

Finlay Beverages Limited

Directors' Report and Financial Statements

For the period ended 30 December 2012
Registered No 47601 England



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OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

R J Mathison	(Chairman)
I P F Bryson	(Managing Director)
D J Edwards	
M J Hudson	
J M Rutherford	
A Hogg	
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 period ended 30 December 2012

RESULTS AND DIVIDENDS

The profit and loss account for the year shows a loss on ordinary activities after taxation of £4,922,000 (2011 1,211,000 loss). No interim dividend was declared leaving a retained loss of £4,922,000 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:

	2012 £'000	2011 £'000	Change %
Turnover	40,010	53,417	(25%)
Gross (loss)/profit	(1,496)	5,823	(389%)
Total operating (loss)/profit	(5,927)	(1,558)	(280%)
Shareholders' funds	14,988	19,910	(25%)
Average number of employees	169	202	(16%)
Gross profit as % of turnover	-3.7	10.9	
Operating (loss)/profit as % of turnover	-14.8	-2.9	
Return on capital employed %	-39.5	-7.8	

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 from March 2012. The company secured certain smaller contracts in 2012 and continues to seek further contracts. Turnover and gross profit decreased by 25% and 389% respectively, while operating profit as a percentage of sales are reduced as a result of reduced volumes.

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 directors aim to maintain the management policies which have resulted in the successful development of the company in recent years

SUPPLIER PAYMENT DAYS

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between each company and its suppliers, provided that all trading terms and conditions have been met. The average creditor days were 22 (2011: 26)

GOING CONCERN

The company has been provided with a confirmation of support from its parent James Finlay Limited. Further details on going concern are provided in note 1 to the financial statements in the basis of preparation.

DIRECTORS

The directors during the period ended 30 December 2012 were as follows:

R A Darlington (Resigned 30th April 2012)
R G Fowlkes (Resigned 21st May 2012)
C des Forges (Resigned 31st October 2012)
P R Henson (Resigned 1st February 2013)
A Hogg (Appointed 1st August 2012)
M J Hudson
P W Jasper (Resigned 25th May 2012)
R J Mathison
N R Willsher

I P F Bryson and D J Edwards were appointed Directors on 2 January 2013 and J M Rutherford on 1 February 2013.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board,



James Finlay Limited
Secretaries
South Elmsall
1st July 2013



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 30 December 2012 set out on pages 6 to 16. 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 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 Financial Reporting Council's web-site at www.frc.org.uk/apb/auditscopeukprivate.

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

2nd July 2013



PROFIT AND LOSS ACCOUNT

for the period ended 30 December 2012

	<i>Note</i>	2012 £'000	2011 £'000
TURNOVER	2	40,010	53,417
Cost of sales		<u>(41,506)</u>	<u>(47 594)</u>
GROSS (LOSS)/PROFIT		<u>(1,496)</u>	<u>5,823</u>
Selling and marketing costs		(1,187)	(1 412)
Administrative expenses		<u>(3,244)</u>	<u>(5,969)</u>
Operating (loss)/profit before exceptional items		(5,896)	1,040
Exceptional items			
Dilapidation costs on leased property		(31)	
Impairment of tangible fixed assets		-	(2,500)
Redundancy costs		-	(98)
		<u>(31)</u>	<u>(2 598)</u>
TOTAL OPERATING LOSS	3	(5,927)	(1 558)
Bank interest payable		<u>(591)</u>	<u>(221)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAX TAXATION		(6,518)	(1,779)
Tax on loss on ordinary activities	6	<u>1,596</u>	<u>568</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(4,922)</u>	<u>(1,211)</u>

There are no recognised gains or losses other than the profit for the period. 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 14.

Trading relates to continuing operations.



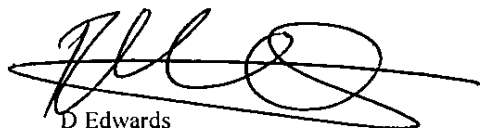
Finlay Beverages Limited

BALANCE SHEET

at 30 December 2012

	<i>Note</i>	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
FIXED ASSETS			
Tangible assets	8	<u>10,169</u>	<u>10,044</u>
CURRENT ASSETS			
Stocks	9	10,795	10,459
Debtors	10	7,742	10,187
Cash at bank and in hand		<u>1</u>	<u>10,636</u>
		18,538	31,282
CREDITORS Amounts falling due within one year	11	<u>(13,262)</u>	<u>(21,405)</u>
NET CURRENT ASSETS		<u>5,276</u>	<u>9,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,445	19,921
CREDITORS Amounts falling due in more than one year	12	(431)	(11)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation liabilities	13	<u>(26)</u>	<u>-</u>
NET ASSETS		<u>14,988</u>	<u>19,910</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,925	2,925
Profit and loss account	14	<u>12,063</u>	<u>16,985</u>
SHAREHOLDERS' FUNDS		<u>14,988</u>	<u>19,910</u>

These financial statements were approved by the board of directors on 1st July 2013 and were signed on its behalf by


D Edwards

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 19

Group financial statements

The financial statements contain information about Finlay Beverages Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 for the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are consolidated in the consolidated group financial statements of its parent company James Finlay Limited

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



I ACCOUNTING POLICIES (continued)

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



NOTES (continued)

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:

	2012 £'000	2011 £'000
United Kingdom	40,010	53,417
Rest of Europe	-	-
	<u>40,010</u>	<u>51,157</u>

3 OPERATING (LOSS)/PROFIT

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

	2012 £'000	2011 £'000
Auditors' remuneration – audit of these financial statements	26	26
Depreciation	1,223	1,464
Hire of plant and machinery	322	220
Operating lease rentals - land and buildings	324	324
Operating lease rentals – plant and machinery	128	186
Foreign exchange loss/(gain)	(91)	2
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:		
Other reorganisation costs	31	-
Impairment of fixed assets	-	2,500
Redundancy costs	-	98



NOTES (continued)

4 STAFF COSTS

	2012	2011
	£'000	£'000
Wages and salaries	4,372	4 864
Social security costs	401	463
Other net pension costs	1,225	1,588
	<u>5,998</u>	<u>6,915</u>

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

	2012	2011
	No	No
Office and management	23	24
Manufacturing	146	178
	<u>169</u>	<u>202</u>

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

5 DIRECTORS' EMOLUMENTS

	2012	2011
	£'000	£'000
Directors' emoluments (excluding pension contributions)	<u>239</u>	<u>281</u>
Compensation for loss of office	<u>141</u>	<u>-</u>
Company contributions paid to defined benefit pension scheme	<u>29</u>	<u>23</u>
Company contributions paid to defined contribution pension scheme	<u>6</u>	<u>13</u>
	<u>No</u>	<u>No</u>
Members of defined benefit pension scheme	<u>3</u>	<u>3</u>

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

	2012	2011
	£'000	£'000
Emoluments	<u>158</u>	<u>97</u>
Accrued pension under defined pension scheme	<u>12</u>	<u>9</u>
Accrued lump sum under defined pension scheme	<u>61</u>	<u>44</u>



NOTES (continued)

6 TAXATION

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

	2012 £'000	2011 £'000
The tax (credit)/charge is made up as follows		
Corporation tax	(1,393)	270
Corporation tax (over)/under provided in previous years	(270)	33
Total current tax (credit)/charge (note 6(b))	(1,663)	303
Deferred tax		
Origination and reversal of timing differences	66	(658)
Effect of reduction in tax rate	4	(74)
Adjustments in respect of prior periods	(3)	(139)
Total deferred tax charge/(credit) (note 13)	67	(871)
Tax (credit)/charge on profit on ordinary activities	(1,596)	(568)

Factors affecting current tax (credit)/charge

An explanation of the reasons why the current tax (credit)/charge for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%) is shown below

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(6,518)	(1,779)
Loss on ordinary activities at standard corporation tax rate in the UK of 24.5% (2011 26.5%)	(1,597)	(471)
Capital allowances for period in excess of depreciation	14	682
Expenses not deductible for tax purposes	34	44
Adjustments to tax charge in respect of previous periods	(270)	33
Pension contribution relevant excess deferred	-	(24)
Other timing differences	(85)	39
Utilisation of tax losses	241	-
Total current tax (credit)/charge (note 6(a))	(1,663)	303

The Chancellor announced in the Budget on 21 March 2012 that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2011) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future tax charge accordingly. The deferred tax liability at 30 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. The anticipated effect of the announced further 1% rate reduction would not lead to a significant reduction in the deferred tax liability recognised at the balance sheet date.



NOTES (continued)

7 DIVIDENDS

	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
Interim dividend paid in respect of the current year – nil per share (2011 14p)	-	400

8 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £'000</i>	<i>Plant and machinery fixtures and fittings £'000</i>	<i>Total £'000</i>
Cost			
At beginning of year	7,157	36,579	43,736
Additions	-	1,348	1,348
Disposals	-	-	-
At end of year	7,157	37,927	45,084
Depreciation			
At beginning of year	2,019	31,673	33,692
Charge for year	124	1,099	1,223
Disposals	-	-	-
At end of year	2,143	32,772	34,915
Net book value			
At 1 January 2012	5,138	4,906	10,044
At 30 December 2012	5,014	5,155	10,169

Included within fixed assets is an investment of £2 (2011 £191) relating to the company's wholly owned subsidiary The New London Tea Company which was acquired in the year

9 STOCKS

	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
Raw materials and consumables	8,342	7,692
Work in progress	74	112
Finished goods and goods for resale	2,379	2,655
	10,795	10,459



NOTES (continued)

10 DEBTORS

	2012 £'000	2011 £'000
Trade debtors	5,219	8,651
Amounts owed by group undertakings	14	-
Prepayments and accrued income	845	1,495
Group relief due from other group companies	1,664	-
Deferred taxation asset	-	41
	<u>7,742</u>	<u>10,187</u>

11 CREDITORS: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loans and overdrafts	680	-
Trade creditors	2,151	3,874
Amounts owed to group undertakings	5,431	14,899
Current corporation tax	-	369
Third party loans	131	151
Obligations under finance leases	73	-
Other taxes and social security	-	-
Other creditors	4,012	936
Accruals	784	1,176
	<u>13,262</u>	<u>21,405</u>

Included in trade creditors are amounts totalling £1,296,000 (2011, £1,266,000) due in respect of goods for which title does not pass until payment is made

Included in other creditors is £3,352,000 (2011 £nil) due to RBS Invoice Finance Limited in respect of an invoice finance facility. Under the terms of this facility the Company may draw down funds up to a maximum value which is a fixed proportion of its eligible trade debtors. The facility is secured by a fixed and floating charge over the assets of the Company.

12 CREDITORS: amounts falling due in more than one year

	2012 £'000	2011 £'000
Obligations under finance leases	431	-
Third party loans	-	11
	<u>431</u>	<u>11</u>



NOTES (continued)

13 DEFERRED TAXATION LIABILITIES

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

	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
Capital allowances in advance of depreciation	<u>26</u>	<u>(41)</u>

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

	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
At beginning of period	(41)	830
Credit to profit and loss account during the period (note 6(a))	<u>67</u>	<u>(871)</u>
At end of period	<u>26</u>	<u>(41)</u>

14 SHARE CAPITAL

	<i>authorised allotted called up and fully paid</i> <i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
Ordinary shares of £1 each	<u>2,925</u>	<u>2 925</u>

15 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2012	2,925	16,985	19 910
Loss for the period	-	(4,922)	(4,922)
Dividends on shares classified in shareholders' funds	-	-	-
At 30 December 2012	<u>2,925</u>	<u>12,063</u>	<u>14,988</u>

16 CAPITAL COMMITMENTS

	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
Contracted but not provided for	<u>-</u>	<u>-</u>



NOTES (continued)

17 OTHER FINANCIAL COMMITMENTS

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

	2012	2012	2011	2011
	Land and	Other	Land and	Other
	buildings		buildings	
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	-	27	40	28
In the second to fifth years inclusive	276	134	276	158
Over five years	-	-	-	-
	<u>276</u>	<u>161</u>	<u>316</u>	<u>186</u>

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 2012 there is an overall surplus of £4,176,000 (2011: £3,694,000 surplus) in this pension plan. This is reflected in the consolidated accounts of James Finlay Ltd for the period ended 31 December 2012.

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 2012.

The pension cost for this scheme therefore represents contributions payable by the Company to the scheme and the costs amounted to £1,225,000 in the year (2011: £1,589,000). No contributions were prepaid or accrued as at 30 December 2012 (2011: 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.

