

Company Registration No. SC220179 (Scotland)

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

COMPANIES HOUSE
30 APR 2013
EDINBURGH

TUESDAY



S27CXZTC

SCT

30/04/2013

#187

COMPANIES HOUSE

THE NATURAL FRUIT AND 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 AND BEVERAGE COMPANY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 14

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2012

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

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.

The financial situation of the company shows a reported at 4.1% decrease in turnover. However due to cost savings this has given rise to a greater operating profit of £476,687 (2011 £90,116).

The company's key financial indicator continues to be gross margin: 33.4% (2011 28.2%).

Results and dividends

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

The directors do not propose a dividend (2011: £nil).

Directors

The following directors have held office since 1 August 2011:

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 AND BEVERAGE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

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

26 April 2013

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

We have audited the financial statements of THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED for the year ended 31 July 2012 set out on pages 5 to 14. 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 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.

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

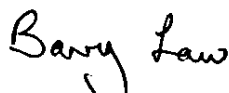
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE NATURAL FRUIT AND 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 D. Law (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

26 April 2013

Chartered Accountants
Statutory Auditor

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2012

	Notes	2012 £	2011 £
Turnover	2	8,974,178	9,354,158
Cost of sales		(5,977,956)	(6,712,832)
Gross profit		2,996,222	2,641,326
Administrative expenses		(2,519,535)	(2,551,210)
Operating profit	3	476,687	90,116
Related parties loans forgiven		-	6,722,786
Profit on ordinary activities before interest		476,687	6,812,902
Profit on ordinary activities before taxation		476,687	6,812,902
Tax on profit on ordinary activities	4	(95,553)	(81,817)
Profit for the year	12	381,134	6,731,085

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 AND BEVERAGE COMPANY LIMITED

BALANCE SHEET

AS AT 31 JULY 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	5		1,579,179		1,265,439
Current assets					
Stocks	6	974,157		851,359	
Debtors	7	1,127,658		1,606,567	
Cash at bank and in hand		157,762		127,732	
		<u>2,259,577</u>		<u>2,585,658</u>	
Creditors: amounts falling due within one year	8	<u>(1,232,952)</u>		<u>(1,618,460)</u>	
Net current assets			<u>1,026,625</u>		<u>967,198</u>
Total assets less current liabilities			2,605,804		2,232,637
Provisions for liabilities	9		<u>(205,331)</u>		<u>(213,298)</u>
			<u>2,400,473</u>		<u>2,019,339</u>
Capital and reserves					
Called up share capital	11		100,000		100,000
Profit and loss account	12		<u>2,300,473</u>		<u>1,919,339</u>
Shareholders' funds	13		<u>2,400,473</u>		<u>2,019,339</u>

Approved by the Board and authorised for issue on 26 April 2013



Carol Anne Bulloch
Director

Company Registration No. SC220179

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2012

	Notes	£	2012 £	£	2011 £
Net cash inflow/(outflow) from operating activities	17		563,361		(74,047)
Taxation			(44,951)		-
Capital expenditure					
Payments to acquire tangible assets		(488,380)		(17,300)	
Net cash outflow for capital expenditure			(488,380)		(17,300)
Net cash inflow/(outflow) before management of liquid resources and financing			30,030		(91,347)
Financing					
Other new long term loans		-		50,000	
Net cash outflow from financing			-		50,000
Increase/(decrease) in cash in the year	18, 19		30,030		(41,347)

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2012

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 AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	174,640	174,000
	Auditors' remuneration (including expenses and benefits in kind)	8,000	8,000
		<u> </u>	<u> </u>
4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U.K. corporation tax	103,520	44,951
		<u> </u>	<u> </u>
	Total current tax	103,520	44,951
	Deferred tax		
	Deferred tax charge/credit current year	(7,967)	36,866
		<u> </u>	<u> </u>
		95,553	81,817
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	476,687	6,812,902
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.30% (2011 - 28.00%)	120,602	1,907,613
		<u> </u>	<u> </u>
	Effects of:		
	Depreciation add back	44,184	47,554
	Capital allowances	(61,402)	(28,050)
	Forgiveness of debt (non taxable)	-	(1,882,166)
	Other adjustments	136	-
		<u> </u>	<u> </u>
		(17,082)	(1,862,662)
		<u> </u>	<u> </u>
	Current tax charge for the year	103,520	44,951
		<u> </u>	<u> </u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2011	2,540,360	31,404	50,251	2,622,015
Additions	451,066	2,664	34,650	488,380
Disposals	-	-	(50,251)	(50,251)
At 31 July 2012	2,991,426	34,068	34,650	3,060,144
Depreciation				
At 1 August 2011	1,274,921	31,404	50,251	1,356,576
On disposals	-	-	(50,251)	(50,251)
Charge for the year	174,000	315	325	174,640
At 31 July 2012	1,448,921	31,719	325	1,480,965
Net book value				
At 31 July 2012	1,542,505	2,349	34,325	1,579,179
At 31 July 2011	1,265,439	-	-	1,265,439

Included within Plant & Machinery are additions with associated cost of £444,971 in relation to a new packaging line. These assets have not been depreciated as they were brought into use after the year end.

6 Stocks

	2012 £	2011 £
Raw materials and consumables	885,301	793,528
Finished goods and goods for resale	88,856	57,831
	<u>974,157</u>	<u>851,359</u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

7 Debtors	2012 £	2011 £
Trade debtors	1,026,210	1,458,323
Other debtors	78,411	20,239
Prepayments and accrued income	23,037	128,005
	<u>1,127,658</u>	<u>1,606,567</u>

8 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	972,018	1,045,555
Corporation tax	103,520	44,951
Other creditors	-	19,762
Accruals and deferred income	157,414	508,192
	<u>1,232,952</u>	<u>1,618,460</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 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2011	213,298
Profit and loss account	(7,967)
	<u>205,331</u>
Balance at 31 July 2012	<u>205,331</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>205,331</u>	<u>213,298</u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

10 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>12,140</u>	<u>11,084</u>

11 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
100,000 Ordinary £1 shares of £1 each	<u>100,000</u>	<u>100,000</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2011	1,919,339
Profit for the year	<u>381,134</u>
Balance at 31 July 2012	<u>2,300,473</u>

13 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	381,134	6,731,085
Opening shareholders' funds	<u>2,019,339</u>	<u>(4,711,746)</u>
Closing shareholders' funds	<u>2,400,473</u>	<u>2,019,339</u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

14 Employees

Number of employees

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

	2012 Number	2011 Number
Manufacturing	58	51
Administration	2	2
Sales	2	2
	<u>62</u>	<u>55</u>

Employment costs

	2012 £	2011 £
Wages and salaries	1,387,787	1,487,746
Social security costs	94,849	88,700
Other pension costs	12,140	11,084
	<u>1,494,776</u>	<u>1,587,530</u>

15 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.

16 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 £13,340 (2011: £19,762) : balances due to Glen Catrine Bonded Warehouse Ltd is £13,340 (2011: £19,762) included within other creditors.

Sale of goods £68,878 (2011: £nil) : balance due £68,878 (2011: £nil) from Glen Catrine Bonded Warehouse Ltd included within other debtors.

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

17	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2012	2011
		£	£
	Operating profit	476,687	90,116
	Depreciation of tangible assets	174,640	174,000
	Increase in stocks	(122,798)	(88,543)
	Decrease/(increase) in debtors	478,909	(291,826)
	Decrease in creditors within one year	(444,077)	(760,580)
	Glen Catrine Bonded Warehouse Ltd. loan forgiven	-	802,786
	Net cash inflow/(outflow) from operating activities	563,361	(74,047)

18	Analysis of net funds	1 August 2011	Cash flow	Other non-cash changes	31 July 2012
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	127,732	30,030	-	157,762
	Net funds	127,732	30,030	-	157,762

19	Reconciliation of net cash flow to movement in net funds	2012	2011
		£	£
	Increase/(decrease) in cash in the year	30,030	(41,347)
	Non cash flow - forgiveness of debt	-	5,870,000
	Movement in net funds in the year	30,030	5,828,653
	Opening net funds/(debt)	127,732	(5,700,921)
	Closing net funds	157,762	127,732