GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

FOR

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

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SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

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FOR THE YEAR ENDED 30 JUNE 2016

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SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS:	W T L Wicklow BSc (Econ), M Inst M A J Wicklow G T Wicklow
SECRETARY:	Maclay Murray & Spens LLP
REGISTERED OFFICE:	1 George Square Glasgow G2 1AL
REGISTERED NUMBER:	SC047779 (Scotland)
SENIOR STATUTORY AUDITOR:	Gavin Black
AUDITORS:	Henderson Loggie, Statutory Auditor The Vision Building 20 Greenmarket Dundee DD1 4QB
BANKERS:	HSBC 25 - 29 Murraygate Dundee DD1 2EE
SOLICITORS:	Maclay Murray & Spens Solicitors 1 George Squarge Glasgow G2 1AL

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The directors present their strategic report of the company and the group for the year ended 30 June 2016.

REVIEW OF BUSINESS

The Group's direction in increasing the sales of the products it manufactures has been very successful and sales of manufactured products are now in excess of 50 % of total sales.

Overall, the Group achieved an operating profit of £1,366,569 (2015: £1,087,828).

The deficit in the Group's defined benefit pension scheme has increased by £370,040. The scheme has been closed to new entrants and ceased to accrue benefits with effect from 30 June 2004.

The Group's consolidated net profit for the year after taxation was £861,905 (2015: £727,546).

FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

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

FINANCIAL RISK MANAGEMENT

The Group finances on-going activities and capital expenditure through a combination of retained profits and bank borrowings. 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, together with increased penetration into European markets, is well placed to continue growing its own market share.

ENVIRONMENTAL RISK ASSESSMENT

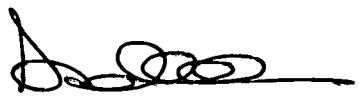
The Directors recognise the Group's environmental responsibilities and the increasing legislation in this area. The Group complies with relevant legislation and also strives to ensure that environmental best practices are adopted, particularly in fuel efficiency, management of waste and reducing consumption 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 and in sustained growth.

ON BEHALF OF THE BOARD:



.....

A J Wicklow - Director

Date: 20/3/17

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2016.

DIVIDENDS
The total distribution of dividends for the year ended 30 June 2016 was £292,600 (2015: £134,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2015 to the date of this report.

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

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:

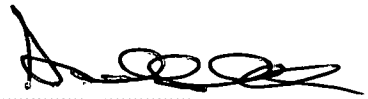
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

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, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
A J Wicklow - Director

Date: 20/3/17

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 2016 on pages five to twenty nine. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 Group Strategic Report and the Report of the Directors 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 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.

Henderson Loggie

Gavin Black (Senior Statutory Auditor)
for and on behalf of Henderson Loggie, Statutory Auditor
The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Date: 20/3/17

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2016 £	2015 £	2015 £
TURNOVER	3		**27,231,772**		27,535,716
Cost of sales			**19,523,110**		19,639,250
GROSS PROFIT			**7,708,662**		7,896,466
Distribution costs		**2,469,409**		2,568,533	
Administrative expenses		**3,872,684**		4,240,105	
			6,342,093		6,808,638
OPERATING PROFIT	5		**1,366,569**		1,087,828
Interest receivable and similar income			**69**		116
			1,366,638		1,087,944
Interest payable and similar expenses	6	**219,628**		211,317	
Other finance costs	22	**89,000**		75,000	
			308,628		286,317
PROFIT BEFORE TAXATION			**1,058,010**		801,627
Tax on profit	7		**196,105**		74,081
PROFIT FOR THE FINANCIAL YEAR			**861,905**		727,546
OTHER COMPREHENSIVE INCOME					
Increase in pension scheme liability			**(486,000)**		(810,000)
Deferred tax on pension scheme movement			**55,960**		147,200
Income tax relating to components of other comprehensive income			**-**		-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			**(430,040)**		(662,800)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			**431,865**		64,746
Profit attributable to:					
Owners of the parent			**861,905**		727,546
Total comprehensive income attributable to:					
Owners of the parent			**431,865**		64,746

The notes form part of these financial statements

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES (REGISTERED NUMBER: SC047779)

CONSOLIDATED BALANCE SHEET
30 JUNE 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		**1,849,419**		1,865,559
Investments	12		-		-
			1,849,419		1,865,559
CURRENT ASSETS					
Stocks	13	**4,136,817**		3,828,755	
Debtors	14	**4,420,706**		4,466,761	
Cash at bank		**101,664**		109,551	
		8,659,187		8,405,067	
CREDITORS					
Amounts falling due within one year	15	**4,534,131**		4,802,719	
NET CURRENT ASSETS			**4,125,056**		3,602,348
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,974,475**		5,467,907
CREDITORS					
Amounts falling due after more than one year	16		**(444,392)**		(524,067)
PROVISIONS FOR LIABILITIES	20		**(139,838)**		(62,900)
PENSION LIABILITY	22		**(2,368,440)**		(1,998,400)
NET ASSETS			**3,021,805**		2,882,540
CAPITAL AND RESERVES					
Called up share capital	21		**28,000**		28,000
Capital redemption reserve			**32,000**		32,000
Retained earnings			**2,961,805**		2,822,540
SHAREHOLDERS' FUNDS			**3,021,805**		2,882,540

The financial statements were approved and authorised for issue by the Board of Directors on 20/3/17 and were signed on its behalf by:

G T Wicklow - Dircctor

The notes form part of these financial statements

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES (REGISTERED NUMBER: SC047779)

COMPANY BALANCE SHEET
30 JUNE 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		**172,199**		191,332
Investments	12		**161,792**		161,792
			333,991		353,124
CURRENT ASSETS					
Debtors	14	**2,059,125**		1,498,400	
Cash at bank		**117,349**		60,041	
		2,176,474		1,558,441	
CREDITORS					
Amounts falling due within one year	15	**45,282**		76,812	
NET CURRENT ASSETS			**2,131,192**		1,481,629
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,465,183**		1,834,753
PROVISIONS FOR LIABILITIES	20		**(25,998)**		(29,640)
PENSION LIABILITY	22		**(2,368,440)**		(1,998,400)
NET ASSETS/(LIABILITIES)			**70,745**		(193,287)
CAPITAL AND RESERVES					
Called up share capital	21		**28,000**		28,000
Capital redemption reserve			**32,000**		32,000
Retained earnings			**10,745**		(253,287)
SHAREHOLDERS' FUNDS			**70,745**		(193,287)
Company's profit for the financial year			**986,672**		118,795

The financial statements were approved and authorised for issue by the Board of Directors on .....20/3/17..... and were signed on its behalf by:



.....
A J Wicklow - Director

The notes form part of these financial statements

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2014	28,000	2,891,794	32,000	2,951,794
Changes in equity				
Dividends	-	(134,000)	-	(134,000)
Total comprehensive income	-	64,746	-	64,746
Balance at 30 June 2015	28,000	2,822,540	32,000	2,882,540
Changes in equity				
Dividends	-	(292,600)	-	(292,600)
Total comprehensive income	-	431,865	-	431,865
Balance at 30 June 2016	28,000	2,961,805	32,000	3,021,805

The notes form part of these financial statements

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2014	28,000	424,718	32,000	484,718
Changes in equity				
Dividends	-	(134,000)	-	(134,000)
Total comprehensive income	-	(544,005)	-	(544,005)
Balance at 30 June 2015	28,000	(253,287)	32,000	(193,287)
Changes in equity				
Dividends	-	(292,600)	-	(292,600)
Total comprehensive income	-	556,632	-	556,632
Balance at 30 June 2016	28,000	10,745	32,000	70,745

The notes form part of these financial statements

SCOBIE AND JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	26	**1,592,187**	802,061
Interest paid		**(205,795)**	(202,377)
Interest element of hire purchase payments paid		**(13,833)**	(8,940)
Tax paid		**(8,629)**	(56,910)
Net cash from operating activities		**1,363,930**	533,834
Cash flows from investing activities			
Purchase of tangible fixed assets		**(415,799)**	(844,421)
Sale of tangible fixed assets		**39,261**	16,160
Interest received		**69**	116
Net cash from investing activities		**(376,469)**	(828,145)
Cash flows from financing activities			
Movement in loans		**(33,722)**	100,470
Movement in HP		**(13,933)**	77,085
Amount introduced by directors		**2,254**	7,255
Amount withdrawn by directors		**(56,145)**	-
Equity dividends paid		**(292,600)**	(134,000)
Net cash from financing activities		**(394,146)**	50,810
Increase/(decrease) in cash and cash equivalents		**593,315**	(243,501)
Cash and cash equivalents at beginning of year	27	**(1,479,085)**	(1,235,584)
Cash and cash equivalents at end of year	27	**(885,770)**	(1,479,085)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATUTORY INFORMATION

Scobie and Junor (Holdings) Limited and Subsidiaries is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation
The consolidated financial statements incorporate those of Scobie and Junor (Holdings) Limited and all of its subsidiary undertakings for the year. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All intra-group transactions, balances and unrealised gains between group companies are eliminated on consolidation.

Significant judgements and estimates
In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the financial statements.

Accruals
As part of month and year end process, management are required to estimate requirements for accruals. These estimates are arrived at based on their knowledge of the business coupled with post year end information identifying expenses incurred relating to the previous financial period.

Stock
In arriving at the carrying value of stock it may be necessary for management to make an assessment of the carrying value of stock items and where applicable apply a provision to amend this carrying value to a more accurate level. These valuations are arrived at using management's knowledge and understanding of the business and the industry in which it operates.

Bad debt provision
The bad debt provision is estimated based on management's knowledge and understanding of its customers and involves assessing the year end debtors to identify specific customers or balances where recoverability issues exist.

continued...

2. ACCOUNTING POLICIES - continued

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

Goodwill
Goodwill purchased in 2009 has been fully amortised in previous years.

Negative goodwill
Where the purchase price is less than the net assets acquired, a detailed review is undertaken of the assets and liabilities acquired to confirm they are stated at fair value. If after this review, the negative goodwill is still supported, it is released to profit and loss account as follows:

Fixed assets	-	in line with disposals and depreciation
Stock	-	as stock is expensed
Working capital	-	as these are realised

Tangible fixed assets
Tangible fixed assets are initially recorded at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold property	- 2% on a straight line basis and 6.67% to 20% straight line
Short leasehold	- 6.67% to 20% straight line and over the period of the lease
Long leasehold	- over the period of the lease
Plant and machinery	- 20% on a straight line basis, 10% on a reducing balance basis, 10% on a straight line basis and 20 - 50% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis and 15% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Computer equipment	- 50% on a straight line basis

Impairment of fixed assets
At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

continued...

2. ACCOUNTING POLICIES - continued

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. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of overheads.

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.

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.

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.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

continued...

2. ACCOUNTING POLICIES - continued

Taxation
The tax expense represents the sum of the corporation tax and deferred tax charge for the year.

Current tax
The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
The group have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

continued...

2. ACCOUNTING POLICIES - continued

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Investments

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

3. 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:

	2016	2015
	£	£
United Kingdom	**23,779,454**	23,730,991
Europe and EC Member States	**3,125,491**	3,412,508
North America	**36,610**	95,088
Rest of the World	**290,217**	297,129
	27,231,772	27,535,716

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	**3,895,944**	3,866,128
Social security costs	**362,205**	367,424
Other pension costs	**302,832**	312,226
	4,560,981	4,545,778

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

	2016	2015
Production	**76**	75
Sales	**25**	24
Administration	**40**	40
	141	139

The average number of employees by undertakings that are proportionately consolidated during the year was 141.

continued...

4. EMPLOYEES AND DIRECTORS - continued

	2016	2015
	£	£
Directors' remuneration	**271,496**	224,188

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	**114,469**	109,712

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**2**	2
Defined benefit schemes	**2**	2

The defined benefit pension scheme ceased to accrue benefits with effect from 30 June 2004.

5. OPERATING PROFIT

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

	2016	2015
	£	£
Hire of plant and machinery	**45,707**	38,074
Other operating leases	**89,373**	58,007
Depreciation - owned assets	**287,891**	232,521
Depreciation - assets under HP	**120,614**	90,856
(Profit) on disposal of fixed assets	**(15,828)**	(4,473)
Auditors' remuneration	**41,305**	41,230
Release of negative goodwill	**-**	(31,444)

The release of negative goodwill relates to the acquisition of Foodmaker Limited on 31 October 2011.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	**172,178**	170,825
Bank loan interest	**33,617**	31,552
Hire purchase	**13,833**	8,940
	219,628	211,317

continued...

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	**138,969**	56,064
Under/(over) provision for tax	**(19,802)**	(14,144)
Total current tax	**119,167**	41,920
Deferred tax	**76,938**	32,161
Tax on profit	**196,105**	74,081

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
Profit before tax	**1,058,010**	801,627
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	**211,602**	160,325
Effects of:		
Expenses not deductible for tax purposes	**10,887**	2,910
Income not taxable for tax purposes	**(960)**	-
Capital allowances in excess of depreciation	**(6,407)**	(69,896)
Utilisation of tax losses	**(55,489)**	-
Defined benefit pension scheme adjustment	**(12,000)**	(14,800)
Rate changes	**-**	1,851
Over provision prior years	**(19,802)**	(14,144)
Release of negative goodwill	**-**	(6,288)
Marginal relief	**-**	(444)
Research and development	**-**	(17,594)
Deferred tax movement	**76,938**	32,161
Double tax relief	**(8,664)**	-
Total tax charge	**196,105**	74,081

Tax effects relating to effects of other comprehensive income

	2016		
	Gross	Tax	Net
	£	£	£
Increase in pension scheme liability	**(486,000)**	**-**	**(486,000)**
Deferred tax on pension scheme movement	**55,960**	**-**	**55,960**
	(430,040)	**-**	**(430,040)**

continued...

7. **TAXATION - continued**

	2015		
	Gross	Tax	Net
	£	£	£
Increase in pension scheme liability	(810,000)	-	(810,000)
Deferred tax on pension scheme movement	147,200	-	147,200
	(662,800)	-	(662,800)

8. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. **DIVIDENDS**

	2016	2015
	£	£
Ordinary shares of £0.05 each		
Final	**292,600**	134,000

10. **INTANGIBLE FIXED ASSETS**

Group

	Negative Goodwill	Goodwill	Total
	£	£	£
COST			
As at 1 July 2015	**(1,206,091)**	**389,960**	**(816,131)**
As at 30 June 2016	**(1,206,091)**	**389,960**	**(816,131)**
AMORTISATION			
As at 1 July 2015	**(1,206,091)**	**389,960**	**(816,131)**
As at 30 June 2016	**(1,206,091)**	**389,960**	**(816,131)**
NET BOOK VALUE			
At 30 June 2016	**-**	**-**	**-**
At 30 June 2015	-	-	-

The stock and working capital acquired in 2012 was fully expensed by the end of that year and accordingly the only negative goodwill at 30 June 2014 related to the fixed assets still recognised at that date. These fixed assets have now been disposed of and accordingly the remaining negative goodwill has been released to the profit and loss account.

continued...

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Long leasehold £	Improvements to property £
COST				
At 1 July 2015	500,164	5,273	149,446	67,324
At 30 June 2016	500,164	5,273	149,446	67,324
DEPRECIATION				
At 1 July 2015	12,504	5,273	7,472	4,809
Charge for year	25,008	-	14,944	9,618
Eliminated on disposal	-	-	-	-
At 30 June 2016	37,512	5,273	22,416	14,427
NET BOOK VALUE				
At 30 June 2016	462,652	-	127,030	52,897
At 30 June 2015	487,660	-	141,974	62,515

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2015	1,523,230	1,134,459	393,416	340,717	4,114,029
Additions	91,058	221,466	70,765	32,510	415,799
Disposals	(2,500)	-	(67,160)	-	(69,660)
At 30 June 2016	1,611,788	1,355,925	397,021	373,227	4,460,168
DEPRECIATION					
At 1 July 2015	812,176	817,159	273,011	316,067	2,248,471
Charge for year	132,330	135,333	65,065	26,207	408,505
Eliminated on disposal	(2,500)	-	(43,727)	-	(46,227)
At 30 June 2016	942,006	952,492	294,349	342,274	2,610,749
NET BOOK VALUE					
At 30 June 2016	669,782	403,433	102,672	30,953	1,849,419
At 30 June 2015	711,054	317,300	120,405	24,650	1,865,558

The net book value of the group's fixed assets includes £309,306 (2015: £279,995) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged on these assets during the period amounted to £120,614 (2015 : £90,856).

continued...

11. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £
COST	
At 1 July 2015 and 30 June 2016	**489,965**
DEPRECIATION	
At 1 July 2015	**298,633**
Charge for year	**19,133**
At 30 June 2016	**317,766**
NET BOOK VALUE	
At 30 June 2016	**172,199**
At 30 June 2015	191,332

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2015 and 30 June 2016	**161,792**
NET BOOK VALUE	
At 30 June 2016	**161,792**
At 30 June 2015	**161,792**

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

	Proportion of shares held	Principalactivity
Scobie & Junor (Est.1919) Limited	**100%**	Food industry supplies
Scobie & Junor (Ireland) Limited	**99%**	Food industry supplies
Scotnet (1974) Limited	**100%**	Dormant
Foodmaker Limited	**100%**	Food industry supplies

Scotnet (1974) Limited has ceased trading. The company has written off its investment in this company and the company was dissolved on 28 June 2016.

continued...

13. STOCKS

	Group	
	2016	2015
	£	£
Raw materials	**1,141,741**	1,065,427
Work-in-progress	**62,333**	62,145
Finished goods	**2,932,743**	2,701,183
	4,136,817	3,828,755

14. DEBTORS

	Group		Company	
	2016	2015	**2016**	2015
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**4,123,046**	4,251,743	**-**	-
Amounts owed by group undertakings	**-**	-	**756,325**	-
Other debtors	**300**	74,667	**-**	-
VAT recoverable	**143,584**	25,694	**-**	-
Prepayments and accrued income	**153,776**	114,657	**-**	-
	4,420,706	4,466,761	**756,325**	-
Amounts falling due after more than one year:				
Amounts owed by group undertakings	**-**	-	**1,302,800**	1,498,400
Aggregate amounts	**4,420,706**	4,466,761	**2,059,125**	1,498,400

Trade debtors includes £3,009,324 (2015: £3,004,576) which are secured under confidential invoice discounting. The related finance costs for the year to 30 June 2016 are £81,623 (2015: £71,980).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	**2016**	2015
	£	£	**£**	£
Bank loans and overdrafts (see note 17)	**1,020,321**	1,621,043	**-**	-
Hire purchase contracts (see note 18)	**139,081**	107,541	**-**	-
Trade creditors	**2,610,948**	2,418,071	**-**	-
Amounts owed to group undertakings	**-**	-	**-**	1,261
Corporation tax	**146,857**	36,319	**18,308**	5,696
Social security and other taxes	**37,398**	29,653	**-**	11,820
VAT	**-**	-	**20,220**	-
Other creditors	**665**	-	**-**	-
Directors' current accounts	**2,254**	56,145	**2,254**	56,145
Accruals and deferred income	**576,607**	533,947	**4,500**	1,890
	4,534,131	4,802,719	**45,282**	76,812

continued...

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2016	2015
	£	£
Bank loans (see note 17)	**349,382**	383,584
Hire purchase contracts (see note 18)	**95,010**	140,483
	444,392	524,067

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**987,434**	1,588,636
Bank loans	**32,887**	32,407
	1,020,321	1,621,043
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**33,366**	32,887
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**103,116**	101,592
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	**212,900**	249,105

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	**139,081**	107,541
Between one and five years	**95,010**	140,483
	234,091	248,024

continued...

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2016	2015
	£	£
Bank overdrafts	**987,434**	1,588,636
Bank loans	**382,269**	415,991
Hire purchase contracts	**234,091**	248,024
	1,603,794	2,252,651

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.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016	2015	**2016**	2015
	£	£	**£**	£
Deferred tax	**139,838**	62,900	**25,998**	29,640

Group

	£
Balance at 1 July 2015	**62,900**
Charged to profit and loss	**76,938**
Balance at 30 June 2016	**139,838**

Company

	£
Balance at 1 July 2015	**29,640**
Released from profit and loss	**(3,642)**
Balance at 30 June 2016	**25,998**

Deferred tax relates to accelerated capital allowances.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2016**	2015
			£	£
560,000	Ordinary	£0.05	**28,000**	28,000

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS

The group 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 group also operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 30 June 2014 and updated to 30 June 2016 by a qualified independent actuary. The scheme has been closed to new entrants and ceased to accrue benefits with effect from 30 June 2004.

	Defined benefit pension plans	
	2016	2015
	£	£
Fair value of scheme assets	**5,014,000**	4,870,000
Defined benefit obligation	**(7,938,000)**	(7,368,000)
Deferred tax asset	**555,560**	499,600
Net pension scheme liability	**(2,368,440)**	(1,998,400)

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	**-**	-
Net interest cost from net defined benefit asset/liability	**89,000**	75,000
Past service cost	**-**	-
	89,000	75,000
Actual return on plan assets	**221,000**	187,000

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening defined benefit obligation	**7,368,000**	6,547,000
Interest cost	**268,000**	283,000
Benefits paid	**(226,000)**	(251,000)
Remeasurement - changes in assumptions	**528,000**	494,000
Remeasurement - experience adjustments	**-**	295,000
	7,938,000	7,368,000

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening fair value of scheme assets	**4,870,000**	4,785,000
Contributions by employer	**149,000**	149,000
Interest income	**179,000**	208,000
Benefits paid	**(226,000)**	(251,000)
Return on plan assets (excluding interest income)	**42,000**	(21,000)
	5,014,000	4,870,000

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Return on plan assets (excluding interest income)	**42,000**	(21,000)
Remeasurements	**(528,000)**	(789,000)
	(486,000)	(810,000)

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

	Defined benefit pension plans	
	2016	2015
Equities	**100%**	100%
	100.00%	100.00%

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

	2016	2015
Discount rate	**3.00%**	3.70%
Future pension increases	**1.70%**	2.20%
Inflation assumption	**2.70%**	3.20%

The expected return on assets assumption at 30 June 2016 has been set equal to the discount rate of 3.0%.

continued...

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 £1,462,355 (2015 : £1,944,210).

Scobie & Junor (Est 1919) Limited has issued a guarantee in favour of Qingdao Crown Imp and Exp Corp Limited for $500,000.

Scobie & Junor (Est 1919) Limited has also granted a Duty Deferment Bond to H M Revenue and Customs for £300,000.

24. CAPITAL COMMITMENTS

	2016	2015
	£	£
Contracted but not provided for in the financial statements	-	75,698

25. RELATED PARTY DISCLOSURES

The company and group are under the ultimate control of the Wicklow family who own 100% (2015: 100%) of the issued share capital of Scobie & Junor (Holdings) Limited.

During the period group companies paid £30,000 of rental charges (2015: £30,000) to the Scobie & Junor (Holdings) Limited Directors' Pension Scheme in respect of property owned by the Scheme.

During the year rent was charged by the AGP Partnership of £230,562 (2015; £230,562). A J Wicklow and G T Wicklow are partners.

During the year to 30 June 2016; the group repaid £53,891 to W T L Wicklow (2015: the group was loaned £7,255 by W T L Wicklow). At 30 June 2016, the amount outstanding was £2,254 (2015: 56,145).

26. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	**1,058,010**	801,627
Depreciation charges	**408,505**	323,377
Profit on disposal of fixed assets	**(15,828)**	(4,474)
Negative goodwill amortisation	**-**	(31,444)
Pension charge in excess of cash paid	**(149,000)**	(149,000)
Finance costs	**308,628**	286,317
Finance income	**(69)**	(116)
	1,610,246	1,226,287
Increase in stocks	**(308,062)**	(30,614)
Decrease in trade and other debtors	**46,054**	188,460
Increase/(decrease) in trade and other creditors	**243,949**	(582,072)
Cash generated from operations	**1,592,187**	802,061

continued...

27. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2016

	30/6/16	**1/7/15**
	£	**£**
Cash and cash equivalents	**101,664**	**109,551**
Bank overdrafts	**(987,434)**	**(1,588,636)**
	(885,770)	**(1,479,085)**

Year ended 30 June 2015

	30/6/15	1/7/14
	£	£
Cash and cash equivalents	109,551	204,344
Bank overdrafts	(1,588,636)	(1,439,928)
	(1,479,085)	(1,235,584)

continued...

28. FIRST YEAR ADOPTION

The financial statements of Scobie and Junor (Holdings) Limited and Subsidiaries for the year ended 30 June 2016 are the first financial statements prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period have been corrected by the transition to FRS 102.

Reconciliation of equity

Company

	30 June 2015	1 July 2014
	£	£
Equity as reported under previous UK GAAP	**1,805,113**	1,894,318
Defined benefit pension scheme liability	**(2,498,000)**	(1,762,000)
Deferred tax on pension scheme liability	**499,600**	352,400
(Deficit)/equity reported under FRS 102	**(193,287)**	484,718

Reconciliation of profit or loss

	2015
	£
Profit for the year under previous UK GAAP	**44,795**
Defined benefit pension scheme interest cost	(75,000)
Management charge levied in respect of pension scheme	149,000
(Loss) reported under FRS 102	**118,795**

Changes for FRS102 adoption
Assets and liabilities arising from actuarial valuations of a group defined benefit pension scheme are now included in the financial statements of the entity with legal responsibility for the pension scheme and as such the deficit is now included in the financial statements of Scobie and Junor (Holdings) Limited, as well as the group accounts. Previously under UK GAAP, where a defined benefit scheme was deemed to be a group scheme, the deficit was permitted to be included in the consolidated financial statements only.

The effects of pension scheme interest are now included in the profit and loss of the individual entity. Previously, these would have been shown in the statement of recognised gains and losses in the consolidated financial statements. Additionally, whilst Scobie and Junor (Holdings) is legally responsible for the pension scheme, the employees included in the scheme are employed by other group entities. Therefore employer contributions which have now been accounted for by Scobie and Junor (Holdings) have been recharged to the appropriate group entities. The financial impact of these changes in Scobie and Junor (Holdings) Limited is summarised above. There is no impact on the consolidated financial statements.