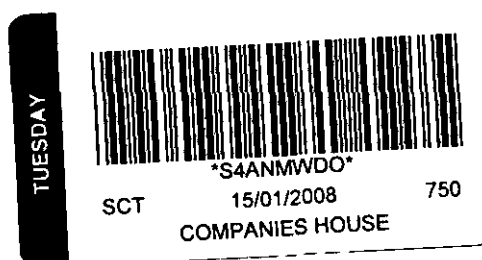


J B FOODS (SCOTLAND) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST MAY 2007



THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Registered Auditors
Abercorn School
Newton
West Lothian
EH52 6PZ

J B FOODS (SCOTLAND) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

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J B FOODS (SCOTLAND) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

T J Brown
C N Brown
L C Brown
G Black

Company secretary

Marshall Douglas

Registered office

Edgefield Industrial Estate
Loanhead
Midlothian
EH20 9TB

Auditor

The A9 Partnership Limited
Chartered Accountants
& Registered Auditors
Abercorn School
Newton
West Lothian
EH52 6PZ

Bankers

The Royal Bank of Scotland
36 St Andrew Square
Edinburgh
EH2 2YB

J B FOODS (SCOTLAND) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MAY 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st May 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of wholesale distribution of food

The directors are disappointed with the net trading results for the year, but are pleased with the increase in both turnover and gross profit margin

The operation of the new coldstore facility, together with an improvement in stock management has enabled an increased stock holding which, in turn, has led to a significant increase in turnover. The directors anticipate this pattern to continue and improve further in the current financial year

The increase in finance costs reported in the year to 31 May 2007 is due to the financing of this new facility

FUTURE DEVELOPMENTS

The company is currently involved in negotiations regarding the purchase of a wholesale frozen confectionery company, which will significantly increase the turnover and profitability, and broaden the customer base of the company. This transaction is expected to conclude within the current financial year

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £10,457. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to this risk

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 May 2007	At 1 June 2006
T J Brown	14,580	14,580
C N Brown	4,220	4,220
L C Brown	1,200	1,200
G Black		

A J Boyle was appointed as a director on 9th July 2007

J B FOODS (SCOTLAND) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MAY 2007

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint The A9 Partnership Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office
Edgefield Industrial Estate
Loanhead
Midlothian
EH20 9TB

Signed by order of the directors



MARSHALL DOUGLAS
Company Secretary

Approved by the directors on 10th June 2007

J B FOODS (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT TO J B FOODS (SCOTLAND) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 18, together with the financial statements of J B Foods (Scotland) Limited for the year ended 31st May 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

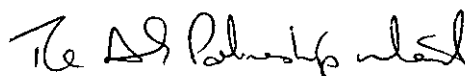
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Abercorn School
Newton
West Lothian
EH52 6PZ

11 Jan '08



THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

J B FOODS (SCOTLAND) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MAY 2007**

	Note	2007 £	2006 £
GROSS PROFIT		2,551,193	2,243,049
Administrative expenses		2,524,946	2,238,826
OPERATING PROFIT	2	<u>26,247</u>	<u>4,223</u>
Interest payable and similar charges	5	31,002	11,095
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(4,755)</u>	<u>(6,872)</u>
Tax on loss on ordinary activities	6	5,702	6,076
LOSS FOR THE FINANCIAL YEAR		<u><u>(10,457)</u></u>	<u><u>(12,948)</u></u>

All of the activities of the company are classed as continuing

The notes on pages 10 to 18 form part of these abbreviated accounts.

J B FOODS (SCOTLAND) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MAY 2007

	2007 £	2006 £
Loss for the financial year attributable to the shareholders	(10,457)	(12,948)
Unrealised profit on revaluation of certain fixed assets	<u>203,020</u>	<u>14,750</u>
Total gains and losses recognised since the last annual report	<u><u>192,563</u></u>	<u><u>1,802</u></u>

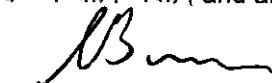
The notes on pages 10 to 18 form part of these abbreviated accounts.

J B FOODS (SCOTLAND) LIMITED**ABBREVIATED BALANCE SHEET****31ST MAY 2007**

	Note	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	8		2,552,331		1,335,949
CURRENT ASSETS					
Stocks	9	594,524		443,108	
Debtors	10	648,710		653,759	
Cash at bank and in hand		517		270	
		1,243,751		1,097,137	
CREDITORS: Amounts falling due within one year	11	1,247,714		1,147,001	
NET CURRENT LIABILITIES			(3,963)		(49,864)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,548,368		1,286,085
CREDITORS: Amounts falling due after more than one year	12		1,233,572		166,916
			1,314,796		1,119,169
PROVISIONS FOR LIABILITIES					
Deferred taxation	15		23,478		20,414
			1,291,318		1,098,755
CAPITAL AND RESERVES					
Called up equity share capital	18		20,000		20,000
Revaluation reserve	19		282,872		79,852
Profit and loss account	20		988,446		998,903
SHAREHOLDERS' FUNDS	21		1,291,318		1,098,755

These abbreviated financial statements have been prepared in accordance with the special provisions for medium sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 10th September 2007, and are signed on their behalf by



L C BROWN

The notes on pages 10 to 18 form part of these abbreviated accounts

J B FOODS (SCOTLAND) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST MAY 2007**

	Note	2007 £	£	2006 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES			124,706		215,255
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(18,727)		—	
Interest element of hire purchase		(12,275)		(11,095)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(31,002)		(11,095)
TAXATION			—		(28,981)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(1,216,045)		(475,178)	
Receipts from sale of fixed assets		22,249		207,211	
Disposal of investment own shares		—		(67,500)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(1,193,796)		(335,467)
EQUITY DIVIDENDS PAID			—		(20,000)
CASH OUTFLOW BEFORE FINANCING			(1,100,092)		(180,288)
FINANCING					
Increase in bank loans		1,000,000		—	
Net inflow from other short term creditors		72,702		34,061	
Capital element of hire purchase		130,012		122,608	
NET CASH INFLOW FROM FINANCING			1,202,714		156,669
INCREASE/(DECREASE) IN CASH			102,622		(23,619)

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	26,247	4,223
Depreciation	168,804	168,996
Loss/(Profit) on disposal of fixed assets	11,630	(65,387)
Increase in stocks	(151,416)	(34,339)
Decrease/(increase) in debtors	2,411	(4,415)
Increase in creditors	67,030	146,177
Net cash inflow from operating activities	124,706	215,255

The notes on pages 10 to 18 form part of these abbreviated accounts.

J B FOODS (SCOTLAND) LIMITED**CASH FLOW STATEMENT (continued)****YEAR ENDED 31ST MAY 2007****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2007		2006	
	£	£	£	£
Increase/(decrease) in cash in the period	102,622		(23,619)	
Net cash (inflow) from bank loans	(1,000,000)		—	
Net (inflow) from other short term creditors	(72,702)		(34,061)	
Cash outflow in respect of hire purchase	<u>(130,012)</u>		<u>(122,608)</u>	
		(1,100,092)		(180,288)
Change in net debt		(1,100,092)		(180,288)
Net debt at 1 June 2006		<u>(919,381)</u>		<u>(739,093)</u>
Net debt at 31 May 2007		<u>(2,019,473)</u>		<u>(919,381)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2006 £	Cash flows £	At 31 May 2007 £
Net cash			
Cash in hand and at bank	270	247	517
Overdrafts	<u>(469,100)</u>	<u>102,375</u>	<u>(366,725)</u>
	<u>(468,830)</u>	<u>102,622</u>	<u>(366,208)</u>
Debt			
Debt due within 1 year	(209,429)	(113,198)	(322,627)
Debt due after 1 year	—	(959,504)	(959,504)
Hire purchase agreements	<u>(241,122)</u>	<u>(130,012)</u>	<u>(371,134)</u>
	<u>(450,551)</u>	<u>(1,202,714)</u>	<u>(1,653,265)</u>
Net debt	<u>(919,381)</u>	<u>(1,100,092)</u>	<u>(2,019,473)</u>

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

the presentation requirements of FRS 25 'Financial Instruments Disclosure and Presentation'

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	2% on cost
Plant & Machinery	15% reducing balance
Fixtures & Fittings	15% reducing balance
Motor Vehicles	25% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve. This adjustment has not been made in the year to 31 May 2007 as the property was revalued at 26th April 2007

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	103,764	75,534
Depreciation of assets held under hire purchase agreements	65,040	93,462
Loss/(Profit) on disposal of fixed assets	11,630	(65,387)
Auditor's remuneration		
as auditor	14,000	11,000
for other services	9,640	—
Operating lease costs		
Other	27,614	30,317

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007	2006
	No	No
Number of production staff	<u>72</u>	<u>68</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	1,348,764	1,246,182
Social security costs	143,470	139,432
Other pension costs	15,177	16,021
	<u>1,507,411</u>	<u>1,401,635</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Aggregate emoluments	187,507	170,273
Value of company pension contributions to money purchase schemes	5,973	5,970
	<u>193,480</u>	<u>176,243</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest payable on bank borrowing	18,727	—
Finance charges	12,275	11,095
	<u>31,002</u>	<u>11,095</u>

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2006 19%)		(2,638)
Over/under provision in prior year	2,638	(1,187)
Total current tax	2,638	(3,825)
Deferred tax		
Origination and reversal of timing differences	3,064	9,901
Tax on loss on ordinary activities	5,702	6,076

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2006 19%)

	2007 £	2006 £
Loss on ordinary activities before taxation	(4,755)	(6,872)
Loss on ordinary activities by rate of tax	(951)	(1,406)
Expenses not deductible for tax purposes	5,672	3,661
Capital allowances for period in excess of depreciation	(41,158)	(7,413)
Utilisation of tax losses	36,437	
Adjustments to tax charge in respect of previous periods	2,638	
Additional gain on asset disposal		1,333
Total current tax (note 6(a))	2,638	(3,825)

7. DIVIDENDS

Equity dividends

	2007 £	2006 £
Paid		
Equity dividends on ordinary shares	—	20,000

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

8. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 June 2006	825,995	573,232	93,992	735,322	2,228,541
Additions	855,187	349,358	—	11,500	1,216,045
Disposals	—	(19,000)	—	(25,255)	(44,255)
Revaluation	158,818	—	—	—	158,818
At 31 May 2007	<u>1,840,000</u>	<u>903,590</u>	<u>93,992</u>	<u>721,567</u>	<u>3,559,149</u>
DEPRECIATION					
At 1 June 2006	44,202	413,815	73,016	361,559	892,592
Charge for the year	—	74,076	3,147	91,581	168,804
On disposals	—	(4,062)	—	(6,314)	(10,376)
Revaluation adjustment	(44,202)	—	—	—	(44,202)
At 31 May 2007	<u>—</u>	<u>483,829</u>	<u>76,163</u>	<u>446,826</u>	<u>1,006,818</u>
NET BOOK VALUE					
At 31 May 2007	<u>1,840,000</u>	<u>419,761</u>	<u>17,829</u>	<u>274,741</u>	<u>2,552,331</u>
At 31 May 2006	<u>781,793</u>	<u>159,417</u>	<u>20,976</u>	<u>373,763</u>	<u>1,335,949</u>

The revaluation in the year relates to the company's premises at Loanhead, and is in accordance with the valuation provided by DM Hall LLP Chartered Surveyors as at 26 April 2007, at £1,750,000 (cost £1,681,182). Also included within land and buildings are properties at 44–46 Montrose Terrace, Edinburgh, valued by the directors at £90,000 (cost £7,750). These properties have been treated as investment properties in the financial statements, with their valuation being based on estimated market value. These investment properties have not been revalued in the year as the directors are not aware of any material change in value.

Hire purchase agreements

Included within the net book value of £2,552,331 is £358,875 (2006 £291,309) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £65,040 (2006 £93,462).

Capital commitments

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>14,000</u>	<u>932,000</u>

9 STOCKS

	2007 £	2006 £
Goods for resale	<u>594,524</u>	<u>443,108</u>

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

10. DEBTORS

	2007 £	2006 £
Trade debtors	626,619	614,444
Corporation tax repayable	—	2,638
Other debtors	22,091	36,677
	<u>648,710</u>	<u>653,759</u>

11 CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	407,221	469,100
Trade creditors	399,238	311,883
Other creditors including taxation and social security		
PAYE and social security	49,733	71,058
Hire purchase agreements	97,066	74,206
Other creditors	282,131	209,429
Directors current accounts	12,325	11,325
	<u>441,255</u>	<u>366,018</u>
	<u>1,247,714</u>	<u>1,147,001</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	<u>407,221</u>	<u>469,102</u>

The bank loan and overdraft is secured by a bond and floating charge, and fixed charge over the whole of the company's current and future assets, along with a standard security in favour of the Royal Bank of Scotland

12 CREDITORS. Amounts falling due after more than one year

	2007 £	2006 £
Bank loans and overdrafts	959,504	—
Other creditors		
Hire purchase agreements	274,068	166,916
	<u>1,233,572</u>	<u>166,916</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2007 £	2006 £
Bank loans and overdrafts	<u>768,519</u>	<u>—</u>

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

13 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2007 £	2006 £
Amounts payable within 1 year	115,139	84,816
Amounts payable between 2 to 5 years	266,462	193,158
Amounts payable after more than 5 years	72,240	
	<u>453,841</u>	<u>277,974</u>
Less interest and finance charges relating to future periods	(82,707)	(36,852)
	<u>371,134</u>	<u>241,122</u>
Hire purchase agreements are analysed as follows		
Current obligations	97,066	74,206
Non current obligations	274,068	166,916
	<u>371,134</u>	<u>241,122</u>

14 PENSIONS

The company operates a defined contributions pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The amount of contributions paid under the scheme is £15,177 (2006 £16,021)

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2007 £	2006 £
Provision brought forward	20,414	10,513
Profit and loss account movement arising during the year	3,064	9,901
Provision carried forward	<u>23,478</u>	<u>20,414</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Tax losses available	(38,752)	
Accelerated capital allowances	62,230	20,414
	<u>23,478</u>	<u>20,414</u>

J B FOODS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MAY 2007

16 COMMITMENTS UNDER OPERATING LEASES

At 31st May 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	3,178	1,357	3,461	
Within 2 to 5 years		17,290		28,037
	<u>3,178</u>	<u>18,647</u>	<u>3,461</u>	<u>28,037</u>

17 RELATED PARTY TRANSACTIONS

The company was under the control of Mr J Brown, a director and members of his close family throughout the current and previous year. Mr J Brown is personally interested in 72.9% (2006 72.9%) of the company's share capital. In addition, his adult children control in aggregate a further 6% (2006 6%) of the company's issued share capital.

Included within expenses for the year is company sponsorship of Mr L Brown's wife in equestrian events, totalling £750.

18 SHARE CAPITAL

Authorised share capital.

	2007 £	2006 £
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

Allotted, called up and fully paid.

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

19. REVALUATION RESERVE

	2007 £	2006 £
Balance brought forward	79,852	132,602
Revaluation of fixed assets	203,020	14,750
Transfer to the Profit and Loss Account on realisation	—	(67,500)
Balance carried forward	<u>282,872</u>	<u>79,852</u>

Included within the revaluation reserve is £82,250 relating to the revaluation of investment properties.

J B FOODS (SCOTLAND) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MAY 2007****20. PROFIT AND LOSS ACCOUNT**

	2007	2006
	£	£
Balance brought forward	998,903	1,031,851
Loss for the financial year	(10,457)	(12,948)
Equity dividends	—	(20,000)
Balance carried forward	<u>988,446</u>	<u>998,903</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Loss for the financial year	(10,457)	(12,948)
Other net recognised gains and losses	203,020	14,750
Equity dividends	—	(20,000)
Transfer to profit and loss account	—	(67,500)
Net addition/(reduction) to shareholders' funds	<u>192,563</u>	<u>(85,698)</u>
Opening shareholders' funds	<u>1,098,755</u>	<u>1,184,453</u>
Closing shareholders' funds	<u>1,291,318</u>	<u>1,098,755</u>