Finlay Beverages Limited
Directors' Report and Financial Statements

For the period ended 1 January 2012
Registered No 47601 England

Contents

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

R J Mathison	(Chairman)
C des Forges	(Managing Director)
P R Henson	
M J Hudson	
N R Willsher	

SECRETARIES

James Finlay Limited
Swire House
59 Buckingham Gate
London SW1E 6AJ

REGISTERED OFFICE

Elmsall Way
South Elmsall
Pontefract
West Yorkshire WF9 2XS

AUDITOR

KPMG LLP
1, The Embankment
Neville Street
Leeds LS1 4DW

BANKERS

National Westminster Bank PLC
City of London Office
P O Box 12258
1 Princes Street
London EC2R 8PA

SOLICITORS

Chadwick Lawrence
54 Bradford Road
Dewsbury
West Yorkshire WF13 2DY

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 1 January 2012

RESULTS AND DIVIDENDS

The profit and loss account for the year shows a loss on ordinary activities after taxation of £1,211,000 The directors declared and paid an interim dividend totalling £400,000 leaving a retained loss of £1,611,000 to be transferred to reserves

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is the packing of tea and coffee products for a range of retail multiples In addition the company has a food service division which also packs tea and coffee for a number of smaller customers The company's facilities are all located at South Elmsall near Pontefract

The directors do not envisage any change in the nature of the company's business in the foreseeable future

The company's key financial and other performance indicators during the year were as follows

	2011	2010	Change
	£'000	£'000	%
Turnover	**53,417**	51,157	4%
Gross profit	**5,823**	5,490	6%
Total operating (loss)/profit	**(1,558)**	610	(355%)
Shareholders' funds	**19,910**	21,521	(7%)
Average number of employees	**202**	210	(4%)
Gross profit as % of turnover	**10.9**	10 7	
Operating (loss)/profit as % of turnover	**-2 9**	1 2	
Return on capital employed %	**-7.8**	2 8	

The company's performance during the year was generally satisfactory in what was considered a challenging environment As noted in the 2 January 2011 report, the company was notified that a major customer did not intend to renew its contracts with the company for 2012 The company secured certain smaller contracts in 2011 and continues to seek further contracts Turnover and gross profit increased by 4% and 6% respectively, while operating profit as a percentage of sales are reduced as a result of reorganisation costs

The company cares greatly about the environment and conducts business in an ethical and responsible fashion

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The principle risks facing the company are credit risk, liquidity risk and foreign currency risk The way in which these risks are managed is summarised below

Credit Risk
The company aims to limit undue counterparty exposure by ensuring proper procedures are followed before starting to trade with a new customer and material ongoing exposure is monitored at business unit and group level

Liquidity Risk
Investments in fixed assets and working capital are carefully controlled, with authorisation limits operating at different levels up to board level and with the rates of return and cash payback periods applied as part of a defined investment appraisal process The group also manages liquidity risk via revolving credit facilities and cash-pooling

Foreign Currency Risk
Subject to strict controls, the company undertakes limited trading in financial instruments in order to mitigate currency risks arising during the normal course of business

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

The dırectors aım to maıntaın the management polıcıes whıch have resulted ın the successful development of the company ın recent years

SUPPLIER PAYMENT DAYS

It ıs the Company's polıcy that payments to supplıers are made ın accordance wıth the terms and condıtıons agreed between each company and ıt supplıers, provıded that all tradıng terms and condıtıons have been met The average credıtor days were 26 (2010 21)

GOING CONCERN

The company has been provıded wıth a confirmatıon of support form ıts parent James Fınlay Lımıted Further detaıls on goıng concern are provıded ın note 1 to the financıal statemens ın the basıs of preparatıon

DIRECTORS

The dırectors durıng the perıod ended 1 January 2012 were as follows

R A Darlıngton (Resıgned 30th Aprıl 2012)
R G Fowlkes (Resıgned 25th May 2012)
C des Forges
P R Henson
M J Hudson
P W Jasper (Resıgned 25th May 2012)
R J Mathıson
N R Wıllsher

DISCLOSURE OF INFORMATION TO AUDITOR

The dırectors who held office at the date of approval of thıs dırectors' report confirm that, so far as they are each aware, there ıs no relevant audıt ınformatıon of whıch the Company's audıtor ıs unaware, and each dırector has taken all the steps that he or she ought to have taken as a dırector to make hımself or herself aware of any relevant audıt ınformatıon and to establısh that the Company's audıtor ıs aware of that ınformatıon

AUDITOR

Pursuant to Sectıon 487 of the Companıes Act 2006, the audıtor wıll be deemed to be reappoınted and KPMG LLP wıll therefore contınue ın office

By order of the Board,

James Fınlay Lımıted
Secretarıes
South Elmsall
28 June 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 the 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, and
- 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 its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINLAY BEVERAGES LIMITED

We have audited the financial statements of Finlay Beverages Limited for the period ended 1 January 2012 set out on pages 6 to 17 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

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 1 January 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with UK 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

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 the 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

Malcolm C Harding

Malcolm C Harding (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

29 June 2012

PROFIT AND LOSS ACCOUNT
for the period ended 1 January 2012

	Note	*2011* *£'000*	*2010* *£'000*
TURNOVER	2	**53,417**	51,157
Cost of sales		**(47,594)**	(45,667)
GROSS PROFIT		**5,823**	5,490
Selling and marketing costs		**(1,412)**	(991)
Administrative expenses		**(5,969)**	(3,889)
Operating (loss)/profit before exceptional items		**1,040**	610
Exceptional items			
Impairment of tangible fixed assets		**(2,500)**	-
Redundancy costs		**(98)**	-
		(2,598)	-
TOTAL OPERATING (LOSS)/PROFIT	3	**(1,558)**	610
Bank interest payable		**(221)**	(132)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		**(1,779)**	478
Tax on (loss)/profit on ordinary activities	6	**568**	(124)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(1,211)**	354

There are no recognised gains or losses other than the profit for the year There is no difference between the profit disclosed above and the profit under a historical cost basis

A reconciliation of movements in shareholders' funds is given in note 15

Trading relates to continuing operations

BALANCE SHEET
at 1 January 2012

	Note	*2011* *£'000*	*2010* *£'000*
FIXED ASSETS			
Tangible assets	8	**10,044**	13,864
CURRENT ASSETS			
Stocks	9	**10,459**	9,779
Debtors	10	**10,187**	7,767
Cash at bank and in hand		**10,636**	1
		31,282	17,547
CREDITORS Amounts falling due within one year	11	**(21,405)**	(8,900)
NET CURRENT ASSETS		**9, 877**	8,647
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,921**	22,511
CREDITORS: Amounts falling due in more than one year	12	**(11)**	(160)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation liabilities	13	**-**	(830)
NET ASSETS		**19,910**	21,521
CAPITAL AND RESERVES			
Called up share capital	14	**2,925**	2,925
Profit and loss account	15	**16,985**	18,596
SHAREHOLDERS' FUNDS		**19,910**	21,521

These financial statements were approved by the board of directors on 28 June 2012 and were signed on its behalf by

P R Henson
Director

Registered Number 47601

NOTES

(forming part of the financial statements)

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

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

Going concern

Having reviewed forecast profits and cashflows and having received a letter of support from its parent James Finlay Limited, the Directors have a reasonable expectation that the company has sufficient resources to continue to trade for the foreseeable future On this basis the Directors have adopted the going concern basis of preparation in preparing these financial statements

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a subsidiary of John Swire & Sons Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of John Swire & Sons Limited, within which this Company is included, can be obtained from the address given in note 18

The financial statements for the period ended 1 January 2012 have been prepared in pound thousands as the Directors consider it to be more appropriate for the company to do so

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	over 50 years
Plant and machinery	-	over 4 to 14 years
Fixtures and fittings	-	over 3 to 10 years

No depreciation is provided on freehold land

Impairment of fixed assets

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its income generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account if it is caused by clear consumption of economic benefits Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost

Impairment losses recognised in respect of income generating units are allocated first to reduce the carrying amount of any goodwill allocated in income generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or group of assets

The recoverable amount of fixed assets is the greater of their net realisable value and value in use In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risking investment For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income generating unit to which the asset belongs

1 **ACCOUNTING POLICIES** *(contmued)*

Impairment of fixed assets (continued)

An impairment loss is reversed on other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Stocks

Raw materials and consumables

Lower of actual cost and net realisable value Actual cost being the purchase cost incurred in bringing each material to its present location and condition

Work in progress and finished goods

Lower of standard cost and net realisable value Standard cost being the standard cost of direct materials and labour plus attributable overhead based on normal level of activity Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the related tax liabilities is settled

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Post-retirement benefits

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the Company The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2. TURNOVER

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its goods sold Revenue is measured at the fair value of the consideration received, excluding discounts, rebates VAT and other sales taxes or duty Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the timing of which is dependent on the delivery terms of trade used

An analysis of turnover by geographical market is given below

	2011	*2010*
	£'000	*£'000*
United Kingdom	**53,417**	50,745
Rest of Europe	-	412
	53,417	51,157

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

	2011	*2010*
	£'000	*£'000*
Auditors' remuneration – audit of these financial statements	**26**	23
Depreciation	**1,464**	1,551
Hire of plant and machinery	**220**	153
Operating lease rentals - land and buildings	**324**	324
Operating lease rentals – plant and machinery	**186**	62
Foreign exchange loss/(gain)	**2**	207
Reorganisation costs relate to the loss of business and to ensure that the net book value of the company's tangible fixed assets does not exceed their value in use and principally comprise,		
Impairment of fixed assets	**2,500**	-
Redundancy costs	**98**	-

4. STAFF COSTS

	2011 £'000	2010 £'000
Wages and salaries	**4,864**	4,842
Social security costs	**463**	523
Other net pension costs	**1,588**	2,071
	6,915	7,436

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	2011 No.	2010 No
Office and management	**24**	23
Manufacturing	**178**	187
	202	210

Part time staff are classified as full time employees for the above disclosure

5 DIRECTORS' EMOLUMENTS

	2011 £'000	2010 £'000
Directors' emoluments (excluding pension contributions)	**281**	371
Company contributions paid to defined benefit pension scheme	**23**	45
Company contributions paid to defined contribution pension scheme	**13**	-
	No.	No
Members of defined benefit pension scheme	**3**	4

The amounts in respect of the highest paid director are as follows

	2011 £'000	2010 £'000
Emoluments	**97**	96
Accrued pension under defined pension scheme	**9**	9
Accrued lump sum under defined pension scheme	**44**	44

6. TAXATION

(a) Tax (credit)/charge on profit on ordinary activities.

	2011 **£'000**	*2010* *£'000*
The tax (credit)/charge is made up as follows		
Corporation tax	**270**	468
Corporation tax under/(over) provided in previous years	**33**	(282)
Total current tax charge (note 6(b))	**303**	186
Deferred tax		
Origination and reversal of timing differences	**(658)**	(282)
Effect of reduction in tax rate	**(74)**	-
Adjustments in respect of prior periods	**(139)**	220
Total deferred tax credit (note 13)	**(871)**	(62)
Tax (credit)/charge on profit on ordinary activities	**(568)**	124

(b) Factors affecting current tax (credit)/charge:

An explanation of the reasons why the current tax (credit)/charge for the year is higher *(2010 higher)* than the standard rate of corporation tax in the UK of 26 5% (2010 28%) is shown below

	2011 **£'000**	*2010* *£'000*
Loss/(profit) on ordinary activities before tax	**(1,779)**	478
Loss/(profit) on ordinary activities at standard corporation tax rate in the UK of 26 5% *(2010 28%)*	**(471)**	134
Capital allowances for period in excess of depreciation	**682**	91
Expenses not deductible for tax purposes	**44**	17
Adjustments to tax charge in respect of previous periods	**33**	(282)
Pension contribution relevant excess deferred	**(24)**	190
Other timing differences	**39**	-
Group Relief adjustment	**-**	36
Total current tax charge (note 6(a))	**303**	186

The Chancellor announced in the Budget on 23 March 2011 that the decrease in the UK corporation tax for large companies would be increased such that there was a 2% reduction in the headline rate from 28% to 26% with effect from 1 April 2011 The proposed 1% per annum reductions in the headline rate for the next 4 years remains such that it is proposed that the headline rate will decrease to 23% by 1 April 2014 As the deferred tax assets and liabilities should be recognised based on the corporation tax rates substantively enacted at the balance sheet date, the 25% rate remains appropriate for the current year Had the further tax rate changes been substantively enacted before the balance sheet date, it would not have had a material impact on the net deferred tax asset recorded at the balance sheet date

7. DIVIDENDS

	2011 £'000	2010 £'000
Interim dividend paid in respect of the current year – 14p per share *(2010 24p)*	**400**	700

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	*Plant and machinery fixtures and fittings £'000*	*Total £'000*
Cost			
At beginning of year	7,157	36,435	43,592
Additions	-	144	144
Disposals	-	-	-
At end of year	**7,157**	**36,579**	**43,736**
Depreciation			
At beginning of year	1,895	27,833	29,728
Charge for year	124	1,340	1,464
Impairment charge	-	2,500	2,500
Disposals	-	-	-
At end of year	**2,019**	**31,673**	**33,692**
Net book value			
At 2 January 2011	5,262	8,602	13,864
At 1 January 2012	**5,138**	**4,906**	**10,044**

During the year management conducted an impairment review of fixed assets following revisions to the anticipated trading performance of the business following completion of the updated three year business plan

The carrying value of the assets was compared with their recoverable amount that was the higher of market value or value in use The latter was calculated based on discounted cash flows projections This has given rise to an impairment of £2,500,000

NOTES *(continued)*

9. STOCKS

	2011 *£'000*	*2010* *£'000*
Raw materials and consumables	7,692	7,736
Work in progress	112	170
Finished goods and goods for resale	2,655	1,873
	10,459	9,779

10. DEBTORS

	2011 *£'000*	*2010* *£'000*
Trade debtors	8,651	6,875
Amounts owed by group undertakings	-	3
Prepayments and accrued income	1,495	889
Deferred taxation asset	41	-
	10,187	7,767

11. CREDITORS: amounts falling due within one year

	2011 *£'000*	*2010* *£'000*
Bank loans and overdrafts	-	3,481
Trade creditors	3,874	2,537
Amounts owed to group undertakings	14,899	253
Current corporation tax	369	251
Third party loans	151	62
Other taxes and social security	-	-
Other creditors	936	454
Accruals	1,176	1,862
	21,405	8,900

Included in trade creditors are amounts totalling £1,266,000 (*2010, £ 1,943,000*) due in respect of goods for which title does not pass until payment is made

NOTES *(continued)*

12. CREDITORS: amounts falling due in more than one year

	2011	2010
	£'000	*£'000*
Third party loans	**11**	160

13. DEFERRED TAXATION LIABILITIES

Deferred taxation (assets)/liabilities included in the balance sheet are as follows

	2011	2010
	£'000	*£'000*
Capital allowances in advance of depreciation	**(41)**	830

The movement in deferred taxation during the current and previous period is as follows

	2011	2010
	£'000	*£'000*
At beginning of period	**830**	**892**
Credit to profit and loss account during the period (note 6(a))	**(871)**	**(62)**
At end of period	**(41)**	830

NOTES *(continued)*

14. SHARE CAPITAL

	Authorised, allotted, called up and fully paid	
	2011	*2010*
	£'000	*£'000*
Ordinary shares of £1 each	**2,925**	2,925

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital	*Profit and loss account*	*Total*
	£'000	*£'000*	*£'000*
At 2 January 2011	2,925	18,596	21,521
Loss for the period	-	(1,211)	(1,211)
Dividends on shares classified in shareholders' funds	-	(400)	(400)
At 1 January 2012	**2,925**	**16,985**	**19,910**

16. CAPITAL COMMITMENTS

	2011	*2010*
	£'000	*£'000*
Contracted but not provided for	**-**	-

NOTES *(continued)*

17. OTHER FINANCIAL COMMITMENTS

At 1 January 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2011 Land and buildings £'000	**2011 Other £'000**	2010 Land and buildings £'000	2010 Other £'000
Operating leases which expire				
Within one year	**40**	**28**	-	25
In the second to fifth years inclusive	**276**	**158**	316	37
Over five years	**-**	**-**	-	-
	316	**186**	316	62

18. PENSION COMMITMENTS

The James Finlay Group operates a defined benefit pension scheme in respect of its employees in the UK The defined benefit scheme is wholly funded The company participates in this defined benefit plan This defined benefit plan is a multi-employer plan which is operated by James Finlay Ltd (the Group) and which is run on a basis that does not enable individual companies to identify their share of the underlying assets and liabilities In accordance with FRS 17 the company accounts for its contribution to the plan as if it were a defined contribution plan

As at 31 December 2011 there is an overall surplus of £3,694,000 *(2010 £3,165,000 surplus)* in this pension plan This is reflected in the consolidated accounts of James Finlay Ltd for the period ended 31 December 2011

The latest full actuarial valuation of The Finlays Pension Fund was as at 31 December 2009 and this has been updated by Hymans Robertson, a qualified independent actuary, to reflect the position at the 31 December 2011

The pension cost for this scheme therefore represents contributions payable by the Company to the scheme and the costs amounted to £1,589,000 in the year (2010 £2,077,000) No contributions were prepaid or accrued as at 31 December 2011 (2010 nil prepaid)

19. PARENT COMPANY

The company's parent company is James Finlay Limited which is registered in Scotland The company's ultimate parent company is John Swire & Sons Limited which is registered in England

The company's financial statements are consolidated within the group accounts of John Swire & Sons Limited Copies of its group accounts, which include the company, are available from John Swire & Sons Limited, 59 Buckingham Gate, London, SW1E 6AJ