

HAMLYNS OF SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2012

TUESDAY



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COMPANIES HOUSE

HAMLUNS 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

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HAMLYNS OF SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

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

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 £135,494 (2011 - £188,865).

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

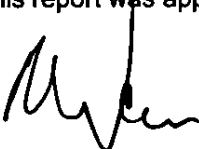
The company makes sales on normal credit terms and manages the related risks through its normal credit control procedures. The company does not hedge interest payments on any of its borrowings or foreign currency transactions.

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: 7.11.2012

HAMLUNS OF SCOTLAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2012

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 accounting 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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 Limited for the year ended 31 July 2012 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 auditors

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 annual 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 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 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

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

7.11.2012

HAMLYNS OF SCOTLAND LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2012

	Note	2012 £	2011 £
TURNOVER	1,2	18,712,679	14,762,195
Cost of sales		<u>(17,246,379)</u>	<u>(13,325,401)</u>
GROSS PROFIT		1,466,300	1,436,794
Distribution costs		(62,900)	(58,174)
Administrative expenses		<u>(1,234,142)</u>	<u>(1,112,005)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		169,258	266,615
Tax on profit on ordinary activities	6	<u>(33,764)</u>	<u>(77,750)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>135,494</u>	<u>188,865</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

HAMLYNS OF SCOTLAND LIMITED
REGISTERED NUMBER: SC176949

BALANCE SHEET
AS AT 31 JULY 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	7		945,032	1,014,801
Investments	8		1,000	1,000
			<u>946,032</u>	<u>1,015,801</u>
CURRENT ASSETS				
Stocks	9	1,614,403	1,362,602	
Debtors	10	2,047,148	1,764,289	
Cash at bank		6,040	7,375	
		<u>3,667,591</u>	<u>3,134,266</u>	
CREDITORS: amounts falling due within one year	11	<u>(3,123,218)</u>	<u>(2,792,185)</u>	
NET CURRENT ASSETS			<u>544,373</u>	<u>342,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,490,405</u>	<u>1,357,882</u>
CREDITORS: amounts falling due after more than one year	12		<u>(77,257)</u>	<u>(80,228)</u>
NET ASSETS			<u><u>1,413,148</u></u>	<u><u>1,277,654</u></u>
CAPITAL AND RESERVES				
Called up share capital	14		2	2
Profit and loss account	15		<u>1,413,146</u>	<u>1,277,652</u>
SHAREHOLDERS' FUNDS	16		<u><u>1,413,148</u></u>	<u><u>1,277,654</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: 7.11.2012

The notes on pages 7 to 13 form part of these financial statements.

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

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 Statement.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods 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 straight line
Plant and machinery	-	over 4 to 6 years straight line

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 2012

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):

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	69,769	114,690
Release from capital grant	(2,971)	(2,971)
	<u>66,798</u>	<u>111,719</u>

During the year, no director received any emoluments (2011 - £NIL).

4. AUDITOR'S REMUNERATION

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>6,200</u>	<u>6,000</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

5. STAFF COSTS

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	1,320,706	1,100,504
Social security costs	110,294	105,092
Other pension costs	46,457	42,621
	<u>1,477,457</u>	<u>1,248,217</u>

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

	2012 No.	2011 No.
Administration and sales	2	2
Production	43	40
	<u>45</u>	<u>42</u>

6. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	34,546	92,277
Deferred tax		
Origination and reversal of timing differences	(2,658)	(14,527)
Effect of reduction in rate of tax	1,876	-
Total deferred tax (see note 13)	<u>(782)</u>	<u>(14,527)</u>
Tax on profit on ordinary activities	<u>33,764</u>	<u>77,750</u>

HAMLUNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>169,258</u>	<u>266,615</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	44,007	74,652
Effects of:		
Expenses not deductible for tax purposes	636	535
Capital allowances for year in excess of depreciation	8,748	20,184
Other timing differences	-	(837)
Marginal rate adjustment	(909)	(2,257)
Group relief	(17,936)	-
Tax charge for the period (see note above)	<u><u>34,546</u></u>	<u><u>92,277</u></u>

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Chancellor of the Exchequer announced in his Budget on 21 March 2012 that the rate of corporation tax of 26% will be reduced by 2 percentage points with effect from 1 April 2012 and a further 1 percentage point per year until 2014 when it will remain at 22%. As at the balance sheet date, the rate of 23% has been substantively enacted when Finance Bill 2012 received its final reading in the House of Commons on 03 July 2012.

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 August 2011 and 31 July 2012	988,856	2,277,647	3,266,503
Depreciation			
At 1 August 2011	109,057	2,142,645	2,251,702
Charge for the year	12,277	57,492	69,769
At 31 July 2012	121,334	2,200,137	2,321,471
Net book value			
At 31 July 2012	867,522	77,510	945,032
At 31 July 2011	879,799	135,002	1,014,801

Included in land and buildings is freehold land at cost of £360,000 (2011 - £360,000) which is not depreciated.

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost	
At 1 August 2011 and 31 July 2012	1,000
Net book value	
At 31 July 2012	1,000
At 31 July 2011	1,000

9. STOCKS

	2012 £	2011 £
Raw materials	1,345,109	1,090,907
Finished goods and goods for resale	269,294	271,695
	1,614,403	1,362,602

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

10. DEBTORS

	2012 £	2011 £
Trade debtors	691,233	428,173
Amounts owed by group undertakings	1,327,855	1,237,265
Other debtors	3,823	75,396
Deferred tax asset (see note 13)	24,237	23,455
	<u>2,047,148</u>	<u>1,764,289</u>

11. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	439,365	236,091
Trade creditors	1,218,364	867,548
Amounts owed to group undertakings	1,275,712	1,275,712
Corporation tax	34,546	92,277
Social security and other taxes	61,852	33,879
Accruals and deferred income	93,379	286,678
	<u>3,123,218</u>	<u>2,792,185</u>

12. CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Government grants received	<u>77,257</u>	<u>80,228</u>

13. DEFERRED TAX ASSET

	2012 £	2011 £
At beginning of year	23,455	8,928
Movement	782	14,527
At end of year	<u>24,237</u>	<u>23,455</u>

The deferred tax asset is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>24,237</u>	<u>23,455</u>

HAMLYNS OF SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

14. SHARE CAPITAL

	2012 £	2011 £
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 2011	1,277,652
Profit for the year	135,494
At 31 July 2012	<u>1,413,146</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	1,277,654	1,088,789
Profit for the year	<u>135,494</u>	<u>188,865</u>
Closing shareholders' funds	<u>1,413,148</u>	<u>1,277,654</u>

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 £46,457 (2011 - £42,621).

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. J E Lea is the ultimate controlling party.