE FIXED ASSETS
Group
**Short
leasehold
£**
**Plant and
machinery
£**
**Fixtures
and
fittings
£**
COST

 At 1 July 2010
Additions

5,273

1,765,822

883,291

-

-

64,874

At 30 June 2011

5,273
1,765,822
948,165
DEPRECIATION

 At 1 July 2010
Charge for year
Eliminated on disposal

5,273

1,747,261

377,518

-

7,262

102,375

-

-

-

At 30 June 2011

5,273
1,754,523
479,893
NET BOOK VALUE

At 30 June 2011

-
11,299
468,272

At 30 June 2010

-
18,561
505,773

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

10. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2010	320,213	203,540	3,178,139
Additions	77,060	62,432	204,366
Disposals	(60,018)	-	(60,018)
At 30 June 2011	<u>337,255</u>	<u>265,972</u>	<u>3,322,487</u>
DEPRECIATION			
At 1 July 2010	221,534	175,244	2,526,830
Charge for year	46,467	36,784	192,888
Eliminated on disposal	(50,425)	-	(50,425)
At 30 June 2011	<u>217,576</u>	<u>212,028</u>	<u>2,669,293</u>
NET BOOK VALUE			
At 30 June 2011	<u>119,679</u>	<u>53,944</u>	<u>653,194</u>
At 30 June 2010	<u>98,679</u>	<u>28,296</u>	<u>651,309</u>

The net book value of the group's fixed assets includes £114,848 (2010: £94,587) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged on these assets during the period amounted to £44,468 (2010 : £37,672).

Company

	Plant and machinery £
COST	
At 1 July 2010 and 30 June 2011	<u>489,965</u>
DEPRECIATION	
At 1 July 2010	165,942
Charge for year	<u>32,402</u>
At 30 June 2011	<u>198,344</u>
NET BOOK VALUE	
At 30 June 2011	<u>291,621</u>
At 30 June 2010	<u>324,023</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
11. FIXED ASSET INVESTMENTS
Company

**Shares in
group
undertakings
£**

COST

At 1 July 2010
and 30 June 2011

32,535

NET BOOK VALUE

At 30 June 2011

32,535

At 30 June 2010

32,535

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries
Scobie & Junor (Estd 1919) Ltd

Country of incorporation: Scotland

Nature of business: Food industry supplies

Class of shares:	% holding
Ordinary	100.00

2011

2010

£

£

Aggregate capital and reserves

375,091

222,288

Profit for the year

152,803

84,679

Scobie & Junor (Ireland) Ltd

Country of incorporation: Scotland

Nature of business: Food industry supplies

Class of shares:	% holding
Ordinary	100.00

2011

2010

£

£

Aggregate capital and reserves

670,105

591,475

Profit for the year

78,630

74,520

Scotnet (1974) Ltd

Country of incorporation: Scotland

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

Scotnet (1974) Limited has ceased trading. The company has written off its investment in this company.

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
12. STOCKS

	Group	
	2011	2010
	£	£
Raw materials	635,473	666,535
Work-in-progress	85,017	74,509
Finished goods	<u>2,530,519</u>	<u>2,522,714</u>
	<u>3,251,009</u>	<u>3,263,758</u>

13. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,830,385	3,148,143	-	-
Amounts owed by group undertakings	-	-	27,204	-
Other debtors	5,098	-	-	-
Tax	4,122	50,861	-	14,427
VAT recoverable	126,372	-	-	-
Prepayments and accrued income	<u>230,163</u>	<u>115,429</u>	<u>-</u>	<u>-</u>
	<u>4,196,140</u>	<u>3,314,433</u>	<u>27,204</u>	<u>14,427</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>1,250,000</u>	<u>1,250,000</u>
Aggregate amounts	<u>4,196,140</u>	<u>3,314,433</u>	<u>1,277,204</u>	<u>1,264,427</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 16)	516,404	486,734	-	-
Hire purchase contracts (see note 17)	48,433	30,801	-	-
Trade creditors	3,138,791	2,779,916	-	-
Amounts owed to group undertakings	-	-	-	1,311
Corporation tax	83,911	-	11,600	-
Social security and other taxes	84,698	46,478	19,088	17,083
Other creditors	469	367	-	-
Directors' current accounts	44,000	16,396	44,000	16,396
Accruals and deferred income	<u>295,838</u>	<u>268,858</u>	<u>1,830</u>	<u>2,430</u>
	<u>4,212,544</u>	<u>3,629,550</u>	<u>76,518</u>	<u>37,220</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans (see note 16)	1,250,000	1,250,000	1,250,000	1,250,000
Hire purchase contracts (see note 17)	60,066	47,766	-	-
	<u>1,310,066</u>	<u>1,297,766</u>	<u>1,250,000</u>	<u>1,250,000</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>516,404</u>	<u>486,734</u>	<u>-</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES
Group

	Hire purchase contracts	
	2011	2010
	£	£
Net obligations repayable:		
Within one year	48,433	30,801
Between one and five years	<u>60,066</u>	<u>47,766</u>
	<u>108,499</u>	<u>78,567</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings		Other operating leases	
	2011	2010	2011	2010
	£	£	£	£
Expiring:				
Within one year	230,562	-	4,865	59,531
Between one and five years	-	230,562	72,726	60,817
In more than five years	30,000	30,000	-	-
	<u>260,562</u>	<u>260,562</u>	<u>77,591</u>	<u>120,348</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank overdrafts	516,404	486,734	-	-
Bank loans	1,250,000	1,250,000	1,250,000	1,250,000
Hire purchase contracts	108,499	78,567	-	-
	<u>1,874,903</u>	<u>1,815,301</u>	<u>1,250,000</u>	<u>1,250,000</u>

The bank loan and overdraft facilities are secured by a bond and floating charge over the assets of each group company and by unlimited cross-guarantees. Hire purchase creditors are secured over certain fixed assets.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Deferred tax	58,790	55,312	48,606	50,635

Group

	Deferred tax £
Balance at 1 July 2010	55,312
Charged to profit and loss	3,478
Balance at 30 June 2011	<u>58,790</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
19. PROVISIONS FOR LIABILITIES - continued
Company

	Deferred tax £
Balance at 1 July 2010	50,635
Released from Profit and loss	<u>(2,029)</u>
Balance at 30 June 2011	<u>48,606</u>

Deferred tax relates to accelerated capital allowances.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £0.05	2011 £ <u>28,000</u>	2010 £ <u>28,000</u>
560,000	Ordinary			

21. RESERVES
Group

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 July 2010	1,020,496	32,000	1,052,496
Profit for the year	266,951		266,951
Dividends	(104,000)		(104,000)
Actuarial gain	483,000	-	483,000
Deferred tax	<u>(118,250)</u>	<u>-</u>	<u>(118,250)</u>
At 30 June 2011	<u>1,548,197</u>	<u>32,000</u>	<u>1,580,197</u>
Profit and loss account excluding pension liability	2,655,197		
Pension deficit	<u>(1,107,000)</u>		
Profit and loss account	<u>1,548,197</u>		

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

21. RESERVES - continued

Company

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 July 2010	1,796,938	32,000	1,828,938
Profit for the year	38,164		38,164
Dividends	(104,000)		(104,000)
At 30 June 2011	<u>1,731,102</u>	<u>32,000</u>	<u>1,763,102</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 30 June 2008 and updated to 30 June 2011 by a qualified independent actuary. The scheme has been closed to new entrants and ceased to accrue benefits with effect from 30 June 2004.

The group also operates a defined contribution pension scheme. Contributions payable for the year in respect of both schemes are charged to the profit and loss account as incurred.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Present value of funded obligations	(6,022,000)	(5,738,000)
Fair value of plan assets	<u>4,546,000</u>	<u>3,789,000</u>
	(1,476,000)	(1,949,000)
Present value of unfunded obligations	-	-
Deficit	(1,476,000)	(1,949,000)
Deferred tax asset	<u>369,000</u>	<u>487,250</u>
Net liability	<u>(1,107,000)</u>	<u>(1,461,750)</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or losses are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Current service cost	-	-
Interest cost	303,000	314,000
Expected return	(219,000)	(195,000)
Past service cost	-	-
	<u>84,000</u>	<u>119,000</u>
Actual return on plan assets	<u>924,000</u>	<u>627,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Opening defined benefit obligation	5,738,000	4,984,000
Interest cost	303,000	314,000
Actuarial losses/(gains)	222,000	607,000
Benefits paid	(241,000)	(167,000)
	<u>6,022,000</u>	<u>5,738,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Opening fair value of scheme assets	3,789,000	3,242,000
Contributions by employer	74,000	87,000
Expected return	219,000	195,000
Actuarial gains/(losses)	705,000	432,000
Benefits paid	(241,000)	(167,000)
	<u>4,546,000</u>	<u>3,789,000</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Actuarial gains/(losses)	<u>483,000</u>	<u>175,000</u>
	<u>483,000</u>	<u>175,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(636,000)</u>	<u>(153,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2011	2010
	100%	100%
Equities	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2011	2010
Discount rate	5.50%	5.40%
Expected return on scheme assets	5.90%	6.10%
Future pension increases	3.30%	3.00%
Inflation assumption	3.80%	3.50%

Assumed life expectancies in retrial at age 65 are:

		2011	2010
Retiring today	Males	20.1	19.5
	Females	23.2	22.4
Retiring in 25 years	Males	21.9	20.5
	Females	25.1	23.2

To develop the long term expected rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the asset classes in which the portfolio is invested and the expectations for future returns. This resulted in the selection of the 6.00% assumption (net of investment and administration expenses) for 2011/12.

	2011	2010
Actual return on plan assets	(222)	(627)

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows:

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit pension plans					
Defined benefit obligation	(6,022,000)	(5,738,000)	(4,984,000)	(5,746,000)	(6,011,000)
Fair value of scheme assets	4,546,000	3,789,000	3,242,000	4,064,000	4,703,000
Deficit	(1,476,000)	(1,949,000)	(1,742,000)	(1,682,000)	(1,308,000)
Experience adjustments on scheme liabilities	(705,000)	(432,000)	(1,076,000)	(931,000)	466,000
Experience adjustments on scheme assets	-	-	402,000	-	-

23. CONTINGENT LIABILITIES

The company is party to cross-guarantees with other companies in the Scobie & Junor Group in respect of group loans and overdraft facilities. At the year end this amounted to £2,077,087 (2010: £2,056,358).

Scobie & Junor (Est. 1919) Ltd have granted a Duty Deferment Bond to H M Revenue and Customs for £200,000.

24. RELATED PARTY DISCLOSURES

The company and group are under the ultimate control of W T L Wicklow, a director, who together with members of his close family holds 100% (2010 : 100%) of the issued share capital of Scobie & Junor (Holdings) Limited. During the year to 30 June 2011 WTL Wicklow received dividends of £64,000 (2010: £44,000), A Wicklow received dividends of £20,000 (2010: nil) and G Wicklow received dividends of £20,000 (2010: nil) from Scobie and Junor (Holdings) Limited.

During the period group companies paid £30,000 of rental charges (2010: £30,000) to the Scobie & Junor (Holdings) Limited Directors' Pension Scheme in respect of property owned by the Scheme Limited. The group made net purchases of £633,994 (2010: £723,181) from Scobie & Junor (Dublin) Limited, a company in which A Wicklow and G Wicklow also have an interest. At 30 June 2011 the group was owed £227 by Scobie & Junor (Dublin) Limited (At 30 June 2010 the group owed £47,057). It is the policy of the group to negotiate all related party transactions on an arm's-length basis.

During the year rent was charged by the AGP Partnership of £230,562 (2010: £230,562). A Wicklow and G Wicklow are partners.

Director W T L Wicklow loaned the group £24,396 during the year to 30 June 2011 (During the year to 30 June 2010, directors W T L Wicklow, A Wicklow and G Wicklow loaned the company £23,345). At 30 June 2011 the amount outstanding was £44,000 (2010: £16,396).

25. POST BALANCE SHEET EVENTS

On 31 October 2011 Scobie and Junor (Holdings) Ltd acquired the whole issued share capital of Foodmaker Ltd, a company incorporated in England.

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**
26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Group

	2011 £	2010 £
Profit for the financial year	266,951	204,527
Dividends	<u>(104,000)</u>	<u>(44,000)</u>
	162,951	160,527
Other recognised gains and losses relating to the year (net)	<u>364,750</u>	<u>(123,250)</u>
Net addition to shareholders' funds	527,701	37,277
Opening shareholders' funds	<u>1,080,496</u>	<u>1,043,219</u>
Closing shareholders' funds	<u>1,608,197</u>	<u>1,080,496</u>

Company

	2011 £	2010 £
Profit for the financial year	38,164	70,107
Dividends	<u>(104,000)</u>	<u>(44,000)</u>
Net (reduction)/addition to shareholders' funds	(65,836)	26,107
Opening shareholders' funds	<u>1,856,938</u>	<u>1,830,831</u>
Closing shareholders' funds	<u>1,791,102</u>	<u>1,856,938</u>

27. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	580,864	407,929
Depreciation charges	290,379	259,518
Loss/(Profit) on disposal of fixed assets	3,186	(5,345)
Decrease/(Increase) in stocks	12,749	(140,954)
(Increase)/Decrease in debtors	(802,075)	181,183
Increase/(Decrease) in creditors	424,177	(44,149)
Difference between pension charge and cash contributions	<u>(74,000)</u>	<u>(87,000)</u>
Net cash inflow from operating activities	<u>435,280</u>	<u>571,182</u>

28. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	832	284
Interest paid	(136,137)	(122,396)
Interest element of hire purchase payments	<u>(7,168)</u>	<u>(5,672)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(142,473)</u>	<u>(127,784)</u>

**SCOBIE AND JUNOR (HOLDINGS) LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2011**

28. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2011 £	2010 £
Capital expenditure		
Purchase of tangible fixed assets	(204,366)	(212,696)
Sale of tangible fixed assets	<u>6,407</u>	<u>13,288</u>
Net cash outflow for capital expenditure	<u>(197,959)</u>	<u>(199,408)</u>
Financing		
Capital repayments in year	29,932	11,330
Amount introduced by directors	27,604	-
Amount withdrawn by directors	<u>-</u>	<u>(88,060)</u>
Net cash inflow/(outflow) from financing	<u>57,536</u>	<u>(76,730)</u>

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/10 £	Cash flow £	At 30/6/11 £
Net cash:			
Cash at bank and in hand	19,153	(1,630)	17,523
Bank overdraft	<u>(486,734)</u>	<u>(29,670)</u>	<u>(516,404)</u>
	<u>(467,581)</u>	<u>(31,300)</u>	<u>(498,881)</u>
Debt:			
Hire purchase	(78,567)	(29,932)	(108,499)
Debts falling due after one year	<u>(1,250,000)</u>	<u>-</u>	<u>(1,250,000)</u>
	<u>(1,328,567)</u>	<u>(29,932)</u>	<u>(1,358,499)</u>
Total	<u>(1,796,148)</u>	<u>(61,232)</u>	<u>(1,857,380)</u>