

Company Registration No. SC220179 (Scotland)

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

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THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

COMPANY INFORMATION

Directors	Alexander Bulloch Carol Anne Bulloch Alexander Reynolds Henry J Jagielko
Secretary	Henry J Jagielko
Company number	SC220179
Registered office	7 Laigh Road Catrine Ayrshire KA5 6SQ
Auditors	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
Business address	Viewfield Park Viewfield Road Coatbridge ML5 5QS

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

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THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2011

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

Principal activities and review of the business

The principal activity of the company continued to be the blending and bottling of fruit based products.

Operationally, the company has achieved a successful year with over 30 million units produced. In addition, the company was successful in retaining its BRC certification and was pleased to achieve a superior rating with the American accreditation body AIB which demonstrates our ongoing commitment to quality.

This increased level of activity has been reflected in the financial situation of the company which has reported at 45.5% increase in turnover. This has given rise to an operating profit of £90,116 (2010 £78,489 loss).

During the year the company has also benefited from the forgiveness of related parties loans totalling £6,722,786.

The company's key financial indicator continues to be gross margin: 28.2% (2010 30.6%).

Results and dividends

The results for the year are set out on page 5.

The directors do not propose a dividend (2010: £nil).

Directors

The following directors have held office since 1 August 2010:

Alexander Bulloch
Carol Anne Bulloch
Alexander Reynolds
Henry J Jagielko

Auditors

Wylie & Bisset LLP acted as auditors to the company during the year. A resolution to reappoint Wylie & Bisset LLP as auditor to the company will be proposed at the Annual General Meeting.

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditors

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

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

By order of the board



Henry J Jagielko

Secretary

24 February 2012

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

We have audited the financial statements of THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED for the year ended 31 July 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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.

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

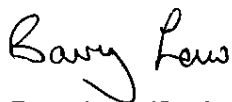
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE NATURAL FRUIT & BEVERAGE COMPANY 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.



Barry Law (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

24 February 2012

Chartered Accountants
Statutory Auditor

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2011

	Notes	2011 £	2010 £
Turnover	2	9,354,158	6,424,365
Cost of sales		(6,712,832)	(4,459,038)
Gross profit		2,641,326	1,965,327
Administrative expenses		(2,551,210)	(2,115,816)
Other operating income		-	72,000
Operating profit/(loss)	3	90,116	(78,489)
Related parties loans forgiven		6,722,786	-
Profit/(loss) on ordinary activities before interest		6,812,902	(78,489)
Profit/(loss) on ordinary activities before taxation		6,812,902	(78,489)
Tax on profit/(loss) on ordinary activities	4	(81,817)	20,769
Profit/(loss) for the year	13	6,731,085	(57,720)

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

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

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

BALANCE SHEET

AS AT 31 JULY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	5		1,265,439		1,422,139
Current assets					
Stocks	6	851,359		762,816	
Debtors	7	1,606,567		1,314,741	
Cash at bank and in hand		127,732		169,079	
		<u>2,585,658</u>		<u>2,246,636</u>	
Creditors: amounts falling due within one year	8	<u>(1,618,460)</u>		<u>(2,334,089)</u>	
Net current assets/(liabilities)			<u>967,198</u>		<u>(87,453)</u>
Total assets less current liabilities			<u>2,232,637</u>		<u>1,334,686</u>
Creditors: amounts falling due after more than one year	9		-		(5,870,000)
Provisions for liabilities	10		<u>(213,298)</u>		<u>(176,432)</u>
			<u>2,019,339</u>		<u>(4,711,746)</u>
Capital and reserves					
Called up share capital	12		100,000		100,000
Profit and loss account	13		<u>1,919,339</u>		<u>(4,811,746)</u>
Shareholders' funds	14		<u>2,019,339</u>		<u>(4,711,746)</u>

Approved by the Board and authorised for issue on 24 February 2012

Carol Bulloch

Carol Anne Bulloch
Director

Company Registration No. SC220179

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2011

	Notes	£	2011 £	£	2010 £
Net cash (outflow)/inflow from operating activities	18		(74,047)		49,234
Capital expenditure					
Payments to acquire tangible assets		(17,300)		(118,471)	
Net cash outflow for capital expenditure			(17,300)		(118,471)
Net cash outflow before management of liquid resources and financing			(91,347)		(69,237)
Financing					
Other new long term loans		50,000		50,000	
Net cash (outflow)/inflow from financing			50,000		50,000
Decrease in cash in the year	19, 20		(41,347)		(19,237)

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

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

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

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

Plant and machinery	10/15 years straight line
Fixtures, fittings & equipment	4 years straight line
Motor vehicles	4 years straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

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

1.7 Pensions

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

1.8 Deferred taxation

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

1.9 Foreign currency translation

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

2 Turnover

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

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

3	Operating profit/(loss)	2011	2010
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	174,000	181,153
	Auditors' remuneration (including expenses and benefits in kind)	8,000	8,084
		<u> </u>	<u> </u>
 4	 Taxation	 2011	 2010
		£	£
	Domestic current year tax		
	U.K. corporation tax	44,951	-
		<u> </u>	<u> </u>
	Total current tax	44,951	-
	 Deferred tax		
	Deferred tax charge/credit current year	36,866	(20,769)
		<u> </u>	<u> </u>
		81,817	(20,769)
		<u> </u>	<u> </u>
	 Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	6,812,902	(78,489)
		<u> </u>	<u> </u>
	 Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	1,907,613	(21,977)
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	-	1,208
	Depreciation add back	47,554	50,722
	Capital allowances	(28,050)	(36,266)
	Tax losses utilised	-	6,313
	Forgiveness of debt (non taxable)	(1,882,166)	-
		<u> </u>	<u> </u>
		(1,862,662)	21,977
		<u> </u>	<u> </u>
	 Current tax charge for the year	44,951	-
		<u> </u>	<u> </u>

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2010	2,523,060	31,404	50,251	2,604,715
Additions	17,300	-	-	17,300
	<u>2,540,360</u>	<u>31,404</u>	<u>50,251</u>	<u>2,622,015</u>
At 31 July 2011	2,540,360	31,404	50,251	2,622,015
Depreciation				
At 1 August 2010	1,100,921	31,404	50,251	1,182,576
Charge for the year	174,000	-	-	174,000
	<u>1,274,921</u>	<u>31,404</u>	<u>50,251</u>	<u>1,356,576</u>
At 31 July 2011	1,274,921	31,404	50,251	1,356,576
Net book value				
At 31 July 2011	1,265,439	-	-	1,265,439
	<u>1,265,439</u>	<u>-</u>	<u>-</u>	<u>1,265,439</u>
At 31 July 2010	1,422,139	-	-	1,422,139
	<u>1,422,139</u>	<u>-</u>	<u>-</u>	<u>1,422,139</u>

6 Stocks

	2011 £	2010 £
Raw materials and consumables	793,528	600,376
Finished goods and goods for resale	57,831	162,440
	<u>851,359</u>	<u>762,816</u>

7 Debtors

	2011 £	2010 £
Trade debtors	1,458,323	1,049,221
Other debtors	20,239	202,910
Prepayments and accrued income	128,005	62,610
	<u>1,606,567</u>	<u>1,314,741</u>

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

8	Creditors: amounts falling due within one year	2011 £	2010 £
	Trade creditors	1,045,555	1,529,994
	Corporation tax	44,951	-
	Other taxes and social security costs	-	18,958
	Other creditors	19,762	514,346
	Accruals and deferred income	508,192	270,791
		<u>1,618,460</u>	<u>2,334,089</u>

The bank hold a guarantee with the parent company Loch Lomond Distillers Ltd for £200,000 over the company's bank overdraft facility.

9	Creditors: amounts falling due after more than one year	2011 £	2010 £
	Other loans	-	5,870,000
		<u>-</u>	<u>5,870,000</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments:		
	Due to group undertaking	-	5,820,000
	Wholly repayable within five years	-	50,000
		<u>-</u>	<u>5,870,000</u>
	Loan maturity analysis		
	In more than five years	-	5,820,000
		<u>-</u>	<u>5,820,000</u>

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2010	176,432
Profit and loss account	36,866
Balance at 31 July 2011	213,298

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	213,298	176,432

11 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	11,084	10,733

12 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
100,000 Ordinary £1 shares of £1 each	100,000	100,000

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2010	(4,811,746)
Profit for the year	6,731,085
Balance at 31 July 2011	1,919,339

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

14 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit/(Loss) for the financial year	6,731,085	(57,720)
Opening shareholders' funds	(4,711,746)	(4,654,026)
Closing shareholders' funds	<u>2,019,339</u>	<u>(4,711,746)</u>

15 Employees

Number of employees

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

	2011 Number	2010 Number
Manufacturing	51	46
Administration	2	2
Sales	2	2
	<u>55</u>	<u>50</u>

Employment costs

	2011 £	2010 £
Wages and salaries	1,487,746	1,123,715
Social security costs	88,700	66,843
Other pension costs	11,084	10,733
	<u>1,587,530</u>	<u>1,201,291</u>

16 Control

The immediate parent company is Loch Lomond Distillers Limited being the holder of 75% of the issued share capital. The ultimate controlling party is an employee benefit trust established for the benefit of all officers and employees of the company.

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

The following transactions took place during the period between the company and Glen Catrine Bonded Warehouse Limited with which the company is related by reason of directors and operational interests in common :-

Purchase of goods £19,762 (2010: £47,126) : balances due to Glen Catrine Bonded Warehouse Ltd £nil (2010: £628,205) included within trade creditors, and £nil (2010: £668,316) included within other creditors.

Sale of goods £nil (2010: £nil) : balance due £nil (2010: £199,810) from Glen Catrine Bonded Warehouse Ltd included within other debtors.

Glen Catrine Bonded Warehouse Limited has waived its right to be repaid funds of £802,786 due by the company and this amount has been written back to the company's Profit and Loss Account.

18 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2011	2010
	£	£
Operating profit/(loss)	90,116	(78,489)
Depreciation of tangible assets	174,000	181,153
Increase in stocks	(88,543)	(22,731)
(Increase)/decrease in debtors	(291,826)	443,895
Decrease in creditors within one year	(760,580)	(474,594)
Glen Catrine Bonded Warehouse Ltd. loan forgiven	802,786	-
Net cash (outflow)/inflow from operating activities	(74,047)	49,234

19 Analysis of net funds/(debt)	1 August 2010	Cash flow	Other non-cash changes	31 July 2011
	£	£	£	£
Net cash:				
Cash at bank and in hand	169,079	(41,347)	-	127,732
Debt:				
Debts falling due after one year	(5,870,000)	(50,000)	5,920,000	-
Net (debt)/funds	(5,700,921)	(91,327)	5,920,000	127,732

THE NATURAL FRUIT & BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

20	Reconciliation of net cash flow to movement in net funds/(debt)	2011 £	2010 £
	Decrease in cash in the year	(41,347)	(19,237)
	Cash outflow/(inflow) from decrease/(increase) in debt	-	(50,000)
	Change in net debt resulting from cash flows	(41,347)	(69,237)
	Non cash flow - forgiveness of debt	5,870,000	-
	Movement in net funds/(debt) in the year	5,828,653	(69,237)
	Opening net debt	(5,700,921)	(5,631,684)
	Closing net funds/(debt)	127,732	(5,700,921)