

Finlay Beverages Limited

Annual Report and Financial Statements

For the period ended 31 December 2014
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	

SECRETARY

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

BANKER

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

SOLICITOR

Chadwick Lawrence
54 Bradford Road
Dewsbury
West Yorkshire WF13 2DY



STRATEGIC REPORT

The directors present their strategic report for the period ended 31 December 2014.

Business review

The principal activity of the company is the sourcing, blending, roasting and packing of tea and coffee. The Directors do not envisage any change in the nature of the company's business in the foreseeable future. The business is making good progress in its recovery from the loss of a significant contract in 2011.

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

	2014 £'000	2013 £'000	Change %
Turnover	39,058	40,718	(4.1%)
Gross profit /(loss)	2,532	526	381%
Total operating loss	(1,449)	(4,375)	67%
Shareholders' funds	9,853	11,346	(13%)
Average number of employees	190	191	(0.5)%
Gross profit/(loss) as % of turnover	6.5	1.3	
Operating loss as % of turnover	-3.7	-10.7	
Return on capital employed %	-14.7	-38.6	

The company's performance during the year was as expected and favourable to prior year. While turnover decreased by 4.1%, gross profit were up 381% and operating loss reduced by 67% as the business consolidated cost and gained listings with new customers.

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.

By order of the board



James Finlay Limited
Secretary

59 Buckingham Gate
London SW1E 6AJ
29th June 2015



DIRECTORS' REPORT

The directors submit their annual report and financial statements for the period ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit and loss account for the period shows a loss on ordinary activities after taxation of £1,493,000 (2013: 3,642,000 loss). No interim dividend was declared leaving a retained loss of £1,493,000 to be transferred to reserves.

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 20 (2013: 15).

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 31 December 2014 were as follows:

A Hogg
M J Hudson
R J Mathison
N R Willsher
I P F Bryson
D J Edwards
J M Rutherford

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
Secretary
South Elmsall
29th June 2015



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

The directors are responsible for preparing the Strategic Report and 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 31 December 2013 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 31 December 2013 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 Strategic Report and 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 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 2015



PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2014

	<i>Note</i>	2014 £'000	2013 £'000
TURNOVER	2	39,058	40,718
Cost of sales		<u>(36,526)</u>	<u>(40,192)</u>
GROSS PROFIT/(LOSS)		<u>2,532</u>	<u>526</u>
Selling and marketing costs		(1,203)	(972)
Administrative expenses		<u>(2,778)</u>	<u>(3,929)</u>
Operating loss before exceptional items		(1,449)	(3,975)
Exceptional items			
Impairment of tangible fixed assets		-	(400)
		<u>-</u>	<u>(400)</u>
TOTAL OPERATING LOSS	3	(1,449)	(4,375)
Bank interest payable		<u>(332)</u>	<u>(296)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,781)	(4,671)
Taxation on loss on ordinary activities	6	<u>288</u>	<u>1,029</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(1,493)</u>	<u>(3,642)</u>

There are no recognised gains or losses other than the loss for the period. There is no difference between the loss 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.

The notes on page 8 to 16 form integral part of financial statements



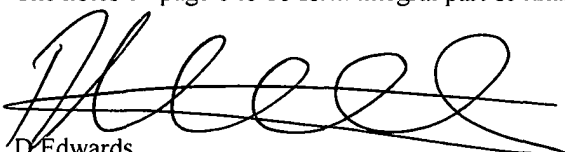
BALANCE SHEET

at 31 December 2014

	<i>Note</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
FIXED ASSETS			
Tangible assets	7	<u>9,032</u>	<u>9,208</u>
CURRENT ASSETS			
Stocks	8	6,829	9,488
Debtors	9	11,034	11,325
Cash at bank and in hand		<u>4,652</u>	<u>3,521</u>
		22,515	24,334
CREDITORS: Amounts falling due within one year	10	<u>(21,424)</u>	<u>(21,843)</u>
NET CURRENT ASSETS		<u>1,091</u>	<u>2,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,123	11,699
CREDITORS: Amounts falling due in more than one year	11	(270)	(353)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation liabilities	12	-	-
NET ASSETS		<u>9,853</u>	<u>11,346</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,925	2,925
Profit and loss account	14	<u>6,928</u>	<u>8,421</u>
SHAREHOLDERS' FUNDS		<u>9,853</u>	<u>11,346</u>

These financial statements were approved by the board of directors on 29th June 2015 and were signed on its behalf by:

The notes on page 8 to 16 form integral part of financial statements.


D Edwards
Director

Registered Number 00047601



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 wholly owned 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 company'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 *(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

Are stated of the 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

Are stated of the 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 or loss 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

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. 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:

	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
United Kingdom	38,646	40,718
Rest of Europe	412	-
	<u>39,058</u>	<u>40,718</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	<i>2013</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Auditors' remuneration – audit of these financial statements	27	27
Depreciation - owned	984	1,021
Depreciation - leased	88	88
Hire of plant and machinery	108	128
Operating lease rentals - land and buildings	276	276
Operating lease rentals – plant and machinery	116	134
Foreign exchange loss/(gain)	1	1
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	-	-
Impairment of fixed assets	<u>-</u>	<u>400</u>



NOTES *(continued)*

4. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	4,258	4,374
Social security costs	412	392
Other net pension costs	991	1,201
	5,661	5,967

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

	2014	2013
	No.	No.
Office and management	23	23
Manufacturing	167	168
	190	191

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

5. DIRECTORS' EMOLUMENTS

	2014	2013
	£'000	£'000
Directors' emoluments (excluding pension contributions)	332	286
Compensation for loss of office	-	-
Company contributions paid to defined benefit pension scheme	12	10
Company contributions paid to defined contribution pension scheme	20	14
	No.	No.
Members of defined benefit pension scheme	3	3

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

	2014	2013
	£'000	£'000
Emoluments	120	104
Accrued pension under defined pension scheme	10	8
Accrued lump sum under defined pension scheme	-	-



NOTES *(continued)*

6. TAXATION

(a) Tax credit on profit on ordinary activities.

	2014 £'000	2013 £'000
The tax credit is made up as follows:		
Corporation tax	(180)	(934)
Corporation tax under/(over) provided in previous years	227	10
Total current tax credit (note 6(b))	47	(924)
Deferred tax		
Origination and reversal of timing differences	(142)	(102)
Effect of reduction in tax rate	-	(3)
Adjustments in respect of prior periods	(193)	-
Total deferred tax (credit)/charge (note 12)	(335)	(105)
Tax credit on profit on ordinary activities	(288)	(1,029)

Factors affecting current tax credit:

An explanation of the reasons why the current tax credit for the year is Lower (2013: higher) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%) is shown below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(1,781)	(4,671)
Loss on ordinary activities at standard corporation tax rate in the UK of 21.5% (2013: 23.25%)	(383)	(1,086)
Depreciation in excess of capital allowances	214	116
Expenses not deductible for tax purposes	22	35
Adjustments to tax charge in respect of previous periods	227	10
Other timing differences	(33)	1
Utilisation of tax losses	-	-
Total current tax charge/(credit) (note 6(a))	47	(924)

Reductions in the UK Corporation Tax rate from 23% to 21% (effective from 1 April 2014) were substantively enacted on 2 July 2013. A further reduction to 20% (effective 1 April 2015) was also substantively enacted on 2 July 2013. This will reduce the company's future tax charge accordingly.

The deferred tax assets and liabilities have been calculated at 20% (2013: 20%) based on the corporation tax rate substantively enacted at the balance sheet date. (Note 12).



NOTES (continued)

7. 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	38,475	45,632
Additions	-	896	896
Disposals	-	-	-
At end of year	7,157	39,371	46,528
Depreciation:			
At beginning of year	2,268	34,156	36,424
Charge for year	124	948	1,072
Disposals	-	-	-
Impairment	-	-	-
At end of year	2,392	35,104	37,496
Net book value:			
At 31 December 2013	4,889	4,319	9,208
At 31 December 2014	4,765	4,267	9,032

Included within fixed assets is an investment of £2 (2013: £2) relating to the company's wholly owned subsidiary The New London Tea Company which was acquired in 2012. Included in the total net book value of Plant and Machinery, Fixtures and Fittings is £358,000 (2013: £446,000) in respect of assets held under finance leases. Depreciation for the period on them for 2014 was £88,000 (2013: £88,000).

8. STOCKS

	<i>2014 £'000</i>	<i>2013 £'000</i>
Raw materials and consumables	5,113	7,326
Work in progress	159	158
Finished goods and goods for resale	1,557	2,004
	6,829	9,488



NOTES (continued)

9. DEBTORS

	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Trade debtors	6,545	7,223
Amounts owed by group undertakings	884	404
Prepayments and accrued income	473	497
Other taxation and social security	382	534
Group relief due from other group companies	2,336	2,588
Deferred taxation asset (see note 13)	414	79
	<u>11,034</u>	<u>11,325</u>

10. CREDITORS: amounts falling due within one year

	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Bank loans and overdrafts	-	-
Trade creditors	2,389	2,347
Amounts owed to group undertakings	12,851	12,193
Third party loans	-	27
Obligations under finance leases	85	78
Other creditors	4,175	5,705
Accruals	1,924	1,494
	<u>21,424</u>	<u>21,843</u>

Included in trade creditors are amounts totalling £798,000 (2013: £1,407,000) due in respect of goods for which title does not pass until payment is made.

Included in other creditors is £4,038,000 (2013: £4,902,000) 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.

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

	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Obligations under finance leases	<u>270</u>	<u>353</u>

At 31 December 2014 all amounts are due in less than 5 years.



NOTES *(continued)*

12. DEFERRED TAXATION LIABILITIES

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

	2014	2013
	£'000	£'000
Capital allowances in advance of depreciation	<u>(414)</u>	<u>(79)</u>
The movement in deferred taxation during the current and previous period is as follows:		
	2014	2013
	£'000	£'000
At beginning of period	(79)	26
Credit to profit and loss account during the period (note 6(a))	(142)	(105)
Credit to profit and loss account for prior period (note 6(a))	<u>(195)</u>	<u>-</u>
At end of period	<u>(414)</u>	<u>(79)</u>

13. SHARE CAPITAL

	<i>Authorised, allotted, called up and fully paid</i>	
	2014	2013
	£'000	£'000
Ordinary shares of £1 each	<u>2,925</u>	<u>2,925</u>

14. 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 30 December 2013	2,925	8,421	11,346
Loss for the period	<u>-</u>	<u>(1,493)</u>	<u>(1,493)</u>
At 31 December 2014	<u>2,925</u>	<u>6,928</u>	<u>9,853</u>



NOTES *(continued)*

15. OTHER FINANCIAL COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014	2014	2013	2013
	Land and	Other	Land and	Other
	buildings		Buildings	
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	-	102	-	40
In the second to fifth years inclusive	276	32	276	94
Over five years	-	-	-	-
	<u>276</u>	<u>134</u>	<u>276</u>	<u>134</u>

The value of outstanding forward currency contracts held at 31st December 2014 was £7,950,000 (2013: £8,209,000).

16. 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 2014 there is an overall deficit of £1,619,000 (2013: £172,000 deficit) in this pension plan. This is reflected in the consolidated accounts of James Finlay Ltd for the period ended 31 December 2014.

The latest full actuarial valuation of The Finlays Pension Fund was as at 31 December 2013 and this has been updated by Hymans Robertson, a qualified independent actuary, to reflect the position at the 31 December 2014.

The pension cost for this scheme therefore represents contributions payable by the Company to the scheme and the costs amounted to £1,000,000 in the year (2013: £1,201,000). No contributions were prepaid or accrued as at 31 December 2014 (2013: 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.

