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Financial Calendar

Annual General Meeting	22 October 2009
Payment of Dividend	27 November 2009
Interim Results	March 2010
Final Results	September 2010

Registered No. 215690

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Officers and Professional Advisers

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Executive Directors	J D Abell (Chairman) P Hartley
Non-Executive Directors	J P Pither (Deputy Chairman) • R R Morris A F Lamb OBE •
Secretary	Martha Bruce
Registered Office	Elm House Elmer Street North Grantham Lincolnshire NG31 6RE Telephone: 01476 403456 Facsimile: 01476 403458 Website: www.jourdanplc.co.uk
Auditor	Grant Thornton UK LLP Regent House 80 Regent Road Leicester LE1 7NH
Bankers	Lloyds TSB Bank plc 31/32 Park Row Leeds LS1 5JT
Nominated Adviser	Charles Stanley Securities 25 Luke Street London EC2A 6AR
Legal Adviser	Bird & Bird 15 Fetter Lane London EC4A 1JP
Registrars	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD
Stockbrokers	Charles Stanley Securities 25 Luke Street London EC2A 6AR

• *Member of Audit Committee and Remuneration Committee*

Annual Report 2009

Financial Highlights

	30 June 2009			30 June 2008		
	Continuing operations £000s	Discontinued operations £000s	Total £000s	Continuing operations £000s (restated)	Discontinued operations £000s (restated)	Total £000s
Revenue	18,101	2,220	20,321	17,551	10,747	28,298
Operating profit/(loss) before amortisation and impairment of intangibles	1,975	(303)	1,672	1,862	442	2,304
Operating profit/(loss)	1,891	(303)	1,588	1,395	442	1,837
Profit/(loss) on disposal	-	15	15	-	(1,364)	(1,364)
Profit/(loss) before tax	1,745	(351)	1,394	1,390	(1,046)	344
Profit/(loss) after tax	1,204	(285)	919	857	(550)	307
Cash Inflow			1,190			1,397
Capital employed			6,209			6,542
Interim dividend paid per share			4.0p			-
Proposed dividend per share			8.0p			8.0p
Net assets per share			182.6p			192.4p
Earnings per share – basic			27.0p			9.0p
– diluted			27.0p			9.0p
Gearing %			13%			31%

Chairman's Statement

Financial Results

This has been another year of substantial progress with the timely disposal of the assets of the marginally profitable John Corby Limited business, a major increase in underlying profits from the continuing activities and the successful implementation of the agreement for the future funding of the Pension Fund.

Full year sales from continuing activities increased by 3% to £18.1 million (2008: £17.6 million). Operating profit from continuing activities before amortisation and impairment of intangibles was £1,975,000 (2008: £1,452,000 excluding a one off surplus of £410,000 on settlement of certain pension liabilities). Prior year figures have been amended to reflect John Corby Limited as a discontinued activity.

In overall terms profit before tax was £1,394,000 (2008: £344,000). Earnings per share for the year were 27.0p (2008: 9.0p).

The Company remains well capitalised, with net current assets of £561,000 at 30 June 2009 (2008: £358,000). Bank borrowing was reduced by 59% to £814,000 during the year and the Company has agreed new facilities with Lloyds TSB Bank plc for the year ending 1 July 2010.

I am pleased to announce that your Directors recommend a final dividend of 8.0p per share (2008: 8.0p) making a total of 12.0p per share (2008: 8.0p) for the year. If approved at the Company's AGM on 22 October 2009, the final dividend will be paid on 27 November 2009 to members on the register on 16 October 2009.

Operating Companies

Westfield Medical/Clinipak, a leading UK manufacturer and supplier of single-use sterilisation packaging material to the medical and healthcare industry, achieved substantially improved sales and profits. Particular mention should be made of the growth in Export Sales of 23% from the previous record figure achieved for the year ended 30 June 2008; exports now comprise 40% of Westfield/Clinipak sales. Exports were boosted by the devaluation of sterling. I wish also to point out the excellent reputation both Westfield and Clinipak have developed for product quality and adherence to delivery dates.

Nelsons Labels had a difficult year reflecting the UK economy. The operational results showed some improvement, although the performance was adversely affected by continuing legal expenses arising from disputes with the previous owners of Prime Packaging. The Board anticipates that these will be resolved during the current year. Some of the bad debt from one of Nelsons' major French customers has been recouped, and we anticipate that further amounts will be received in the first half of the year.

Discontinued Activities

As reported last year, in May of 2008 the business of Suncrest was sold to a sister company of Magiglo Limited, which then continued to manufacture Corby trouser presses on behalf of the Company. Corby remained responsible for all commercial functions but when the new owners of the Suncrest business went into administration in early 2009, the ongoing position became unsustainable. The Corby business was sold in May 2009. £224,000 was received during the 2009 financial year and a further £412,000 is due to be paid in monthly instalments until August 2010. In addition, Jourdan retained the responsibility for collecting outstanding debtors and paying creditors. The disposal of Corby was a further step in focusing our resources on the medical packaging industry.

Group Pensions

As at 30 June 2009 the Company's obligations in respect of the Jourdan Pension Fund (after tax) had increased to £2,318,000 compared with £2,070,000 as at 30 June 2008. In 2009 approximately £900,000 was paid by the Company into the Pension Fund and since 30 June 2009 another injection of £500,000 has been made. In addition the Company is required to make payments of approximately £400,000 per annum and these will continue to be made on a monthly basis. This is in respect of a Pension Fund which has only two active members, reduced from seven last year!

People

Our employees have worked exceptionally hard to achieve these results in difficult market conditions. Their skill and motivation is essential to Jourdan's success, and we thank them all.

Group Reorganisation

On 26 June 2009 the business and assets of Nelsons Labels, together with the residual assets and liabilities of the Suncrest and Corby businesses, were hived up to Jourdan. Each continues to operate as stand-alone divisions of the Company.

The Company has today separately announced proposals for a delisting of the Company's shares from trading on AIM and an associated partial tender offer to enable the Company to buy in and cancel up to 680,002 ordinary shares at 250 pence per share. Further details of these proposals are set out in that separate announcement.

The proposals are subject to shareholder approval. A circular with full details of the proposals together with a notice convening a general meeting to consider the requisite resolutions to give effect to the proposals will be sent to Shareholders shortly along with the Company's Annual Report & Accounts for the year ended 30 June 2009.

Outlook

Following the disposal of the Suncrest and Corby businesses, the Directors believe Jourdan is well positioned to yield positive returns to shareholders. Whilst trading conditions remain difficult for Nelsons Labels, the medical packaging business of Westfield Medical and Clinipak is a clear leader in a strong market place with excellent prospects. In addition, the Company holds valuable property assets and has taken major steps to manage its obligations in the pensions arena.

Trading for the year to date is satisfactory and, while the outturn for the current year cannot be certain given the prevailing economic climate, the Board anticipates that further progress will be made in the current year.

J David Abell

8 September 2009

Report of the Directors

Principal Activities

During the year, the Company was a holding company and the principal activities of its subsidiary companies are set out on page 48. On 26 June 2009 the trade and assets of Nelsons Labels (Manchester) Limited and the remaining net assets of Tribulation Limited (formerly Suncrest Surrounds Limited) and John Corby Limited (to be renamed Tribulation II Limited) (subsidiaries) were hived up into the Company.

Business Review

Summary of key performance indicators

The Directors have monitored the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non financial key performance indicators.

	2009	2008 (restated)	Method of calculation
Growth in revenue from continuing operations (%)	3.1	14.8	Year on year sales growth expressed as a percentage
Operating profit margin for continuing operations (%)	10.4	7.9	Operating profit margin is the ratio of operating profit to revenue expressed as a percentage
Debtor days from continuing operations	55.7	56.9	Trade debtors divided by continuing revenue, multiplied by 365
Cash generated from continuing operations (£000)	490	877	Operating cash flows from continuing operations
Cash position (£000)	(814)	(2,004)	Cash position as at the year end
Average head count for continuing operations	139	143	Average of total monthly headcounts derived from the payroll records

In addition, the Group continues to look for ways to improve its environmental performance and reduce the environmental impact of its activities.

Principal risks and uncertainties

The long term recovery at Jourdan continues, yet the Group faces a range of risks and uncertainties across the different operating businesses, as well as at Group level.

The Directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

At operating level

At Westfield and Clinipak, the fulfilment of customer expectations whilst maintaining margins and production efficiencies presents a number of challenges, albeit ones that the companies are meeting. In the medium term, the funding allocated by the government to the various NHS Trusts, which form a key element of the companies' customer bases, is integral to continued success.

Nelsons is a niche producer in its chosen markets. Its principal risks and uncertainties relate to the ongoing realignment of production facilities amongst the major customer manufacturing groups (with consequent changes in demand levels), together with varying levels of retail demand for the end products of which Nelsons Labels forms a part.

A continuing economic downturn could affect Nelsons as the success of this business is reliant on consumer spending. Such a downturn, resulting in reduction of consumer spending power, will have a direct impact on the income achieved. During the year it was necessary to increase the bad debt provision by £94,000 to cover a French customer. In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

During the year the John Corby business was sold, thus eliminating the associated risks and uncertainties.

Fluctuations in currency exchange rates could affect all the operating businesses as approximately 33% of the Group's continuing revenue is generated from overseas customers. The Group is therefore exposed to foreign currency fluctuations. The Group manages its foreign exchange exposure on a net basis, and if required uses forward foreign exchange contracts and other derivatives/financial instruments to reduce the exposure.

At Group level

At Group level, the principal uncertainty relates to the Group's defined benefit Pension Fund and in particular to the impact of any future changes in actuarial assumptions. Agreement for the future funding of the Pension Fund has been reached with the Trustees which should reduce the deficit by June 2010. The Board is continuing to review the Fund and developments in the pension area.

There is also some uncertainty, in the current economic environment, in relation to the likely achievable sale proceeds (and timing thereof) of the properties held for resale. However, the Directors are confident that, in aggregate, the sale proceeds will exceed current carrying value.

Share Capital

The London Stock Exchange (AIM) middle market price of the Company's ordinary shares at 30 June 2009 (as derived from the London Stock Exchange Daily Official List) was 225p (30 June 2008: 225p) and the range of market prices during the year was between 195p and 257.5p.

Details of the Group's share option schemes are given on page 35.

Results and Dividends

The Consolidated Income Statement appears on page 14. Profit after tax for the year ended 30 June 2009 amounted to £919,000. A review of the results appears in the Chairman's Statement.

An interim dividend for the year of 4.0p on each issued Ordinary share of £1 each was paid in November 2008. Your Directors are proposing to recommend the payment of a final dividend for the year of 8.0p on each issued Ordinary share of £1 each, payable on 27 November 2009 to shareholders on the register of members at the close of business on 16 October 2009.

Report of the Directors

Continued

Directors

The names of the present Directors and Secretary are given on page 2.

In accordance with the Memorandum and Articles of Association Mr J P Pither will retire by rotation at the Annual General Meeting. Mr J P Pither being eligible offers himself for re-election. A resolution to this effect will be proposed at the Annual General Meeting.

Mr J P Pither was appointed a non-executive Director in May 1997.

Directors' Interests in Shares of the Company

The Directors' interests (all of which are beneficial) in the share capital of the Company are shown in the Report of the Remuneration Committee on pages 10 to 12.

Directors' Remuneration

Details of the Directors' remuneration are set out in the Report of the Remuneration Committee. Although the Report of the Remuneration Committee is a report on behalf of the Board, it is shown as a separate schedule in the interests of clarity.

Annual General Meeting

The Company's Annual General Meeting will be held at 1000 on 22 October 2009 at the offices of Bird & Bird, 15 Fetter Lane, London EC4A 1JP and formal notice of this meeting is set out on page 51.

In addition to the ordinary business, resolutions will be proposed by way of special business as follows:

- Resolution 5 is an ordinary resolution to renew the existing authority, given to the Directors at the Company's Annual General Meeting on 20 November 2008 to allot relevant securities for the purposes of section 551 of the Companies Act 2006 ("the Act"). This resolution will supersede the resolution passed at the Company's Annual General Meeting in 2008 and will give the Directors authority to allot all of the authorised but unissued shares in the capital of the Company. This authority will give the Directors the necessary powers to allot shares upon exercise of outstanding options and provide them with a general power to allot further shares equal to approximately one third of the ordinary share capital currently in issue. The Directors have no current intention to exercise this authority, which will expire on the date which is five years after the date of the resolution, unless previously revoked or varied by the Company in General Meeting.
- Resolution 6 is a special resolution to give the Directors a limited authority to issue equity securities for cash otherwise than to existing shareholders in proportion to their existing holdings, notwithstanding the pre-emption provisions of section 561 of the Act. This limited authority would empower the Directors to allot equity securities in connection with bonus or rights issues where such allotments are proportionate to existing shareholdings, but such issues

would not meet the statutory requirements for pre-emptive issues, and to make cash issues on a non pre-emptive basis provided they do not exceed 5% of the currently issued share capital of the Company. This resolution will supersede the resolution passed at the Company's Annual General Meeting in 2008 and the authority will, unless revoked or varied by the Company in General Meeting, expire on the date which is five years after the date of the resolution. The Directors have no current intention to exercise this authority.

General Meeting

As mentioned in the Chairman's Statement, the Company has written to shareholders with details of a partial Tender Offer for their shares from the Company, together with details for the proposed delisting of the Company's shares from AIM. These proposals are subject to shareholders' approval at a general meeting to be held on 22 October 2009 immediately following the conclusion of the Annual General Meeting.

Directors' and Shareholders' Interests in Contracts

Save as disclosed under "Service Agreements" on page 10, none of the Directors had a material beneficial interest in any contract to which the Company or any of its subsidiaries was a party in the period under review. The Company is not aware of any contract, including contracts for the provision of services, between the Company or any of its subsidiaries and a corporate substantial shareholder during the year ended 30 June 2009.

Capital Management Objectives

The Directors' capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders. The Parent and subsidiary companies' Boards meet regularly to review performance and discuss future opportunities and threats with the aim of optimising sustainable returns and minimising risk. The Directors consider capital to be the equity of the Company as disclosed on the Consolidated Balance Sheet.

Directors' and Officers' Liability Insurance

The Group maintains insurance cover for Directors and key personnel against liabilities which may be incurred by them whilst carrying out their duties.

Employment Policies

The Group has continued its policy of giving disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and we continue to endeavour to retrain any member of staff who develops a disability during employment with the Group.

The Group's policy is to keep employees informed on matters which affect their occupations and future prospects, while at the same time increasing their involvement in the Group's overall

Report of the Directors

Continued

activities and performance. Each subsidiary within the Group operates its own communication and consultative programmes relevant to its own particular workforce.

It is the policy of the Group that the operations of the Company and its subsidiaries are executed at all times in such a way as to ensure, so far as is reasonably practicable, the health, safety and welfare of all its employees and of all persons likely to be affected by its operations.

Political and Charitable Donations

The Group has made no political or charitable donations in the year. A scheme is available to allow employees to make tax efficient donations from salary.

Payments to Suppliers

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with these terms provided that the supplier is also complying with all relevant terms and conditions. At 30 June 2009, the Group had 56 days of outstanding trade payables (Year ended 30 June 2008: 63). The Parent Company did not trade outside the Group within the year and did not have significant trade payables.

Substantial Interests

At the close of business on 8 September 2009 the following were, as far as the Directors are aware, interested in 3% or more of the ordinary shares in the Company:

Marnie Holdings Limited	1,019,859	29.99%
J D Abell	911,500	26.81%
Goosegog Pty Limited	368,000	10.82%
Jourdan Group Pension Fund	160,000	4.71%

Mr J D Abell is deemed by The Panel on Takeovers and Mergers to be acting in concert with certain members of his family. In total Mr J D Abell and the family who are deemed to be in concert own 1,012,000 ordinary shares (29.76%) and Mr J D Abell is the holder of options over a further 75,000 shares.

Statement of 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 Parent Company Financial Statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Consolidated Financial Statements in accordance with International Financial Reporting Standards, as adopted by the European Union. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Parent Company and the Group, and of the profit or loss of the Group for that 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 and International Financial Reporting Standards, as adopted by the European Union 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 Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of both the Parent Company and the Group 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Risks

Group financial risk management policies are set out in note 26 to the Consolidated Financial Statements.

Relationships with Shareholders

The Chairman is the Group's principal contact with investors, fund managers, the press and other interested parties.

It is currently the Company's practice to hold its Annual General Meeting in the City of London to better enable attendance by City investors. Voting on specific resolutions is dealt with by a show of hands, but the Chairman also indicates the balance of proxies received for and against each resolution. Separate resolutions are presented for each substantially separate issue including the Annual Report and Financial Statements.

The Annual General Meeting is attended by all the Directors, including therefore the Chairmen of the Remuneration and the Audit Committees, who are available to discuss matters with shareholders.

Report of the Directors

Continued

Auditor

Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with section 489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting to be held on 22 October 2009.

By Order of the Board

Martha Bruce
Secretary

8 September 2009

Corporate Governance

The Company is committed to applying the highest principles of corporate governance commensurate with its size. The Company is not required to apply the Combined Code. However, it has used the Code as a guide.

The Board

The Board of the Company meets formally twelve times a year and the Non-Executive Directors can attend all meetings. In the year, each Executive Director attended at least nine Board meetings. The Board has a formal schedule of matters referred to it for decision. At each Board meeting, the Board has available the monthly performance reports of each subsidiary and the Board monitors these results against the budgets for each subsidiary. Major developments are communicated to all Board members if they occur between regular meetings if in the judgment of the Executive Directors this is warranted.

The Directors may take independent professional advice, if appropriate, at the Company's expense.

All Directors are subject to re-election at the first Annual General Meeting after appointment and thereafter every three years. The Director seeking re-election in 2009 is Mr J P Pither.

The Board also has an Audit Committee and a Remuneration Committee, of which Mr J P Pither and Mr A F Lamb, Non-Executive Directors, were members during the year. The Report of the Remuneration Committee is set out on pages 10 to 12. The terms of reference of the Audit Committee include keeping under review the scope and results of the external audits and their cost effectiveness. The Audit Committee reviews the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Group, seeking to balance objectivity and value for money.

During the year the Company has not appointed a Nominations Committee for the purpose of Board appointments. It is considered that the composition and size of the Board does not warrant the appointment of a Nominations Committee and appointments are dealt with by the whole of the Board.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group and Parent Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's and Parent Company's Financial Statements. Further details of the Directors' assessment of going concern issues may be found in note 5.22 to the Consolidated Financial Statements.

Corporate Risk Management

In view of the reduced size of the Group, the Risk Management Committee was dissolved. Risk management is now undertaken at the monthly Board meetings..

Risk information is communicated to employees, who have a responsibility to co-operate with management initiatives and to carry out their duties avoiding excessive risk. Appropriate training and support is provided.

The Board has considered the need for internal audit, but has decided that because of the size of the Group it cannot be justified at present. The Board will review this decision annually.

Internal Control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets.

The Board has undertaken a review during the year of the Group's system of internal control covering financial, operational and compliance controls and risk.

The system of internal control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key processes

The key processes used by the Board to review the effectiveness of the system of internal control include:

- established control environment with an organisational structure which has clear lines of responsibility and supervision;
- regular meetings with local management;
- formal accounting policies and procedures and standard financial control procedures in place which are applicable to all areas of the Group;
- review of the operation of internal controls at each subsidiary by the Group Financial Controller.

Key aspects

Key aspects of the system of internal control include the following:

- comprehensive budgeting and financial reporting system involving review and approval of budgets by the Board, monthly monitoring of performance against these budgets and full investigation of variances;
- annual cash flow statements prepared underpinned by more detailed rolling three month forecasts to address resources and funds. Group cash flow monitored on daily basis compared to forecast;
- established procedures for authorisation of capital expenditure;
- the Board has communicated ethical policies to all personnel through training and procedures;
- health and safety procedures in place;
- disaster recovery plans in place.

The Board believes that its systems of internal control are appropriate for the size and nature of its operations, and will continue to review potential improvements to the systems on a regular basis.

Report of the Remuneration Committee

This report sets out the Group's policy regarding Directors' remuneration and how this policy has been applied throughout the year. The Remuneration Committee is chaired by Mr J P Pither.

The terms of reference of the Remuneration Committee, in summary, are as follows:

Principal function

To consider and make recommendations to the Board of Directors of the Company on behalf of the shareholders in respect of the policies of the Group on remuneration. Particular attention is paid to the remuneration arrangements of Directors and senior executives including pension rights, service contracts and compensation payments.

Policies

In accordance with authority delegated by the Board of Directors:

- to monitor the remuneration policy of the Group and its subsidiaries having regard to relevant market comparisons and practice;
- to consider and make recommendations to the Board of Directors on the remuneration arrangements including bonuses and related performance criteria, share options, pension rights, service contracts and compensation payments of Executive Directors of the Group; and
- to consider, determine and, where appropriate, approve the remuneration arrangements including bonuses, share options, pension rights, service contracts and compensation payments of senior executives of the Group.

Remuneration and salaries

The remuneration of the Executive Directors of the Group is set by the Board, based on the recommendations of the Remuneration Committee. Such remuneration is determined after a review of the performance of the individual.

It is the aim of the Committee to reward Directors competitively having regard to the remuneration paid to the senior management of comparable public companies. It has been the practice to review Executive Directors' salaries annually with such reviews taking account of corporate performance and individual performance and responsibilities, as appropriate.

The Board determines the remuneration of the Non-Executive Directors.

Share schemes

Mr J D Abell, Mr J P Pither, Mr P Hartley and Mr R R Morris participate in the Group's Share Option Schemes. Details of their interests in the Group's shares arising from such participation are shown on page 12.

Service Agreements

Granite PLC, a company owned by Mr J D Abell, has a consultancy agreement with the Company terminable on 12 months' notice. Mr P Hartley has a contract of employment with Westfield Medical Limited terminable on 12 months' notice. Surrey Management Services Limited, a company owned by Mr J P Pither, has a letter of appointment with the Company terminable on one month's notice. Mr R R Morris has a contract, terminable on 12 weeks' notice. Mr A F Lamb has a letter of appointment with the Company terminable on 12 months' notice.

Report of the Remuneration Committee

Continued

The under-noted table reports the remuneration received by each Director during the year:

	Remuneration £000s	Performance related bonus £000s	Benefits in kind £000s	Share Options £000s	Total Year ended 30 June 2009 £000s	Total Year ended 30 June 2008 £000s
Chairman:						
J D Abell	208	–	4	18	230	218
Executive Director:						
P Hartley	125	61	–	9	195	–
2009	333	61	4	27	425	
2008	199	–	1	18		218
Non Executive Directors:						
	Board fees					
J P Pither	30	–	–	7	37	37
R R Morris	58	–	–	18	76	186
A F Lamb	26	–	–	–	26	24
2009	114	–	–	25	139	
2008	221	–	1	25		247
Aggregate emoluments of Directors who served during the year:					564	465

No Share Options have been exercised by any Director during the year.

The Share Option figures disclosed above relate to IFRS 2 and were not actually received by the Directors as remuneration in the period.

Managing directors of subsidiary companies have a profit-related bonus scheme, which is reviewed each year.

Mr J D Abell's remuneration as Chairman and Chief Executive is paid to Granite PLC.

Mr J P Pither's fees as Non-Executive Director are paid to Surrey Management Services Limited.

Benefits in kind incorporate all assessable tax benefits arising from employment by the Group.

During the year, Mr P Hartley participated in a money purchase pension scheme the contribution to which was £19,000 (2008: £18,000).

In the previous year, Mr R R Morris' remuneration was disclosed as an executive Director.

Report of the Remuneration Committee

Continued

Directors' interests in shares of the Company, all of which are beneficial:

	At 30 June 2008	Purchases	Sales	At 30 June 2009
J D Abell	911,500	Nil	Nil	911,500
R R Morris	84,500	Nil	Nil	84,500
P Hartley	7,500	Nil	Nil	7,500
J P Pither	75,500	Nil	Nil	75,500
A F Lamb	10,000	Nil	Nil	10,000

Directors' options over ordinary shares:

Unapproved 2000 Share Option Scheme;

	At 30 June 2008	Granted	Price	Exercisable 7 years from	At 30 June 2009
J D Abell	25,000	Nil	270p	25 September 2006	25,000
	50,000	Nil	235p	28 September 2009	50,000
R R Morris	25,000	Nil	270p	25 September 2006	25,000
	50,000	Nil	235p	28 September 2009	50,000
P Hartley	12,500	Nil	270p	25 September 2006	12,500
	25,000	Nil	235p	28 September 2009	25,000
J P Pither	20,000	Nil	235p	28 September 2009	20,000

Options are granted at the Remuneration Committee's discretion and no performance criteria apply.

The London Stock Exchange (AIM) middle market price of the Company's ordinary shares at 30 June 2009 (as derived from the London Stock Exchange Daily Official List) was 225p (30 June 2008: 225p) and the range of market prices during the year was between 195p and 257.5p.

There have been no changes to the above Directors' interests in the share capital of the Company between 30 June 2009 and the date of this report.

J P Pither
Chairman, Remuneration Committee

8 September 2009

Independent auditor's report to the members of Jourdan plc



We have audited the Consolidated Financial Statements of Jourdan plc for the year ended 30 June 2009 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Total Recognised Income and Expense, the Consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs), as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Consolidated Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Consolidated 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 website at www.frc.org.uk/apb/scope/UKNP.

Opinion on Financial Statements

In our opinion the Consolidated Financial Statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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 Report of the Directors for the financial year for which the consolidated financial statements are prepared is consistent with the Consolidated 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:

- 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.

Other matter

We have reported separately on the Parent Company Financial Statements of Jourdan plc for the year ended 30 June 2009.

Christopher Frostwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
East Midlands

9 September 2009

Consolidated Income Statement

	Year to	Year to
	30 June 2009	30 June 2008
	£000s	£000s
Notes		
Continuing operations		(restated – note 3)
6 Revenue	18,101	17,551
Cost of sales	(11,601)	(11,442)
Gross profit	6,500	6,109
Net operating costs	(4,609)	(4,714)
9 Operating profit	1,891	1,395
10 Finance income	74	109
10 Finance costs	(220)	(114)
Profit before tax	1,745	1,390
11 Taxation	(541)	(533)
Profit for the year from continuing operations	1,204	857
Discontinued operations		
7 (Loss)/profit for the year after taxation	(296)	432
7 Profit/(loss) on disposal after taxation	11	(982)
Loss for the year from discontinued operations	(285)	(550)
24 Profit for the year attributable to equity holders of the Parent Company	919	307
Earnings per share from continuing operations	Pence	Pence
13 Basic	35.4	25.2
Diluted	35.4	25.1
Loss per share from discontinued operations		
13 Basic	(8.4)	(16.2)
Diluted	(8.4)	(16.1)
Earnings per share from continuing and discontinued operations		
13 Basic	27.0	9.0
Diluted	27.0	9.0

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

Notes	30 June 2009 £000s	30 June 2008 £000s
ASSETS		
Non-current assets		
14 Property, plant and equipment	1,501	1,629
15 Goodwill	4,736	4,736
16 Other intangible assets	438	522
22 Deferred tax assets	883	714
	<u>7,558</u>	<u>7,601</u>
Current assets		
17 Inventories	1,430	2,029
18 Trade and other receivables	3,507	4,092
Current tax receivable	-	90
	<u>4,937</u>	<u>6,211</u>
19 Non-current assets classified as held for sale	<u>1,324</u>	<u>1,502</u>
Total assets	<u>13,819</u>	<u>15,314</u>
LIABILITIES		
Current liabilities		
20 Trade and other payables	(4,159)	(5,853)
Current tax payable	(217)	-
	<u>(4,376)</u>	<u>(5,853)</u>
Non-current liabilities		
21 Long-term provisions	(15)	(44)
30 Pension liability	(3,219)	(2,875)
	<u>(3,234)</u>	<u>(2,919)</u>
Total liabilities	<u>(7,610)</u>	<u>(8,772)</u>
Net assets	<u>6,209</u>	<u>6,542</u>
EQUITY		
23 Share capital	3,400	3,400
24 Share premium account	260	260
24 Other reserves	3,145	3,145
24 Profit and loss reserve	(596)	(263)
24 Equity attributable to equity holders of the Parent Company	<u>6,209</u>	<u>6,542</u>

The Financial Statements were approved by the Board of Directors on 8 September 2009.

J. David Abell
Chairman

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Recognised Income and Expense

	30 June 2009 £000s	30 June 2008 £000s
Actuarial loss recognised in the Pension Fund	(1,231)	(1,931)
Movement on deferred tax relating to pension actuarial loss	344	522
Net expense recognised directly in equity	(887)	(1,409)
Profit for the year	919	307
Total recognised income and expense in the year attributable to equity holders	32	(1,102)

Consolidated Cash Flow Statement

Note

Cash flows from operating activities		
Profit after tax	919	307
Adjustments for:		
Depreciation	251	445
Amortisation of intangible assets	84	260
Impairment of intangible assets	-	207
Profit on disposal of property, plant and equipment	-	(653)
(Profit)/loss on sale of discontinued activity	(15)	1,364
Pension contributions	(985)	(476)
Other gains	(46)	(23)
Finance income	(74)	(13)
Finance cost	283	238
Tax expense recognised in income statement	475	37
(Increase)/decrease in inventories	(60)	526
Decrease/(increase) in trade and other receivables	473	(181)
Decrease in trade and other payables	(376)	(432)
Impairment of non-current assets classified as held for sale	252	-
Cash generated from operations	1,181	1,606
Interest paid	(185)	(238)
Tax received/(paid)	3	(327)
Net cash inflow from operating activities	999	1,041
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(187)
Purchase of property, plant and equipment	(223)	(206)
Proceeds from sale of non-current assets	-	932
Proceeds from disposal of equipment	-	6
Proceeds from disposal of discontinued operations	748	70
Interest received	74	13
Net cash generated from investing activities	599	628
Cash flows from financing activities		
12 Dividends paid	(408)	(272)
Net cash used in financing activities	(408)	(272)
Net increase in cash and cash equivalents	1,190	1,397
Cash and cash equivalents at beginning of year	(2,004)	(3,401)
20 Cash and cash equivalents at end of year	(814)	(2,004)

The accompanying notes form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Jourdan plc is the ultimate Parent Company of the Group. Following the sale of John Corby Limited, its interests are principally in industrial markets. The address and principal place of business of Jourdan plc is Elm House, Elmer Street North, Grantham, Lincolnshire NG31 6RE. These Consolidated Financial Statements are for the year ended 30 June 2009. These Consolidated Financial Statements are presented in Pounds Sterling, which is also the functional currency of the Parent Company. They were approved for issue by the Board of Directors on 8 September 2009.

2. ACCOUNTING REFERENCE DATE AND BASIS OF CONSOLIDATION

The Group's accounting reference date is 30 June. As permitted by the Companies Act 2006 the Directors have elected to make up accounts to the Saturday nearest 30 June. For this year the Financial Statements are prepared for the 52 weeks ended 27 June 2009 (2008: 52 weeks ended 28 June 2008).

The Consolidated Income Statement and Balance Sheet include the Financial Statements of Jourdan plc and its subsidiary undertakings. The results of businesses acquired or sold are included in the Group Income Statement from or to the date control passes. All intra-group transactions are eliminated fully on consolidation.

3. BASIS OF PREPARATION

These Consolidated Financial Statements have been prepared under the historical cost convention.

These Consolidated Financial Statements have been prepared in accordance with the accounting policies set out below which are based on IFRS in issue as adopted by the European Union and in effect at 30 June 2009.

Comparative figures in the Income Statement (and notes thereto) have been restated to disclose the results and related operating assets of John Corby Limited (to be renamed Tribulation II Limited) as arising in respect of discontinued activities.

4. CHANGE IN ACCOUNTING POLICIES

4.1 Standards, amendments and Interpretations to existing Standards that are not yet effective

At the date of authorisation of these Consolidated Financial Statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Group has not early-adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's Consolidated Financial Statements are as follows:

Amendment to IAS 1 Presentation of Financial Statements (effective from 1 January 2009, ie for reporting periods beginning on or after this date)

This amendment affects the presentation of owner changes in equity and introduces a Statement of Comprehensive Income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single Statement of Comprehensive Income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's Financial Statements.

IFRS 8 Operating Segments (effective from 1 January 2009)

This IFRS specifies how an entity should report information about its operating segments in its Consolidated Financial Statements. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this Standard is not expected to increase the number of reportable segments but will alter the manner in which these are reported to be consistent with the internal reporting provided to the chief operating decision-maker.

IFRS 3 Business Combinations (revised 2008) and IAS 27 Consolidated and Separate Financial Statements (revised 2008) – effective from 1 July 2009

The revised Standards introduce major changes to the accounting requirements for business combinations, transactions with non-controlling interests (a new term for "minority interests") and a loss of control of a subsidiary. Management is currently assessing the detailed impact of this amendment on the Group's Financial Statements.

Notes to the Consolidated Financial Statements

Continued

The revised Standards will be adopted in the Group's Financial Statements for the period beginning 1 July 2009.

Other new Standards and Interpretations have been issued (see below) but are not expected to have a material impact on the Group's Financial Statements.

	Standard or Interpretation	Effective for reporting periods starting on or after
	General improvements to IFRSs	1 January 2009 and 1 July 2009/2010
IFRS 2	Amendment to IFRS Share-based Payment – Vesting conditions and cancellations	1 January 2009
IAS 23	Borrowing costs (revised 2007)	1 January 2009
IAS 32	Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation	1 January 2009
IAS 39	Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009
IFRIC 14	MJ 19 – The limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction	1 January 2009
IFRIC 15	Agreement for construction of real estate	1 January 2009
IFRIC 16	Hedges of a net investment in a foreign operation	1 October 2008
IFRIC 17	Distribution of non cash assets to owners	1 July 2009
IFRIC 18	Transfers of Assets from customers	1 July 2009

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

The Group Financial Statements include those of the Company and all its subsidiaries. Subsidiaries are entities over which the Group has the power through voting rights to control the financial and operating policies so as to obtain benefits from its activities. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the Financial Statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the Financial Statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. In the case of acquisitions after 30 June 2006, goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

5.2 Business combinations completed prior to the date of transition to IFRS

The Group has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations prior to the date of transition. Accordingly the classification of the combination (acquisition, reverse acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at the date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amounts immediately post-acquisition as deemed cost, unless IFRS requires fair value measurement. Amounts recorded as goodwill under UK GAAP have not been re-assessed to identify intangible assets. Deferred tax has been adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

Notes to the Consolidated Financial Statements

Continued

5.3 Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

There is no re-instatement of goodwill that was amortised prior to transition to IFRS.

5.4 Revenue

Revenue from the sale of goods (relevant for all income streams) represents the value of goods supplied by subsidiaries, net of discounts and excluding intra-Group sales and VAT. Revenue is recognised at the date of despatch of the goods, which is when the Group is deemed to transfer to the buyer the significant risks and rewards of ownership. Where appropriate, provision is made for goods issued on sale or return terms, and for any volume rebates (or similar) payable. Revenue is measured at the fair value of consideration receivable.

5.5 Intangible assets acquired as part of a business combination

In accordance with IFRS 3 "Business Combinations", an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Amortisation begins when the intangible asset is first available for use and is provided at rates calculated to write off the deemed cost of each intangible asset over its estimated useful life. This can range from a few weeks in the case of sales order backlogs to 20 years in the case of patents. Amortisation charges are included in operating costs in the Income Statement.

5.6 Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

Disposal of assets: The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Depreciation: Depreciation is provided at rates calculated to write down the cost less residual value of all property, plant and equipment other than freehold land in equal instalments over their expected useful economic lives. The rates used are as follows:

- | | |
|--|-----------|
| • Freehold and long leasehold properties | 2% |
| • Plant and machinery | 10% – 50% |
| • Motor vehicles | 25% – 33% |

Material residual value estimates are updated as required, but at least annually.

5.7 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Notes to the Consolidated Financial Statements

Continued

5.8 Non-current assets classified as held for sale

Assets held for sale include assets that the Group intends and expects to sell within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

5.9 Leases

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Income Statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Income Statement on a straight line basis over the period of the lease term. Lease incentives are spread over the term of the lease.

5.10 Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for old and obsolete items. Cost includes materials, valued on a first in first out basis, direct labour and the attributable proportion of manufacturing overheads based on normal levels of activity.

5.11 Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of those temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

5.12 Share-based payments

The Group has Share Option schemes under which it makes equity settled share based payments to certain Directors and employees. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 July 2006 are recognised in the Consolidated Financial Statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets). Fair value is measured using the Black Scholes Merton model.

Notes to the Consolidated Financial Statements

Continued

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

All equity-settled share-based payments are ultimately recognised as an expense in the Income Statement with a corresponding credit to the profit and loss reserve. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

5.13 Financial instruments

Financial instruments issued by the Group are classified as debt or equity according to their underlying nature, as required by IAS32 or IAS39. Those containing contractual obligations to transfer cash or other financial assets are classified as financial liabilities. Those evidencing a residual interest in the Group's assets after deducting all of its liabilities are classified as equity.

Financial assets

Financial assets consist of loans and receivables. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised at fair value plus transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Income Statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

The Group's financial liabilities consist of bank overdrafts, trade and other payables and other long term provisions. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially recorded at fair value, and thereafter at amortised cost, net of direct issue costs, using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Income Statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Income Statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

5.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

Continued

5.15 Pensions

Certain of the Group's employees belong to the Jourdan Group Pension Fund which is funded by both employers' and employees' contributions, and is a defined benefit scheme. The Fund's assets are measured at fair values. The Fund's liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The gross surplus or deficit is presented on the face of the balance sheet, separate from the related deferred tax balance. A gross surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the Fund liabilities and the expected return on the Fund's assets are included in other finance costs. Actuarial gains and losses are recognised in full in the Statement of Recognised Income and Expense.

5.16 Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading results are translated at average rates for the period. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Income Statement in the period in which they arise.

5.17 Discontinued operations

A discontinued operation is a cash-generating unit, or a group of cash-generating units, that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- are part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The disclosures for discontinued operations relate to all operations that have been discontinued by the balance sheet date for the latest period presented.

5.18 Use of accounting estimates and judgments

Many of the amounts included in the Consolidated Financial Statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the Consolidated Financial Statements. Information about such judgments and estimation is contained in the Accounting Policies and/or the notes to the Consolidated Financial Statements and the key areas are summarised below:

Judgments in applying accounting policies

- a) Fair value attributed to intangibles acquired as part of a business combination under IFRS 3, based on discounted cashflow projections.
- b) Assessment of the impairment of assets is a judgment based on analysis of the likely future cash flows from the relevant cash generating unit and an estimate of value in use. Please see note 15 for the criteria used.
- c) The Directors must judge whether future profitability is likely in making the decision whether or not to create a deferred tax asset based on the annual budgeting process.
- d) What is classified as held for sale under IFRS 5 requires judgment concerning the likelihood and timing of realisation of sale. This is based on an annual review of assets with the likelihood of sale being considered.
- e) The decision to add additional non statutory lines to the Consolidated Income Statement is a judgment. The presentation adopted is the Directors' judgment of what best meets the needs of the users of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Continued

Sources of estimation uncertainty

- a) Depreciation rates are based on estimates of the useful lives and residual values of the assets involved on a line by line basis.
- b) Estimates are required as to asset carrying values and impairment charges. These are assessed by reference to budgeted profits and cash flows for future periods for the relevant cash generating units and an estimate of their values in use as disclosed in note 15.
- c) Fair values in share based payment under IFRS 2. The fair values have been estimated using the Black Scholes Merton model as disclosed in note 23.
- d) Discount rates in impairment testing under IAS 36. These are based on the estimated weighted average cost of capital.
- e) Actuarial assumptions under IAS 19. The present value of the scheme liabilities recognised at the balance sheet date is in part dependent on interest rates of high quality corporate bonds. The net financing charge recognised in the Income Statement is dependent on the interest rate of high quality corporate bonds and an expectation of the weighted average returns on the assets within the scheme. Other key assumptions within this calculation are based on market conditions or estimates of future events, including mortality rates, as disclosed in note 30.
- f) Recognition of provisions under IAS 37. Provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.
- g) Assets held for resale are carried at the lower of cost and net realisable value, which involves estimating likely sale proceeds. Where appropriate, the Directors have taken professional advice.

5.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the present obligations arising from legal or constructive commitments resulting from past events will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5.20 Equity

Equity comprises the following:

- “Share Capital” represents the nominal value of equity shares.
- “Share premium account” represents the excess over nominal value of the fair value of consideration received for the equity shares, net of expenses of the share issue.
- Please see note 24 for details on “Other reserves”.
- “Profit and loss reserve” represents retained profits and losses.

5.21 Dividends

Dividend distributions payable to equity shareholders are included in trade and other payables when the dividends are approved in general meeting but not paid prior to the balance sheet date, and are debited direct to equity within accumulated profits.

5.22 Going concern

The Group’s business activities and current performance are described in detail in the Chairman’s Statement and the Report of the Directors. Following the disposal of subsidiaries which were either loss-making or marginally profitable, the Group now comprises a profitable and cash generative group. Net increases in cash have exceeded £1 million in each of the last 2 years and, as explained in Note 26 to these Financial Statements, the Group currently has committed but undrawn bank facilities of £2,186,000, over and above its existing overdraft borrowings of £814,000. The Group has agreed overdraft facilities of £3,000,000 with its bankers, which are

Notes to the Consolidated Financial Statements

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available until the normal renewal date of 30 June 2010, at which point the Directors anticipate the extension of facilities on the same terms for a further year. Together with profit and cashflow forecasts prepared as part of the Group's normal budgeting procedures, the Directors are therefore satisfied that the Group has more than adequate financial resources to continue in operational existence for the foreseeable future, and on that basis they continue to adopt the going concern basis in preparing these Financial Statements.

6. SEGMENTAL REPORTING

The Group's primary reporting format is business segment and its secondary format is geographical segment by origin of revenue.

Business segment analysis: The financial performance of each of the business segments is summarised below. All assets reside in the UK.

Industrial products include Westfield Medical Limited, Clinipak Limited and Nelsons Labels (Manchester) Limited. Discontinued relates to John Corby Limited (to be renamed Tribulation II Limited) and Tribulation Limited (formerly Suncrest Surrounds Limited).

Year ended 30 June 2009

	Industrial products £000s	Central costs and consolidation £000s	Continuing operations £000s	Discontinued operation £000s
Revenue	18,073	28	18,101	2,220
Operating profit/(loss) before amortisation and impairment of intangibles	2,068	(93)	1,975	(288)
Operating profit/(loss)	1,984	(93)	1,891	(288)
Assets	14,508	(2,013)	12,495	1,324
Liabilities	(8,722)	1,312	(7,410)	(200)
Total capital employed	5,786	(701)	5,085	1,124
Goodwill	4,736	–	4,736	–
Other intangible assets	438	–	438	–
Capital expenditure	199	–	199	24
Depreciation	219	19	238	13
Amortisation and impairment of intangible assets	84	–	84	–
Share based payment expense	–	43	43	–

Year ended 30 June 2008

(restated)

Revenue	17,531	20	17,551	10,747
Operating profit before amortisation and impairment of intangibles	1,607	255	1,862	442
Operating profit	1,140	255	1,395	442
Assets	18,842	(7,698)	11,144	4,170
Liabilities	(11,775)	5,180	(6,595)	(2,177)
Total capital employed	7,067	(2,518)	4,549	1,993
Goodwill	4,736	–	4,736	–
Other intangible assets	522	–	522	–
Capital expenditure	174	–	174	32
Depreciation	227	20	247	198
Amortisation and impairment of intangible assets	467	–	467	–
Share based payment expense	–	73	73	–

Notes to the Consolidated Financial Statements

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Geographical analysis: all of the Group's revenue originates in the United Kingdom. Revenues by geographical destination are as follows.

	2009	2008
	£000s	£000s
Continuing operations		(restated)
United Kingdom	11,273	12,168
Continental Europe	3,167	2,793
North America	678	588
Rest of World	2,983	2,002
	<u>18,101</u>	<u>17,551</u>
Discontinued operation		
United Kingdom	1,612	9,119
Continental Europe	184	690
North America	87	340
Rest of World	337	598
	<u>2,220</u>	<u>10,747</u>

The above revenue is generated from assets held wholly in the United Kingdom.

7. DISCONTINUED OPERATIONS

On 8 May 2009 the business of John Corby Limited (to be renamed Tribulation II Limited) was sold to Adam Fire Surrounds Limited. As at 30 June 2009 this operation is reported within discontinued operations

On 14 May 2008 the business of Suncrest Surrounds Limited (Tribulation Limited) was sold to Newco 97531 Limited, a subsidiary of CJ Group Limited. The operating profit for the year relates to adjustment to provisions on sale.

In the Financial Statements for the previous year, disclosures in respect of discontinued operations reflected Tribulation Limited only. However, the 2008 comparatives have now been adjusted to include relevant disclosures for John Corby Limited (to be renamed Tribulation II Limited).

	2009	2009	2009
	£000s	£000s	£000s
	Tribulation Ltd	John Corby Ltd	Total
Revenue	-	2,220	2,220
Cost of sales	-	(1,621)	(1,621)
Gross profit	-	599	599
Operating costs	48	(698)	(650)
Impairment of non-current asset classified as held for sale	-	(252)	(252)
Net operating costs	48	(950)	(902)
Operating profit/(loss)	48	(351)	(303)
Finance costs	(24)	(39)	(63)
Profit/(loss) before tax	24	(390)	(366)
Taxation	(3)	73	70
Profit/(loss) for the year from discontinued operations	<u>21</u>	<u>(317)</u>	<u>(296)</u>

Notes to the Consolidated Financial Statements

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	2008 £000s	2008 £000s	2008 £000s
	Tribulation Ltd	John Corby Ltd	Total
Revenue	7,328	3,419	10,747
Cost of sales	(5,458)	(2,457)	(7,915)
Gross profit	1,870	962	2,832
Operating costs	(2,324)	(719)	(3,043)
Profit on disposal of non-current asset classified as held for sale	–	653	653
Net operating costs	(2,324)	(66)	(2,390)
Operating (loss)/profit	(454)	896	442
Finance costs	(89)	(35)	(124)
(Loss)/profit before tax	(543)	861	318
Taxation	176	(62)	114
(Loss)/profit for the year from discontinued operations	(367)	799	432

Cash flows from discontinued operations

	2009 £000s	2008 £000s (restated)
Net cash flow from operating activity	384	(178)
Net cash flow from investing activity	724	970
Net cash flow from financing activity	–	–
Net increase in cash and cash equivalents	1,108	792

In accordance with IAS 7 and IFRS 5, the cash flows above in respect of discontinued operations are included in the Consolidated Cash Flow Statement under their respective headings.

Profit/(loss) on disposal of discontinued operations

Property, plant and equipment	26	263
Inventories	659	967
Trade and other receivables	–	1,552
Trade and other payables	(124)	(1,031)
Net assets	561	1,751
Disposal proceeds (net of professional fees)	576	387
Profit/(loss) on disposal before taxation	15	(1,364)
Taxation	(4)	382
Profit/(loss) on disposal after taxation	11	(982)

Notes to the Consolidated Financial Statements

Continued

8. OPERATING COSTS

	2009	2008
	£000s	£000s
		(restated)
Continuing operations		
Distribution costs	832	889
Administrative expenses	3,693	3,768
Pension settlement	–	(410)
Amortisation of intangible assets	84	260
Impairment of intangible assets	–	207
	<u>4,609</u>	<u>4,714</u>
Discontinued operations		
Distribution costs	303	2,095
Administrative expenses	347	948
Impairment of non-current asset classified as held for sale	252	–
	<u>902</u>	<u>3,043</u>

9. OPERATING PROFIT

	2009	2008
	£000s	£000s
Operating profit is stated after charging:		
Loss on disposal of property, plant and equipment	–	7
Fees payable to the Company's auditor		
for the audit of the Company's annual accounts	30	37
Fees payable to the Company's auditor for other services		
for the audit of the Company's subsidiaries	33	44
for tax services	22	22
for all other services	16	25
Depreciation	251	445
Amortisation of intangible assets	84	260
Operating lease rentals – land and buildings	439	399

10. FINANCE INCOME AND COSTS

Interest receivable – bank deposits	74	13
Pension deficit – finance income	–	96
Finance income – continuing operations	<u>74</u>	<u>109</u>
Bank interest payable – continuing	(122)	(114)
Pension deficit – finance cost	(98)	–
Finance costs – continuing operations	<u>(220)</u>	<u>(114)</u>
Bank interest payable – discontinued	(63)	(124)
Finance costs – discontinued operations	<u>(63)</u>	<u>(124)</u>

Notes to the Consolidated Financial Statements

Continued

11. TAXATION

	2009	2008
	£000s	£000s
		(restated)
The tax charge represents:		
Continuing operations:		
UK Corporation tax at 28% (2008: 29.5%)	290	444
Adjustment in respect of prior years	23	4
	313	448
Deferred tax – origination and reversal of temporary differences	228	85
Tax on profit for the year	541	533
Discontinued operations:		
UK Corporation tax at 28% (2008: 29.5%)	(13)	(466)
	(13)	(466)
Deferred tax – origination and reversal of temporary differences	(53)	(30)
Tax on profit for the year	(66)	(496)
Total tax – continuing and discontinued operations	475	37
The tax charge for the year is lower than the standard rate of Corporation tax in the UK of 28% (2008: 29.5%)		
The differences are explained as follows:		
Profit on ordinary activities before tax	1,394	344
Profit on ordinary activities before tax multiplied by standard rate of Corporation tax at 28% (2008: 29.5%)	390	101
Effect of:		
Sale of non current assets not liable to taxation	–	(193)
Impairment of non-current asset classified as held for sale	71	–
Expenses not deductible for tax purposes	46	–
Share option expense not deductible for tax purposes	12	22
Depreciation in excess of capital allowances	6	109
Pension and other timing differences	(248)	(61)
Deferred tax origination and reversal of temporary differences	175	55
Adjustments to tax charges in respect of prior periods	23	4
Tax on profit for the year	475	37

12. DIVIDENDS

	2009	2008
	£000s	£000s
Paid during the year		
Final dividend paid in respect of prior year of 8p (2008: 8p) per ordinary share	272	272
Interim dividend paid in respect of current year of 4p (2008: nil) per ordinary share	136	–
	408	272
Proposed after the year end (not recognised as a liability)		
Proposed final dividend in respect of the year of 8p (2008: 8p) per ordinary share	272	272

Notes to the Consolidated Financial Statements

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13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of interest on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below:

Year ended 30 June 2009

	Earnings attributable to equity holders of the Parent Company £000s	Weighted average number of shares Number	Earnings per share Pence
Profit after tax for calculation of basic earnings per share	919		
Notional taxed interest income accruing on dilution	<u>–</u>		
Profit after tax for calculation of diluted earnings per share	<u>919</u>		
Number of shares for calculation of basic earnings per share		3,400,010	
Dilutive effect of potential shares		<u>–</u>	
Number of shares for calculation of diluted earnings per share		<u>3,400,010</u>	
Continuing and discontinued operations			
Basic earnings per share			<u>27.0</u>
Diluted earnings per share			<u>27.0</u>
Continuing operations			
Basic earnings per share	<u>1,204</u>		<u>35.4</u>
Diluted earnings per share			<u>35.4</u>
Discontinued operations			
Basic loss per share	<u>(285)</u>		<u>(8.4)</u>
Diluted loss per share			<u>(8.4)</u>

Notes to the Consolidated Financial Statements

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Year ended 30 June 2008
(restated)

	Earnings attributable to equity holders of the Parent Company £000s	Weighted average number of shares Number	Earnings per share Pence
Profit after tax for calculation of basic earnings per share	307		
Notional taxed interest income accruing on dilution	<u>19</u>		
Profit after tax for calculation of diluted earnings per share	<u>326</u>		
Number of shares for calculation of basic earnings per share		3,400,010	
Dilutive effect of potential shares		<u>9,137</u>	
Number of shares for calculation of diluted earnings per share		<u>3,409,147</u>	
Continuing and discontinued operations			
Basic earnings per share			<u>9.0</u>
Diluted earnings per share			<u>9.0</u>
Continuing operations			
Basic earnings per share	<u>857</u>		<u>25.2</u>
Diluted earnings per share			<u>25.1</u>
Discontinued operations			
Basic loss per share	<u>(550)</u>		<u>(16.2)</u>
Diluted loss per share			<u>(16.1)</u>

For the year ended 30 June 2008 the exercise price for the majority of the share options was greater than the average middle market price of the shares. For the remainder the notional interest charge outweighs the number of free shares. As such the shares are anti-dilutive.

For the year ended 30 June 2009 all of the share options are anti-dilutive.

Notes to the Consolidated Financial Statements

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14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £000s	Leasehold properties £000s	Plant and machinery £000s	Motor vehicles £000s	Total £000s
Cost					
At 30 June 2007	1,053	274	6,785	49	8,161
Additions	–	15	187	4	206
Disposals	–	–	(3,415)	(16)	(3,431)
At 30 June 2008	1,053	289	3,557	37	4,936
Additions	–	39	184	–	223
Disposals	–	–	(223)	(20)	(243)
Transfer to non-current assets held for sale	(90)	–	–	–	(90)
At 30 June 2009	963	328	3,518	17	4,826
Depreciation					
At 30 June 2007	(201)	(151)	(5,623)	(49)	(6,024)
Charge for the year	(18)	(19)	(408)	–	(445)
Disposals	–	–	3,146	16	3,162
At 30 June 2008	(219)	(170)	(2,885)	(33)	(3,307)
Charge for the year	(18)	(24)	(208)	(1)	(251)
Disposals	–	–	197	20	217
Transfer to non-current assets held for sale	16	–	–	–	16
At 30 June 2009	(221)	(194)	(2,896)	(14)	(3,325)
Net book amounts – 30 June 2009	742	134	622	3	1,501
Net book amounts – 30 June 2008	834	119	672	4	1,629

All property, plant and equipment form part of the assets pledged as security in respect of the bank overdraft.

Notes to the Consolidated Financial Statements

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15. GOODWILL

£000s

Deemed cost

At 30 June 2007 5,192
Adjustment in 2008 to purchase price of prior year acquisitions (456)

At 30 June 2009 and 2008 4,736

An analysis of goodwill by business segment is given in Note 6. The carrying value of goodwill at 30 June 2009 allocated to each cash-generating unit was as follows:

Westfield Medical Limited	3,326
Clinipak Limited	418
Nelsons Labels (Manchester) Limited	992
	<u>4,736</u>

The majority of the adjustment in 2008 to the purchase price of prior year acquisitions arose from the payment of earn out instalments in lesser amounts than had been provided.

There have been no impairment charges in either 2009 or 2008. Goodwill is tested annually for impairment by reference to the value in use of the relevant cash generating units. This is calculated on the basis of projected cash flows for the following five years derived from detailed budgets for the ensuing year, with subsequent years including modest nominal rates of sales and cost growth ranging from zero to 10% per annum and steady gross margins. These cash flows are adjusted to present day values at a discount rate based on a weighted average cost of capital of 8.75% per annum. These assumptions, and related values so assigned, have been determined by management using past experience and appropriate sector information. There was no requirement for any impairment provision at 30 June 2009 and 2008. Management believes that any reasonably possible change in any of these key assumptions would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of each unit.

16. OTHER INTANGIBLE ASSETS

	Order Book	Contracted	Patents	Other customer	Total
	£000s	Sales	£000s	relationships	£000s
	£000s	£000s	£000s	£000s	£000s
Cost					
30 June 2009, 2008 and 2007	<u>12</u>	<u>58</u>	<u>551</u>	<u>565</u>	<u>1,186</u>
Amortisation					
1 July 2007	(12)	(12)	(55)	(118)	(197)
Charge for year	–	(27)	(50)	(183)	(260)
Impairment for year	–	–	–	(207)	(207)
30 June 2008	<u>(12)</u>	<u>(39)</u>	<u>(105)</u>	<u>(508)</u>	<u>(664)</u>
Charge for year	–	(19)	(46)	(19)	(84)
30 June 2009	<u>(12)</u>	<u>(58)</u>	<u>(151)</u>	<u>(527)</u>	<u>(748)</u>
Net book value					
30 June 2009	<u>–</u>	<u>–</u>	<u>400</u>	<u>38</u>	<u>438</u>
30 June 2008	<u>–</u>	<u>19</u>	<u>446</u>	<u>57</u>	<u>522</u>

An analysis of other intangible assets by business segment is given in Note 6.

Notes to the Consolidated Financial Statements

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17. INVENTORIES

	2009	2008
	£000s	£000s
Raw materials and consumables	577	1,001
Work in progress	43	51
Finished goods and goods held for resale	810	977
	<u>1,430</u>	<u>2,029</u>

In 2009, a total of £13,222,000 of inventories was included in the income statement as an expense (2008: £19,357,000). This includes an amount of £89,000 released from the provision mainly as a result of the disposal of John Corby Limited (to be renamed Tribulation II Limited) (2008: £58,000 charged). All Group inventories form part of the assets pledged as security in respect of the bank overdraft.

18. TRADE AND OTHER RECEIVABLES

Trade receivables	2,760	3,267
Prepayments and accrued income	308	410
Other receivables	439	415
	<u>3,507</u>	<u>4,092</u>

The carrying value of receivables, all of which are short-term, is considered a reasonable approximation of fair value. All trade and other receivables have been reviewed for impairment and a provision of £169,000 (2008: £32,000) has been made. In addition, some of the unimpaired trade receivables were past due at the balance sheet date as follows:

Overdue debts

Not more than 3 months	844	721
More than 3 months but not more than 6 months	22	21
More than 6 months but not more than 1 year	-	9
	<u>866</u>	<u>751</u>

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents freehold properties not being utilised within the Group, which are expected to be disposed of within 12 months. These are treated as assets relating to discontinued operations.

20. TRADE AND OTHER PAYABLES

Bank overdraft (secured)	814	2,004
Trade payables	1,808	2,144
Accruals and deferred income	885	1,262
Social security and other taxes	238	273
Other payables	414	170
	<u>4,159</u>	<u>5,853</u>

All amounts included above are short-term, and their carrying values are considered a reasonable approximation of fair value.

The bank overdraft is secured by fixed and floating charge over the assets of the Group.

Notes to the Consolidated Financial Statements

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21. LONG TERM PROVISIONS

	2009	2008
	£000s	£000s
Provision for warranty claims	-	29
Other provisions	15	15
	<u>15</u>	<u>44</u>

22. DEFERRED TAX

At 30 June 2008	714	247
– amount via Income Statement	(175)	(55)
– amount via Statement of Recognised Income and Expense	344	522
At 30 June 2009	883	714

Deferred tax arose from the following sources:

	Accelerated Capital allowances	Pension deficit	Other temporary timing differences	Total
At 1 July 2007	(335)	455	127	247
Charged/(credited) to the income statement	171	(172)	(54)	(55)
Charged/(credited) directly to equity	–	522	–	522
At 30 June 2008	(164)	805	73	714
Charged/(credited) to the income statement	(37)	(248)	110	(175)
Charged/(credited) directly to equity	–	344	–	344
At 30 June 2009	<u>(201)</u>	<u>901</u>	<u>183</u>	<u>883</u>

Amounts provided in respect of deferred tax are computed at 28% (2008: 28%).

Other temporary differences include trading losses carried forward by Jourdan plc totalling £676,000 (2008: £594,000) with tax effect of £189,000 (2008: £166,000). These losses are available to be offset against future profits of the Parent Company.

23. SHARE CAPITAL

	2009	2008
	£000s	£000s
Authorised		
4,850,000 Ordinary shares of 100p	4,850	4,850
Allotted, called up and fully paid		
3,400,010 (2008: 3,400,010) Ordinary shares of 100p	3,400	3,400

There has been no movement in share capital during the year.

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Share Option Schemes:

Executive Share Option Scheme

Options in respect of Ordinary shares, remaining outstanding at 30 June 2009 under the Company's 1984 Executive Share Option Scheme, are exercisable for the periods and at the prices set out below:

2009:	Price per share	At 30 June 2008	Lapsed	At 30 June 2009
Exercisable 7 years from				
20 October 2002	£6.125	4,000	4,000	–
20 October 2003	£5.000	12,550	4,000	8,550
25 September 2006	£2.700	7,500	7,500	–
		<u>24,050</u>	<u>15,500</u>	<u>8,550</u>
Weighted average price per share		£4.47	£4.18	£5.00
2008	Price per share	At 30 June 2007	Lapsed	At 30 June 2008
Exercisable 7 years from				
8 April 2001	£5.850	5,000	5,000	–
20 October 2002	£6.125	10,000	6,000	4,000
20 October 2003	£5.000	16,028	3,478	12,550
25 September 2006	£2.700	7,500	–	7,500
		<u>38,528</u>	<u>14,478</u>	<u>24,050</u>
Weighted average price per share		£4.96	£5.76	£4.47

There are no performance targets relating to this scheme. No further options may be granted under this scheme.

Unapproved 2000 Share Option Scheme

Options in respect of Ordinary shares, remaining outstanding at 30 June 2009 under the Company's 2000 Share Option Scheme, are exercisable for the periods and at the prices set out below:

	Price per share	At 30 June 2007 & 2008	Lapsed	At 30 June 2009
Exercisable 7 years from				
25 September 2006	£2.700	80,000	5,000	75,000
28 September 2009	£2.350	200,000	30,000	170,000
		<u>280,000</u>	<u>35,000</u>	<u>245,000</u>
Weighted average price per share		£2.45	£2.40	£2.46

Details of the Company's share price during the year are given in the Report of the Directors.

Under IFRS 2 the Group is required to recognise an expense in the relevant Financial Statements apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant. A charge of £43,000 (2008: £73,000) has been made in these accounts.

The weighted average fair value of the options is £1.25.

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This weighted average fair value was calculated using the Black Scholes Merton model using the following assumptions:

Grant date	Exercisable 7 years	Price per share	Number of shares	Volatility	Bond interest rate	Expected life of grant	Expected dividend yield on grant
25 September 2003	25 September 2006	£2.70	87,500	47%	4.85%	8 years	2%
28 September 2006	28 September 2009	£2.35	200,000	47%	4.53%	5 years	2%

Price per share at the date of grant equates to the middle market price of the Company's shares at that date.

Volatility at date of grant is based on historic data on the Company's share price for the previous 12 months.

The bond interest rate is based on the interest rate of risk free Government Bonds issued at around the same dates as the options and for a similar period.

It has been assumed that the options would be exercised by September 2011 based on previous experience.

It has been assumed that a dividend yield of 2% would be a reasonable rate for the options based on previous experience

24. MOVEMENT ON RESERVES

	Share capital £000s	Share premium £000s	Other reserve £000s	Profit & loss reserve £000s	Total equity £000s
At 1 July 2007	<u>3,400</u>	<u>260</u>	<u>3,145</u>	<u>1,038</u>	<u>7,843</u>
Changes in equity for the period					
Actuarial loss in respect of the defined benefit pension scheme	-	-	-	(1,931)	(1,931)
Deferred tax on actuarial loss	-	-	-	522	522
Net income recognised directly in equity	-	-	-	(1,409)	(1,409)
Profit for the year to 30 June 2008	-	-	-	307	307
Total recognised income and expense for the period	-	-	-	(1,102)	(1,102)
Dividends	-	-	-	(272)	(272)
Credit relating to issue of share options	-	-	-	73	73
Balance at 30 June 2008	<u>3,400</u>	<u>260</u>	<u>3,145</u>	<u>(263)</u>	<u>6,542</u>
Changes in equity for the period					
Actuarial loss in respect of the defined benefit pension scheme	-	-	-	(1,231)	(1,231)
Deferred tax on actuarial loss	-	-	-	344	344
Net income recognised directly in equity	-	-	-	(887)	(887)
Profit for the year to 30 June 2009	-	-	-	919	919
Total recognised income and expense for the period	-	-	-	32	32
Dividends	-	-	-	(408)	(408)
Credit relating to issue of share options	-	-	-	43	43
Balance at 30 June 2009	<u>3,400</u>	<u>260</u>	<u>3,145</u>	<u>(596)</u>	<u>6,209</u>

Other reserves include the Special Reserve referred to below amounting to £2,399,000, a Merger Reserve amounting to £691,000 and a Capital Redemption Reserve of £55,000.

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By Special Resolution of shareholders at an Extraordinary General Meeting held on 23 April 2004, and subsequent confirmation of the Court, the Share Premium Account and Capital Redemption Reserve were cancelled and transferred to a Special Reserve. The Special Reserve was used to cancel the adverse balance on the Profit and Loss Account balance at 30 June 2003. The Special Reserve can only be transferred to the Profit and Loss Account and treated as distributable, when all of the creditors of the Company at the Effective Date have either been discharged or given their consent. All creditors at the effective date have either been paid or have given their consent.

The balance remaining in the Special Reserve at 30 June 2009 of £2,399,000 represents the proportion of the pension deficit relating to the Company calculated at the Effective Date.

25. FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising bank borrowings, cash and cash equivalents and various other items such as trade and other receivables and trade and other payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments relate to interest rates, liquidity, credit and foreign currency exposure. The Directors review and agree policies for managing each of these risks, which are described and evaluated in more detail in note 26 below. The policies have remained unchanged from previous periods.

Financial assets

The Group's financial assets comprise loans and receivables and available for sale financial assets.

- There is no difference between the book and fair values of the financial assets.
- At 30 June 2009 the Group had trade receivables denominated in foreign currency as follows: Euros - £673,000 (2008: £691,000), US Dollars - £42,000 (2008: £184,000) and Japanese Yen £nil (2008: £39,000).
- At 30 June 2009 the Group had bank balances denominated in foreign currency as follows: Euros - £98,000 (2008: £12,000), US Dollars £29,000 (2008: £nil) and Japanese Yen £nil (2008: £22,000).

Financial assets by category	2009	2008
	£000s	£000s
Loans and receivables: Trade receivables	2,760	3,267
Other receivables	439	415
	<u>3,199</u>	<u>3,682</u>

Financial liabilities

The Group's principal financial liabilities are trade and other payables, including bank borrowings.

- The costs attributable to these bank borrowings and included as interest expense in the income statement amounted to £111,000 (2008: £225,000), as analysed in note 10.

Financial liabilities by category

Due within one year:

Trade and other payables: Overdrafts	814	2,004
Trade payables	1,808	2,144
Other payables	414	170
	<u>3,036</u>	<u>4,318</u>

Fair value of financial instruments

All of the Group's borrowings are in sterling. The Directors believe that there is no material difference between the book value and fair value of such financial instruments.

26. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risks, arising predominantly from currency exposure resulting from its export activities, interest rate fluctuation on its overdraft and credit and liquidity risks. Risk management strategies are co-ordinated by the Board of Directors of the Parent Company.

Notes to the Consolidated Financial Statements

Continued

Foreign currency sensitivity

The Group exports a proportion of its revenues, frequently denominated in foreign currencies (principally in US\$, Euros and Yen). Exposure to currency rate fluctuations exists from the moment a sales order is confirmed through to the time when the related remittance is converted into Sterling. This exposure is computed monthly (along with offsetting exposure on purchases) and charged or credited to the Income Statement.

The Group keeps under constant review its exposure to currency risk and, if considered appropriate, would use forward currency contracts to manage the risks.

30 June 2009

	Sterling equivalent of € £000s	Sterling equivalent of US\$ £000s	Sterling equivalent of Yen £000s
Impact on pre-tax profits of a 5% variation in exchange rate on year-end residual exposure	27	1	–
Impact on equity	19	1	–

30 June 2008

Impact on pre-tax profits of a 5% variation in exchange rate on year-end residual exposure	31	8	3
Impact on equity	22	6	2

Interest rate sensitivity

The Group's interest rate exposure arises in respect of its overdraft, which is LIBOR-linked for interest rate purposes. The Group currently has floating rate facilities, but the Directors regularly review alternative interest rate strategies, with a view to minimising interest costs in the medium-term. The Group's sensitivity to interest rate changes is as follows:

	2009 £000s	2008 £000s
On overdraft outstanding at year-end		
Impact on pre-tax profits of a 1% change in LIBOR	8	20
Impact on equity	6	14

Credit risk

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the balance sheet date, as follows: The Group seeks to mitigate credit risk by reviewing levels of credit granted to customers and the operation of strong credit control practices at subsidiary level.

Trade and other receivables	3,507	4,092
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The Directors consider that all the Group's financial assets that are not impaired at each of the reporting dates under review are of good credit quality, including those that are past due (see note 18). Details of the financial assets secured by collateral or other credit enhancements are given in note 20.

Liquidity risk

The Group's bank borrowings constitute a bank overdraft which is repayable on demand. The Group had an undrawn overdraft facility of £2,186,000 at 30 June 2009 (2008: £2,494,000). The Group considers that it is unlikely that this facility would be withdrawn.

Capital management objectives

The Directors' capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders. The parent and subsidiary companies' Boards meet regularly to review performance and discuss future opportunities and threats with the aim of optimising sustainable returns and minimising risk. The Directors consider capital to be the equity of the Company as disclosed on the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements

Continued

27. OPERATING LEASES COMMITMENTS

	2009	2008
	£000s	£000s
Operating leases payments expensed during the year:		
Land and property	<u>439</u>	<u>399</u>
Minimum operating lease commitments falling due:		
Within 1 year	301	378
Between 1 and 5 years	579	439
After 5 years	299	<u>395</u>
Total commitment	<u>1,179</u>	<u>1,212</u>

28. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Group, including Directors, during the year was:

	2009	2008
	Number	Number
		(restated)
Category:		
Production	85	190
Administration	31	45
Sales and distribution	32	<u>49</u>
	<u>148</u>	<u>284</u>
Business segment:		
Industrial products	135	138
Head Office	4	<u>5</u>
Continuing operations	139	143
Discontinued operations	9	<u>141</u>
	<u>148</u>	<u>284</u>
Their total remuneration was:	£000s	£000s
Continuing operations:		
Wages and salaries	3,722	3,959
Social security costs	350	346
Other pension costs	535	<u>180</u>
	<u>4,607</u>	<u>4,485</u>
Discontinued operations:		
Wages and salaries	194	2,925
Social security costs	17	259
Other pension costs	42	<u>146</u>
	<u>253</u>	<u>3,330</u>

Notes to the Consolidated Financial Statements

Continued

29. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management is considered to be the Directors of Jourdan plc.

The total emoluments for the year were £564,000 (2008: £621,000)

One Director participated in a money purchase pension scheme the contribution to which was £19,000 (2008: £18,000).

The emoluments of the highest paid Director were £230,000 (2008: £218,000).

Included in the total emoluments is an amount of £52,000 (2008: £52,000) for IFRS 2 share option expense which is not actually received by key management as remuneration in the year. All other elements of total emoluments are short term employee benefits.

Included in the emoluments of the highest paid director is an amount of £18,000 (2008: £18,000) for IFRS2 share option expense which is not actually received by the director as remuneration in the year

30. PENSIONS

Eligible employees of the Group are covered by the Jourdan Group Pension Fund which is a funded defined benefit scheme. The Fund is contracted into the State Scheme and receives contributions, both from employees and from employing companies, at rates determined by independent, professionally qualified actuaries. Pensions are paid based on final pensionable salary and number of years of pensionable service. The assets of the Fund are independent of the Group's finances.

A full actuarial valuation was carried out as at 1 April 2007 by a qualified independent actuary. This valuation showed that the market value of the Fund's assets was £8,664,000 and the actuarial value of the assets covered the accrued liabilities to 72% on an ongoing basis, and the market value of the assets covered the accrued liabilities to 47% on a Solvency basis and 96% on a Section 179 basis.

The main assumptions made were:

	%
Investment returns	5.1 and 7.1
Salary increases	3.3
Escalation in pensions	3.0

On a current funding level basis there was a deficit of £3,315,000. The deficit is being eliminated by employer's contribution of £29,800 per month from 1 July 2008 with additional one-off payments of £500,000 in July 2008 and July 2009.

Employee contributions were increased from 7% to 9% from 1 April 2006.

An IAS 19 calculation has also been prepared by the Scheme Actuary, the results of which are set out below.

The assets in the Fund and the expected long-term rate of return were:

	Rate of return %		Value £000s				
	2009	2008	2009	2008	2007	2006	2005
Equities	7.65	8.4	5,194	6,104	6,922	5,492	4,603
Bonds	6.4	5.0	3,014	2,252	2,807	2,855	2,878
Other (excluding cash)	4.3	5.0	53	48	97	68	41
Fair value of Fund Assets			8,261	8,404	9,826	8,415	7,522
Present value of defined benefit obligations			(11,480)	(11,279)	(11,342)	(11,610)	(12,195)
Deficit in the scheme			(3,219)	(2,875)	(1,516)	(3,195)	(4,673)
Deferred tax asset			901	805	455	959	1,402
Net pension obligations			(2,318)	(2,070)	(1,061)	(2,236)	(3,271)

The present value of the Fund obligations has been determined using the projected unit method as required by IAS 19. Employer contributions paid in the year were £1,011,000.

The Pension Fund assets include Ordinary shares issued by Jourdan plc with a fair value of £360,000 (2008: £360,000).

The actual return on Fund assets for the year ended 30 June 2009 was (7.8)%.

Notes to the Consolidated Financial Statements

Continued

The return on equities and other investments is based on the FTSE Fixed Interest over 15 years index. The return on bonds is based on the Merrill Lynch Sterling AA Non Gilts over 15 years index.

The following amounts have been included within the Group Consolidated Financial Statements :

	2009	2008
	£000s	£000s
The amounts recognised in the income statement are as follows:		
Charged against operating profit		
Current service cost, less employee contributions	(26)	(210)
Past service cost	-	-
Gains on settlements and curtailments	-	410
Total operating (charge)/credit	<u>(26)</u>	<u>200</u>
Other finance costs		
Expected return on Pension Fund assets	631	727
Interest on Pension Fund liabilities	(729)	(631)
Net finance (cost)/income	<u>(98)</u>	<u>96</u>

Gains on settlements and curtailments in 2008 relate to the actuarial gain resulting from the settlement of future liabilities of a section of the Fund.

Total amounts recognised in the Statement of Recognised Income and Expense are as follows:

Actual return less expected return on Pension Fund assets	(1,273)	(1,324)
Experience gains and losses arising on the Fund liabilities	18	420
Changes in the assumptions underlying the present value of the Fund liabilities	24	(1,027)
Actuarial loss	<u>(1,231)</u>	<u>(1,931)</u>
Cumulative actuarial losses recognised since adoption of IAS 19	<u>(2,142)</u>	<u>(911)</u>

Notes to the Consolidated Financial Statements

Continued

The history of experience gains and losses is as follows:

	2009	2008	2007	2006	2005
Difference between expected and actual return on Fund assets					
Amount (£000s)	(1,273)	(1,324)	59	274	591
Percentage of Fund assets	(15)%	(16)%	1%	3%	8%
Experience gains/(losses) on Fund liabilities					
Amount (£000s)	18	420	163	(163)	(241)
Percentage of Fund liabilities	0%	4%	1%	(1)%	(2)%
Total actuarial (losses)/gains					
Amount (£000s)	(1,231)	(1,931)	1,068	1,502	(950)
Percentage of Fund liabilities	(11)%	(17)%	9%	13%	(8)%
Movement in fair value of Fund assets				2009	2008
				£000s	£000s
Fair value at 1 July 2008				8,404	9,826
Expected return on assets				631	727
Actuarial loss				(1,273)	(1,324)
Contributions by employer				1,011	276
Contributions by plan participants				25	53
Benefits paid				(537)	(575)
Settlements				-	(579)
Fair value at 30 June 2009				8,261	8,404
Movement in defined benefit obligation					
Defined benefit obligation at 1 July 2008				11,279	11,342
Current service cost				26	210
Interest cost				729	631
Contributions by participants				25	53
Actuarial (gains)/losses				(42)	607
Benefits paid				(537)	(575)
Settlements				-	(989)
Defined benefit obligation at 30 June 2009				11,480	11,279

Notes to the Consolidated Financial Statements

Continued

As the above amounts have been recognised in the Consolidated Financial Statements, the Group's net assets and Profit and Loss reserve at 30 June 2009 were as follows:

	2009	2008
	£000s	£000s
Net assets excluding pension liability	8,527	8,612
Pension liability	(2,318)	(2,070)
	<hr/>	<hr/>
Net assets including pension liability	6,209	6,542
	<hr/>	<hr/>
Profit and loss reserve excluding pension liability	1,722	1,807
Pension liability	(2,318)	(2,070)
	<hr/>	<hr/>
Profit and loss reserve including pension liability	(596)	(263)
	<hr/>	<hr/>

The principal assumptions used at the balance sheet date are as follows:

Future salary increases	3.30%	4.00%
Future pension increases	3.25%	3.85%
Inflation	3.30%	4.00%
Discount rate	6.40%	6.60%

The mortality assumptions adopted at 30 June 2009 imply the following life expectancies:

Male retiring at age 65 in 2009	22.6
Female retiring at age 65 in 2009	25.9
Male retiring at age 65 in 2029	24.6
Female retiring at age 65 in 2029	28.0

The mortality assumptions adopted at 30 June 2008 imply the following life expectancies:

Male retiring at age 65 in 2008	22.0
Female retiring at age 65 in 2008	24.9
Male retiring at age 65 in 2028	23.1
Female retiring at age 65 in 2028	26.0

Defined Contribution Scheme

The Group operates a defined contribution scheme for the benefit of eligible employees. The assets of the scheme are administered in funds independent from those of the Group. The pension cost for the year of the defined contribution scheme was £97,000 (2008: £116,000).

Parent Company Financial Statements

For the year ended 30 June 2009



Report of the independent auditor to the members of Jourdan plc

We have audited the Parent Company Financial Statements of Jourdan plc for the year ended 30 June 2009 which comprise the Parent Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Parent Company Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Parent Company 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 website at www.frc.org.uk/apb/scope/UKNP.

Opinion on Financial Statements

In our opinion the Parent Company Financial Statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Parent Company 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Other matter

We have reported separately on the Consolidated Financial Statements of Jourdan plc for the year ended 30 June 2009.

Christopher Frostwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
East Midlands

9 September 2009

Parent Company Balance Sheet

Notes	30 June 2009 £000s	30 June 2008 £000s
	Fixed assets	
4 Intangible assets	491	–
5 Tangible assets	1,084	837
3 Investments in subsidiaries	10,589	10,275
	12,164	11,112
	Current assets	
Property held for resale	1,324	1,502
6 Stocks	97	38
7 Debtors	3,977	2,878
Cash in hand and at bank	1,153	3,016
	6,551	7,434
8 Creditors: amounts falling due within one year	(5,917)	(5,765)
	Net current assets	1,669
	Total assets less current liabilities	12,781
10 Provisions for liabilities	(118)	(124)
11 Pension liability	(2,318)	–
	Total net assets	12,657
	Capital and reserves	
12 Called up share capital	3,400	3,400
13 Share premium	260	260
13 Other reserves	4,842	4,842
13 Profit and loss account	1,860	4,155
13 Equity shareholders' funds	10,362	12,657

In accordance with the exemptions permitted by s408 of the Companies Act 2006, the Profit and Loss account of the Parent Company has not been presented.

These Parent Company Financial Statements were approved by the Board on 8 September 2009.

J. David Abell
Chairman

Notes to the Parent Company Financial Statements

1. GENERAL INFORMATION

These separate Financial Statements of the Parent Company have been prepared under the historical cost convention, incorporating the true and fair override provisions of the Companies Act 2006 in respect of goodwill on hive up as set out in 2.5 below and in accordance with applicable United Kingdom Accounting Standards.

2. ACCOUNTING POLICIES

2.1 Investments

Fixed asset investments in subsidiaries are stated at cost less provision for impairment.

2.2 Taxation

Current tax is provided at amounts expected to be paid or recovered either directly or through group relief arrangements.

Deferred tax is the taxation attributable to timing differences between the results computed for tax purposes and those stated in the Parent Company Financial Statements. It is recognised on all timing differences where the transaction or event which gives the company an obligation to pay more tax or the right to pay less tax in the future has occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Current and deferred tax assets and liabilities are measured on an undiscounted basis, at rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

2.3 Pensions

Certain of the Company's employees belong to the Jourdan Group Pension Fund which is funded by both employers' and employees' contributions, and is a defined benefit fund. The Fund's assets are measured at fair values. The Fund's liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The gross surplus or deficit is presented on the face of the balance sheet, net of the related deferred tax balance. A gross surplus is recognised only to the extent that it is recoverable by the Company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the Fund liabilities and the expected return on the Fund's assets are included in other finance costs. Actuarial gains and losses are recognised in full in the Statement of Reserves.

The defined benefit pension liability is recognised in the Parent Company Balance Sheet for the first time at 30 June 2009, by virtue of undertakings given by the Company to the pension scheme trustees.

The gross deficit has been calculated in accordance with IAS 19. The Directors are satisfied that this is similar in all material respects to that which would have been calculated under FRS 17.

2.4 Share-based payments

The Parent Company has Share Option plans under which it makes equity settled share based payments to certain Directors and employees. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 July 2006 are recognised in the Parent Company Financial Statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets). Fair value is measured using the Black Scholes Merton model.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the profit and loss reserve. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

2.5 Goodwill arising on hive up of subsidiary undertaking

On 26 June 2009, the trade and net assets of a subsidiary undertaking, Nelson Labels (Manchester) Limited, were transferred to the Company at their book value. The cost of the Company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of this transfer, the value of the Company's investment in that subsidiary undertaking fell below the amount at which it was stated in the Company's accounting records. Part 15 to the Companies Act 2006 requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. However, the Directors consider that, as there had been no overall loss to the Group, it would fail to give a true and fair view to charge the diminution

Notes to the Parent Company Financial Statements

Continued

to the Company's profit and loss account. It should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise in the Company's individual balance sheet the effective cost to the Company of those net assets and goodwill. The effect on the Company's balance sheet of this departure is to recognise goodwill of £296,000.

In addition, purchased goodwill of £195,000 previously disclosed in the subsidiary was transferred to the Company on hive up.

No amortisation of goodwill has been charged to the Company profit and loss account since the hive up occurred at the year end. The Directors are currently considering the economic life of goodwill in order to establish a rate of amortisation for future periods.

2.6 Fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation: Depreciation is provided at rates calculated to write down the cost less residual value of all property, plant and equipment other than freehold land in equal instalments over their expected useful economic lives. The rates used are as follows:

- Freehold properties 2%
- Plant and machinery 10%

Material residual value estimates are updated as required, but at least annually.

2.7 Property held for resale

Such properties are stated at the lower of transfer value from tangible fixed assets and net realisable value.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for old and obsolete items. Cost includes materials, valued on a first in first out basis, direct labour and the attributable proportion of manufacturing overheads based on normal levels of activity.

2.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the present obligations arising from legal or constructive commitments resulting from past events will probably lead to an outflow of economic resources from the Company which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3. INVESTMENTS

	2009	2008
	£000s	£000s
Shares in subsidiary companies		
Cost or valuation		
At 30 June 2008	17,124	17,124
Transferred from subsidiary undertakings	1,170	–
At 30 June 2009	18,294	17,124
Amounts written off		
At 30 June 2008	(6,849)	(2,582)
Transferred from subsidiary undertakings	(207)	–
Transferred to goodwill	(296)	–
Written off during the year	(353)	(4,267)
At 30 June 2009	(7,705)	(6,849)
Net book value at 30 June 2009	10,589	10,275

The £353,000 written off in 2009 related to the Company's investment in John Corby Limited (to be renamed Tribulation II Limited). The £296,000 transferred to goodwill related to Nelsons Labels (Manchester) Limited.

£3,513,000 written off in 2008 related to the Company's investment in Tribulation Limited (formerly Suncrest Surrounds Limited), which sold its trade and assets during that year. The remaining £754,000 related to Nelsons Labels (Manchester) Limited.

Notes to the Parent Company Financial Statements

Continued

The principal trading subsidiaries of Jourdan plc at 30 June 2009, all of which are incorporated and operate in Great Britain, and are wholly owned, are listed below:

Company	Principal activity	Class of shares
Westfield Medical Limited	Manufacture of sterilization packaging materials.	Ordinary £1
Clinipak Limited *	Manufacture and distribution of single use sterilisation products.	Ordinary £1

* Indirect holding

At the year end the trade, assets and liabilities of Nelsons Labels (Manchester) Limited, and the remaining net assets of Tribulation Limited (formerly Suncrest Surrounds Limited) and John Corby Limited (to be renamed Tribulation II Limited) were hived up into Jourdan plc.

4. INTANGIBLE ASSETS

	2009 £000s	2008 £000s
Purchased goodwill		
Cost		
At 30 June 2008	-	-
Transferred from subsidiary undertakings	195	-
Transferred from investments	296	-
At 30 June 2009	491	-
Amortisation		
At 30 June 2008 and 30 June 2009	-	-
Net book value at 30 June 2009	491	-

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000s	Leasehold properties £000s	Plant and machinery £000s	Motor vehicles £000s	Total £000s
Cost					
Cost					
At 30 June 2008	1,053	-	21	-	1,074
Transferred from subsidiary undertakings	-	270	1,133	13	1,416
Transfer to non-current assets held for sale	(90)	-	-	-	(90)
Disposals	-	-	(4)	-	(4)
At 30 June 2009	963	270	1,150	13	2,396
Depreciation					
At 30 June 2008	(218)	-	(19)	-	(237)
Charge for the year	(19)	-	-	-	(19)
Transferred from subsidiary undertakings	-	(189)	(874)	(13)	(1,076)
Transfer to non-current assets held for sale	16	-	-	-	16
Disposals	-	-	4	-	4
At 30 June 2009	(221)	(189)	(889)	(13)	(1,312)
Net book amounts – 30 June 2009	742	81	261	-	1,084
Net book amounts – 30 June 2008	835	-	2	-	837

6. STOCKS

	2009 £000s	2008 £000s
Raw materials and consumables	79	38
Work in progress	4	-
Finished goods and goods held for resale	14	-
	97	38

Notes to the Parent Company Financial Statements

Continued

7. DEBTORS

	2009	2008
	£000s	£000s
Trade debtors	426	–
Amounts owed by Group companies	2,797	2,705
Other debtors	439	7
Prepayments and accrued income	190	162
Corporation tax recoverable	54	–
Deferred tax asset	71	4
	3,977	2,878

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	232	71
Amounts owing to Group companies	4,853	5,346
Other creditors	416	166
Social security and other taxes	90	3
Accruals and deferred income	326	119
Corporation tax payable	–	60
	5,917	5,765

9. DEFERRED TAX ASSET

At 30 June 2008	4	(80)
Pension Deficit	901	–
Credit to profit and loss account in the year	67	84
At 30 June 2009	972	4
Accelerated capital allowances	(201)	(162)
Pension Deficit	901	–
Other timing differences	272	166
	972	4
Set against pension deficit	901	–
Included in debtors	71	4
	972	4

10. PROVISION FOR LIABILITIES

Provision for indebtedness of subsidiaries		
At 30 June 2008	124	–
(Released)/charged to profit and loss account in the year	(21)	124
At 30 June 2009	103	124
Other provision		
At 30 June 2008	–	–
Transferred from subsidiary undertaking	15	–
At 30 June 2009	15	–
Total	118	124

11. PENSION LIABILITY

The defined benefit pension liability has been recognised in the Parent Company Balance Sheet for the first time at 30 June 2009 in accordance with the revised accounting policy set out at 2.3 above. Detailed disclosures regarding the gross pension liability can be found in note 30 to the Consolidated Financial Statements.

Gross pension deficit at 30 June 2009	3,219	–
Deferred tax asset	(901)	–
Net pension deficit at 30 June 2009	2,318	–

Notes to the Parent Company Financial Statements

Continued

12. SHARE CAPITAL

Details relating to the parent company's share capital are set out in note 23 to the Consolidated Financial Statements.

13. STATEMENT OF RESERVES

	Share capital £000s	Share premium account £000s	Capital redemption reserve £000s	Other reserves £000s	Merger reserve £000s	Special reserve £000s	Total other reserves £000s	Profit and loss account £000s	Total £000s
30 June 2008	3,400	260	55	1,697	691	2,399	4,842	4,155	12,657
Pension liability	-	-	-	-	-	-	-	(2,318)	(2,318)
Profit for the financial year	-	-	-	-	-	-	-	431	431
Dividends	-	-	-	-	-	-	-	(408)	(408)
30 June 2009	3,400	260	55	1,697	691	2,399	4,842	1,860	10,362

The Company's profit on ordinary activities after tax for the year was £431,000 (2008: loss £1,131,000).

The Merger Reserve and Other Reserves arose in relation to acquisitions in earlier years.

The Special Reserve balance is explained in note 24 to the Consolidated Financial Statements.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under FRS 8 "Related Party Disclosures" and has not disclosed transactions with companies that are part of the Jourdan plc group of companies. There are no other transactions to be disclosed under the terms of FRS 8.

15. PARTICULARS OF EMPLOYEES

	2009 Number	2008 Number
The average number of persons employed by the Parent Company, including Directors, during the year was:		
Category:		
Administration	4	5
Their total remuneration was:	£000s	£000s
Wages and salaries	410	520
Social security costs	31	31
Other pension costs	413	92
	854	643

16. EMOLUMENTS OF DIRECTORS

The information regarding Directors is included in the Report of the Remuneration Committee on pages 10 to 12.

The total emoluments for the year were £369,000 (2008: £465,000).

The emoluments of the highest paid Director were £230,000 (2008: £218,000).

No Director participated in a Money Purchase Pension scheme (2008: nil)

Included in the total emoluments is an amount of £43,000 (2008: £43,000) for FRS 20 share option expense which is not actually received by the Director as remuneration in the year.

Included in the emoluments of the highest paid Director is an amount of £18,000 (2008: £18,000) for FRS 20 share option expense which is not actually received by the director as remuneration in the year.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the eighty-second Annual General Meeting of Jourdan plc will be held at 1000 on 22 October 2009 at the offices of Bird & Bird, 15 Fetter Lane, London EC4A 1JP.

Ordinary business:

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions.

1. To receive the Financial Statements for the year ended 30 June 2009 and the reports of the Directors and the Auditors.
2. To declare a dividend of 8p per share on the issued ordinary shares of £1 each in the Company, payable on 27 November 2009 to those shareholders on the register of members at close of business on 16 October 2009.
3. To re-appoint as a Director Mr J P Pither who retires by rotation in accordance with Article 88 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
4. To re-appoint Grant Thornton UK LLP as Auditor of the Company and to authorise the Directors to determine their remuneration.

Special business:

To consider and, if thought fit, to pass the following resolutions of which No. 5 will be proposed as an Ordinary Resolution and No. 6 will be proposed as Special Resolution:

5. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purpose of Section 551 of the Companies Act 2006 (the "Act") to exercise all of the powers of the Company to allot relevant securities (as defined in Note 1 below) of the Company up to a maximum aggregate nominal amount of £1,449,990 (1,449,990 ordinary shares of £1 each) provided that such authority shall (unless previously revoked or varied by the Company in general meeting) expire on the date which is five years after the date of this resolution. The Directors shall be entitled under the general authority conferred by this resolution to make at any time before the expiry of such authority, any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority as if such authority had not expired. This authority shall supersede the authority conferred on the Directors by the Ordinary Resolution passed at the Annual General Meeting of the Company held on 20 November 2008.
6. THAT subject to the passing of Resolution 5 above, the Directors of the Company be empowered pursuant to Section 571 of the Act to allot equity securities for cash, pursuant to the authority conferred by Resolution 5 above, as if Section 561 of the Act did not apply to such allotment, provided that such power shall be limited to (a) the allotment of equity securities in connection with a bonus or rights issue in favour of the holders of the ordinary shares where the equity securities attributable to the interests of such holders are proportionate (as nearly as may be) to the respective numbers of such shares held by them subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or the requirements of any recognised regulatory body in any territory, and (b) the allotment (otherwise than pursuant to (a) above) of equity securities up to an aggregate nominal value of £170,000 (170,000 Ordinary shares of £1 each), this being equivalent to five per cent. of the issued share capital of the Company at the date on which the Notice of the Meeting at which this resolution is to be proposed was given, provided that such authority shall (unless previously revoked or varied by the Company in general meeting) expire on the date which is five years after the date of this resolution. The Directors shall be entitled under the general authority conferred by this resolution to make at any time before the expiry of such authority, any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority as if such authority had not expired. This authority shall supersede the authority conferred on the Directors by the Special Resolution passed at the Annual General Meeting of the Company held on 20 November 2008.

8 September 2009

By order of the Board

Registered office:

Elm House
Elmer Street North
Grantham
Lincolnshire NG31 6RE

Martha Bruce
Secretary

Notice of Meeting

Continued

Notes:

- (1) Resolution 5 is included to renew the directors' authority to allot relevant securities in accordance with section 551 of the Act. The authority granted by this resolution will expire 5 years from the date of the passing of the resolution. The term 'relevant securities' means:
 - Shares in the Company other than shares allotted pursuant to:
 - an employee share scheme (as defined in s.1166 of the Act);
 - a right to subscribe for shares in the Company where the grant of the right itself constituted a relevant security; or
 - a right to convert securities into shares in the Company where the grant of the right itself constituted a relevant security

Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by s.1166 of the Act).
- (2) Ordinary shareholders are entitled to attend and vote at the above Meeting, and they may appoint one or more proxies, who need not be members of the Company, to attend on their behalf. To be effective the Form of Proxy and the Power of Attorney, or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, must reach the Registrars of the Company, SLC Registrars Limited, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD not later than forty-eight hours before the time fixed for the Meeting.
- (3) Completing and returning the Form of Proxy will not prevent a member from attending at the Meeting if he/she so wishes.
- (4) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members as at the close of business on 16 October 2009 shall be entitled to attend or vote at the above General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant Register of Members after that date will be disregarded in determining the rights of the person to attend or vote at the Meeting notwithstanding any provisions in any enactment, articles of association or other instrument to the contrary.
- (5) Copies of the Directors' service contracts with the Company and the Register of Directors' Interests in the share capital of the Company are available at the Registered Office of the Company for inspection during usual business working hours on any week day from the date of this notice until the date of the Meeting and also on the day of the Meeting at the offices of Bird & Bird from 0930 on 22 October 2009 until the conclusion of the Meeting.