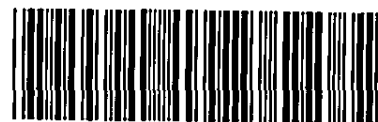


HAMLYNS OF SCOTLAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

FRIDAY



S16QXC03

SCT

13/04/2012

#497

COMPANIES HOUSE

HAMLYNS OF SCOTLAND LIMITED

COMPANY INFORMATION

Directors	J E Lea D Warr A Meikle
Company secretary	D Warr
Company number	SC176949
Registered office	Citypoint 65 Haymarket Terrace Edinburgh Scotland EH12 5HD
Auditor	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ

HAMLYNS OF SCOTLAND LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

HAMLYNS OF SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2011

The directors present their report and the financial statements for the year ended 31 July 2011.

Principal activities

The principal activity of the company was that of milling oats.

Business review

The directors consider the result to be satisfactory and are confident of future prospects.

Results

The profit for the year, after taxation, amounted to £188,865 (2010 - £214,455).

Directors

The directors who served during the year were:

J E Lea
D Warr
A Meikle

None of the directors had any interest in the share capital of the company during the year.

Financial risk management

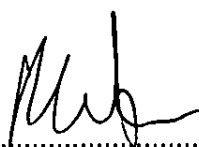
The company makes sales on normal credit terms and manages the related risks through its normal credit control procedures. The company does not hedge interest payments on any of its borrowings or foreign currency transactions.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.


.....
D Warr
Director

Date: 11 November 2011

HAMLYNS OF SCOTLAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2011

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAMLYNS OF SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMLYNS OF SCOTLAND LIMITED

We have audited the financial statements of Hamlyns of Scotland for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

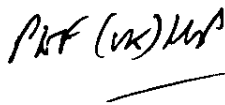
HAMLYNS OF SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMLYNS OF SCOTLAND LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Wilson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor

Nottingham
Date: 17 November 2011

HAMLYNS OF SCOTLAND LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 £	As restated 2010 £
TURNOVER	1,2	14,762,195	20,111,478
Cost of sales		<u>(13,325,401)</u>	<u>(18,393,987)</u>
GROSS PROFIT		1,436,794	1,717,491
Distribution costs		<u>(58,174)</u>	<u>(58,097)</u>
Administrative expenses		<u>(1,112,005)</u>	<u>(1,359,617)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		266,615	299,777
Tax on profit on ordinary activities	6	<u>(77,750)</u>	<u>(85,322)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>188,865</u>	<u>214,455</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account.

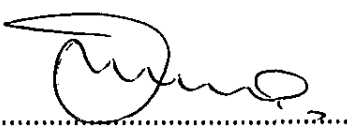
The notes on pages 7 to 14 form part of these financial statements.

HAMLYNS OF SCOTLAND LIMITED
REGISTERED NUMBER: SC176949

BALANCE SHEET
AS AT 31 JULY 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	7		1,014,801		1,075,582
Investments	8		1,000		1,000
			<u>1,015,801</u>		<u>1,076,582</u>
CURRENT ASSETS					
Stocks	9	1,362,602		1,175,852	
Debtors	10	1,764,289		2,473,126	
Cash at bank		7,375		6,195	
		<u>3,134,266</u>		<u>3,655,173</u>	
CREDITORS: amounts falling due within one year	11	<u>(2,792,185)</u>		<u>(3,559,767)</u>	
NET CURRENT ASSETS			<u>342,081</u>		<u>95,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,357,882</u>		<u>1,171,988</u>
CREDITORS: amounts falling due after more than one year	12		<u>(80,228)</u>		<u>(83,199)</u>
NET ASSETS			<u><u>1,277,654</u></u>		<u><u>1,088,789</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		2		2
Profit and loss account	15		1,277,652		1,088,787
SHAREHOLDERS' FUNDS	16		<u><u>1,277,654</u></u>		<u><u>1,088,789</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J E Lea
 Director

Date: 11 November 2011

The notes on pages 7 to 14 form part of these financial statements.

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 Cash Flow Statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Revenue is recognised as goods are despatched.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	30 years
Plant and machinery	-	over 4 to 6 years

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES (continued)

1.8 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The profit is stated after charging/(crediting):

	2011 £	2010 £
Depreciation of tangible fixed assets:		
- owned by the company	114,690	111,074
Release from capital grant	(2,971)	(2,971)
	<u>111,719</u>	<u>108,103</u>

During the year, no director received any emoluments (2010 - £NIL).

4. AUDITOR'S REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>6,000</u>	<u>6,000</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

5. STAFF COSTS

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	1,100,504	1,172,497
Social security costs	105,092	103,524
Other pension costs	42,621	39,638
	<u>1,248,217</u>	<u>1,315,659</u>

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

	2011 No.	2010 No.
Administration and sales	2	2
Production	40	37
	<u>42</u>	<u>39</u>

6. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	92,277	39,359
Adjustments in respect of prior periods	-	(621)
Total current tax	<u>92,277</u>	<u>38,738</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(14,527)	46,584
Tax on profit on ordinary activities	<u>77,750</u>	<u>85,322</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	<u>266,615</u>	<u>299,777</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	74,652	83,938
Effects of:		
Expenses not deductible for tax purposes	535	878
Capital allowances for year in excess of depreciation	20,184	(5,578)
Other timing differences	(837)	(39,724)
Marginal rate adjustment	(2,257)	(155)
Adjustments to tax charge in respect of prior periods	-	(621)
Tax charge for the period (see note above)	<u><u>92,277</u></u>	<u><u>38,738</u></u>

Factors that may affect future tax charges

The Chancellor of the Exchequer announced in his emergency budget on 22 June 2010 that the rate of corporation tax will be reduced by 1 percentage point a year until 2014, when it will remain at 24%. On the 27 July 2010 the emergency budget was enacted and so, in accordance with relevant accounting standards, the calculation of deferred tax provision is based on a tax rate of 25%. Being the rate at which the temporary differences are expected to reverse at.

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 August 2010	987,710	2,224,884	3,212,594
Additions	1,146	52,763	53,909
At 31 July 2011	<u>988,856</u>	<u>2,277,647</u>	<u>3,266,503</u>
Depreciation			
At 1 August 2010	96,780	2,040,232	2,137,012
Charge for the year	12,277	102,413	114,690
At 31 July 2011	<u>109,057</u>	<u>2,142,645</u>	<u>2,251,702</u>
Net book value			
At 31 July 2011	<u>879,799</u>	<u>135,002</u>	<u>1,014,801</u>
At 31 July 2010	<u>890,930</u>	<u>184,652</u>	<u>1,075,582</u>

Included in land and buildings is freehold land at cost of £360,000 (2010 - £360,000) which is not depreciated.

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost	
At 1 August 2010 and 31 July 2011	<u>1,000</u>

9. STOCKS

	2011 £	2010 £
Raw materials	1,090,907	948,221
Finished goods and goods for resale	271,695	227,631
	<u>1,362,602</u>	<u>1,175,852</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

10. DEBTORS

	2011 £	2010 £
Trade debtors	428,173	306,790
Amounts owed by group undertakings	1,237,265	2,022,156
Other debtors	75,396	135,252
Deferred tax asset (see note 13)	23,455	8,928
	<u>1,764,289</u>	<u>2,473,126</u>

11. CREDITORS:

Amounts falling due within one year

	2011 £	2010 £
Bank overdraft	236,091	349,267
Trade creditors	867,548	619,553
Amounts owed to group undertakings	1,275,712	2,399,271
Corporation tax	92,277	39,359
Social security and other taxes	33,879	15,113
Accruals and deferred income	286,678	137,204
	<u>2,792,185</u>	<u>3,559,767</u>

12. CREDITORS:

Amounts falling due after more than one year

	2011 £	2010 £
Accruals and deferred income	<u>80,228</u>	<u>83,199</u>

13. DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	8,928	55,512
Movement	14,527	(46,584)
	<u>23,455</u>	<u>8,928</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

13. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	23,455	8,091
Short term timing differences	-	837
	<u>23,455</u>	<u>8,928</u>

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15. RESERVES

	Profit and loss account £
At 1 August 2010	1,088,787
Profit for the year	188,865
	<u>1,277,652</u>
At 31 July 2011	

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,088,789	874,334
Profit for the year	188,865	214,455
	<u>1,277,654</u>	<u>1,088,789</u>
Closing shareholders' funds		

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is £42,621 (2010 - £39,638).

HAMLUNS OF SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures from disclosing transactions with other group companies, as the company is a wholly owned subsidiary within the group.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the largest and smallest for which consolidated accounts are prepared is Morning Foods Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company. Mr J E Lea is the ultimate controlling party.