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### Financial Calendar

Annual General Meeting	26 October 2011
Payment of Dividend	25 November 2011
Interim Results	March 2012
Final Results	September 2012

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## Officers and Professional Advisers

<b>Executive Directors</b>	J D Abell (Chairman) P Hartley
<b>Non-Executive Directors</b>	J P Pither (Deputy Chairman) • R R Morris • A F Lamb OBE •
<b>Secretary</b>	Martha Bruce
<b>Registered Office</b>	Elm House Elmer Street North Grantham Lincolnshire NG31 6RE  Telephone: 01476 403456 Facsimile: 01476 403458 Website: <a href="http://www.jourdanplc.co.uk">www.jourdanplc.co.uk</a>
<b>Auditor</b>	Grant Thornton UK LLP Regent House 80 Regent Road Leicester LE1 7NH
<b>Bankers</b>	Lloyds TSB Bank plc Butt Dyke House 33 Park Row Nottingham NG1 6GY
<b>Financial Advisers</b>	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
<b>Legal Adviser</b>	Bird & Bird 15 Fetter Lane London EC4A 1JP
<b>Registrars</b>	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD

• *Member of Audit Committee and Remuneration Committee*

Annual Report 2011

Financial Highlights

	<u>30 June 2011</u>	<u>30 June 2010</u>
	£000s	£000s
Revenue	<b>21,605</b>	19,986
PBT before amortisation and exceptional costs	<b>2,782</b>	2,243
PBT before amortisation and exceptional costs %	<b>12.9</b>	11.2
Operating profit	<b>2,417</b>	2,133
Profit before tax	<b>2,292</b>	1,956
Profit after tax	<b>1,508</b>	1,343
Debtor days	<b>59.5</b>	52.0
Cash generated	<b>957</b>	1,308
Cash position	<b>(974)</b>	(1,230)
Capital employed	<b>7,248</b>	5,153
Interim dividend paid per share	<b>15.0p</b>	10.0p
Proposed dividend per share	<b>15.0p</b>	10.0p
Net assets per share	<b>247.3p</b>	177.8p
Earnings per share – basic and diluted	<b>51.6p</b>	43.9p
Gearing %	<b>13%</b>	24%
Average headcount	<b>142</b>	141

## Chairman's Statement

### HIGHLIGHTS

- **Dividend per share increased by 50% to 30.0p**
- **PBT, before amortisation and exceptional items, increased by 24% to £2,782,000 (2010: £2,243,000)**
- **Earnings per share, before goodwill amortisation, increased by 52% to 66.7p (2010: 43.9p)**
- **Bank borrowing further reduced to less than £1,000,000**

### Financial Results

This has been another year of substantial progress with a major increase in profits.

Full year sales increased by 8% to £21.6 million (2010: £20.0 million). Operating profit before amortisation and exceptional items was £2,907,000 (2010: £2,420,000).

In overall terms profit before tax was £2,292,000 (2010: £1,956,000). Earnings per share for the year increased by 17% to 51.6p (2010: 43.9p).

Bank borrowing was reduced by £256,000 to £974,000 during the year. The Company has maintained facilities with Lloyds TSB Bank plc for the year ending 30 June 2012.

I am pleased to announce that your Directors recommend a final dividend of 15.0p per share (2010: 10.0p) making a total of 30.0p per share (2010: 20.0p) for the year. If approved at the Company's AGM on 26 October 2011, the final dividend will be paid on 25 November 2011 to members on the register on 4 November 2011.

### 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. Both Home and Export sales have increased significantly during the year. The excellent reputation both Westfield and Clinipak have developed for product quality and adherence to delivery dates has also been a key reason for this improvement.

Nelsons Labels had a difficult year again reflecting the UK economy. Export sales have also suffered. Consequently an impairment charge of £441,000 has been made to reduce the carrying value of goodwill in the Group balance sheet relating to this business.

### Group Pensions

The Jourdan Group Pension Fund 2010 Actuarial Valuation has shown an improvement in the funding position since the 2007 valuation due to significant additional contributions from the Company as well as investment returns being better than expected. During the year to 30 June 2011 £870,000 was paid by the Company into the Fund, which included a "one off" payment of £500,000. The Company has agreed to continue to make monthly payments totalling approximately £400,000 per annum. As at 30 June 2011 the Company's obligations in respect of the Fund (after tax) calculated in accordance with accounting standards, had decreased to £627,000 compared with £2,396,000 as at 30 June 2010. This reflects the cash payments referred to above, the revaluation of pensions in deferment following the Government's

decision to base pension increases and revaluation on CPI as opposed to RPI, and the relatively high investment values at that date. Investment values have fallen significantly since the year end and accordingly the Company's obligations will have increased substantially from the position at 30 June 2011. The situation continues to be closely monitored.

### People

Our employees continue to work 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.

### Outlook

The optimism of last year's Chairman's Statement has proved to be well founded. The worldwide financial situation is challenging but the medical packaging business of Westfield Medical and Clinipak is a clear leader in a strong market place with excellent prospects. Trading for the first two months is satisfactory and we look forward to a further year of good progress.

J David Abell

30 August 2011

## Report of the Directors

### Principal Activities

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During the year, the Company was a holding company and the principal activities of its subsidiary companies are set out on page 37.

### Business Review

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#### Summary of key performance indicators

The Directors have monitored the progress of the overall Group strategy and the individual strategic elements by reference to the key performance indicators set out in the financial highlights shown on page 3.

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 Group faces a range of risks and uncertainties across the different operating businesses, as well as at Group level.

The Directors review 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.

The continuing economic downturn is affecting Nelsons as the success of this business is reliant on consumer spending. The resulting reduction of consumer spending power, is having a direct impact on the income achieved.

Fluctuations in currency exchange rates could affect all of the operating businesses as approximately 37% of the Group's 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. A one off payment of £500,000 was made in June 2011 as part of the agreement for the future funding of the Pension Fund reached with the Trustees. 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

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On 22 October 2010, the Company, under the Unapproved 2000 Share Option Scheme, issued 33,000 ordinary shares of £1 each, for cash of £77,550.

Details of the Group's share option schemes are given on page 25.

### Results and Dividends

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The Consolidated Income Statement appears on page 8. Profit after tax for the year ended 30 June 2011 amounted to £1,508,000. A review of the results appears in the Chairman's Statement.

An interim dividend for the year of 15.0p on each issued Ordinary share of £1 each was paid in May 2011. Your Directors are proposing to recommend the payment of a final dividend for the year of 15.0p on each issued Ordinary share of £1 each, payable on 25 November 2011 to shareholders on the register of members at the close of business on 4 November 2011.

### Directors

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The Directors who served the Company during the year were as follows:

J D Abell	<i>(Chairman)</i>
P Hartley	<i>(Executive Director)</i>
J P Pither	<i>(Non-executive Director)</i>
R R Morris	<i>(Non-executive Director)</i>
A F Lamb	<i>(Non-executive Director)</i>

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

### Annual General Meeting

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The Company's Annual General Meeting will be held at 1200 on 26 October 2011 at the offices of Bird & Bird, 15 Fetter Lane, London EC4 1JP and formal notice of this meeting is set out on page 41.

### Capital Management Objectives

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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.

## Report of the Directors

Continued

### Directors' and Officers' Liability Insurance

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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

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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 activities and performance. Each business 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

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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

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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 2011, the Group had 59 days of outstanding trade payables (Year ended 30 June 2010: 51).

### Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) and the Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of

affairs of the Company and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors is 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

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Group financial risk management policies are set out in note 25 to the Consolidated Financial Statements.

### Auditor

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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 26 October 2011.

By Order of the Board

Martha Bruce  
*Secretary*

30 August 2011

## Report of the Independent Auditor to the members of Jourdan plc



We have audited the Group Financial Statements of Jourdan plc for the year ended 30 June 2011 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of Financial Statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

In our opinion the Group Financial Statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 Financial Statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 2011.

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

30 August 2011

Consolidated Income Statement

Notes	<b>Year to 30 June 2011 £000s</b>	Year to 30 June 2010 £000s
6 Revenue	<b>21,605</b>	19,986
Cost of sales	<b>(13,919)</b>	(12,806)
Gross profit	<b>7,686</b>	7,180
7 Net operating costs – normal	<b>(4,828)</b>	(4,817)
– exceptional	<b>(441)</b>	(230)
8 Operating profit	<b>2,417</b>	2,133
9 Finance costs	<b>(125)</b>	(177)
Profit before tax	<b>2,292</b>	1,956
10 Taxation	<b>(784)</b>	(613)
Profit for the year attributable to equity holders of the Parent Company	<b>1,508</b>	1,343
Earnings per share	<b>Pence</b>	Pence
12 Basic and diluted	<b>51.6</b>	43.9

All activities of the Group are classed as continuing.

Consolidated Statement of Comprehensive Income

	<b>Year to 30 June 2011 £000s</b>	Year to 30 June 2010 £000s
Profit for the year	<u>1,508</u>	<u>1,343</u>
Other comprehensive income:		
Actuarial gain/(loss) recognised in the Pension Fund (Note 29)	1,714	(839)
Movement on deferred tax relating to pension actuarial (gain)/loss	<u>(471)</u>	<u>235</u>
Net income/(expense) recognised directly in equity	<u>1,243</u>	<u>(604)</u>
Total comprehensive income in the year attributable to equity holders	<u>2,751</u>	<u>739</u>

Consolidated Balance Sheet

Notes	30 June 2011 £000s	30 June 2010 £000s
<b>ASSETS</b>		
<b>Non-current assets</b>		
13 Property, plant and equipment	1,285	1,400
14 Goodwill	4,295	4,736
15 Other intangible assets	332	381
21 Deferred tax asset	222	917
	<u>6,134</u>	<u>7,434</u>
<b>Current assets</b>		
16 Inventories	1,694	1,449
17 Trade and other receivables	4,230	3,218
	<u>5,924</u>	<u>4,667</u>
18 Non-current assets classified as held for sale	1,351	1,324
<b>Total assets</b>	<u>13,409</u>	<u>13,425</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
19 Trade and other payables	(4,974)	(4,604)
Current tax payable	(340)	(325)
	<u>(5,314)</u>	<u>(4,929)</u>
<b>Non-current liabilities</b>		
20 Long-term provisions	-	(15)
29 Pension liability	(847)	(3,328)
	<u>(847)</u>	<u>(3,343)</u>
<b>Total liabilities</b>	<u>(6,161)</u>	<u>(8,272)</u>
<b>Net assets</b>	<u>7,248</u>	<u>5,153</u>
<b>EQUITY</b>		
22 Share capital	2,931	2,898
Share premium account	433	389
23 Other reserves	3,730	3,730
Profit and loss reserve	154	(1,864)
<b>Equity attributable to equity holders of the Parent Company</b>	<u>7,248</u>	<u>5,153</u>

The Financial Statements were approved by the Board of Directors on 30 August 2011.

J. David Abell  
Chairman

Company Registration Number: 215690

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

Consolidated Statement of Changes in Equity

	Share capital £000s	Share premium £000s	Other reserves £000s	Profit & loss reserve £000s	Total equity £000s
At 1 July 2009	<u>3,400</u>	<u>260</u>	<u>3,145</u>	<u>(596)</u>	<u>6,209</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>739</u>	<u>739</u>
Transactions with owners:					
Repurchase of own shares	(585)	-	585	(1,469)	(1,469)
Share options exercised	83	129	-	-	212
Dividends	-	-	-	(554)	(554)
Credit relating to issue of share options	-	-	-	16	16
Total transactions with owners	<u>(502)</u>	<u>129</u>	<u>585</u>	<u>(2,007)</u>	<u>(1,795)</u>
Balance at 30 June 2010	<u>2,898</u>	<u>389</u>	<u>3,730</u>	<u>(1,864)</u>	<u>5,153</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,751</u>	<u>2,751</u>
Transactions with owners:					
Share options exercised	33	44	-	-	77
Dividends	-	-	-	(733)	(733)
Total transactions with owners	<u>33</u>	<u>44</u>	<u>-</u>	<u>(733)</u>	<u>(656)</u>
Balance at 30 June 2011	<u><b>2,931</b></u>	<u><b>433</b></u>	<u><b>3,730</b></u>	<u><b>154</b></u>	<u><b>7,248</b></u>

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

Consolidated Statement of Cash Flows

	<b>Year to 30 June 2011 £000s</b>	Year to 30 June 2010 £000s
Notes		
<b>Cash flows from operating activities</b>		
Profit after tax	<b>1,508</b>	1,343
Adjustments for:		
Depreciation	<b>232</b>	238
Amortisation of intangible assets	<b>49</b>	57
Amortisation of goodwill	<b>441</b>	–
De-listing and share buy-in costs	<b>–</b>	100
Pension contributions	<b>(854)</b>	(858)
Other (losses)/gains	<b>(41)</b>	16
Finance cost	<b>125</b>	177
Tax expense recognised in income statement	<b>784</b>	613
Increase in inventories	<b>(245)</b>	(19)
Increase in trade and other receivables	<b>(1,085)</b>	(35)
Increase in trade and other payables	<b>626</b>	30
Cash generated from operations	<b>1,540</b>	1,662
Interest paid	<b>(38)</b>	(49)
Tax paid	<b>(545)</b>	(305)
<b>Net cash inflow from operating activities</b>	<b>957</b>	1,308
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(118)</b>	(137)
Proceeds from disposal of discontinued operations	<b>73</b>	324
<b>Net cash generated from investing activities</b>	<b>(45)</b>	187
<b>Cash flows from financing activities</b>		
Purchase of own shares (including costs)	<b>–</b>	(1,569)
11 Dividends paid	<b>(733)</b>	(554)
Share options exercised	<b>77</b>	212
<b>Net cash used in financing activities</b>	<b>(656)</b>	(1,911)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>256</b>	(416)
Cash and cash equivalents at beginning of year	<b>(1,230)</b>	(814)
19 Cash and cash equivalents at end of year	<b>(974)</b>	(1,230)

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. 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 2011. 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 30 August 2011.

### 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 2 July 2011 (2010: 53 weeks ended 3 July 2010).

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 and 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 2011.

### 4. RECENT ACCOUNTING DEVELOPMENTS

#### 4.1 Significant accounting developments

There have been no significant developments in financial reporting, effective from the start of the current financial year, of relevance to the Group which required to be taken into account in the presentation of the Group financial statements.

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

At the date of authorisation of these Consolidated Financial Statements, the directors do not consider that there are any new Standards, amendments and Interpretations to existing standards that have been published but are not yet effective that will have a significant impact in future periods.

### 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 and between 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 the Group, 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 net 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

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### 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

All 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.

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.

## Notes to the Consolidated Financial Statements

Continued

### 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.

### 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.

## Notes to the Consolidated Financial Statements

Continued

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 Comprehensive Income.

In addition, 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 amount charged against profits represents the contributions payable to the scheme in the period.

### 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. 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 14 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.

#### 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.

## Notes to the Consolidated Financial Statements

Continued

- 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 14.
- 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 22.
- 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 29.
- 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 23 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. At 30 June 2011 the Group currently had committed but undrawn bank facilities of £2,026,000, over and above its existing overdraft borrowings of £974,000. The Group has agreed overdraft facilities of £3,000,000 with its bankers, which are available until the normal renewal date of 30 June 2012, 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.

## Notes to the Consolidated Financial Statements

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### 6. SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Board of Directors which are used to make strategic decisions. The Board considers the business from a product perspective and divides its operations into medical packaging, labels and central costs.

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

	<b>2011</b>	2010
	<b>£000s</b>	£000s
United Kingdom	<b>13,661</b>	12,483
Continental Europe	<b>3,221</b>	3,406
North America	<b>1,442</b>	1,088
Rest of World	<b>3,281</b>	3,009
	<b><u>21,605</u></b>	<u>19,986</u>

Revenues from external customers by business segment are as follows:

Medical Packaging	<b>19,687</b>	17,770
Labels	<b>1,918</b>	2,216
	<b><u>21,605</u></b>	<u>19,986</u>

### 7. OPERATING COSTS

Normal:

Distribution costs	<b>1,093</b>	932
Administrative expenses	<b>3,686</b>	3,828
Amortisation of intangible assets	<b>49</b>	57
	<b><u>4,828</u></b>	<u>4,817</u>

Exceptional:

Amortisation of goodwill	<b>441</b>	–
De-listing and share buy-in costs	–	100
Settlement of legal claim	–	130
	<b><u>5,269</u></b>	<u>5,047</u>

### 8. OPERATING PROFIT

Operating profit is stated after charging:

Fees payable to the Company's auditor		
for the audit of the Company's annual accounts	<b>16</b>	15
Fees payable to the Company's auditor for other services		
for the audit of the Company's subsidiaries	<b>23</b>	22
for tax services	<b>14</b>	12
Depreciation	<b>232</b>	238
Amortisation of intangible assets	<b>49</b>	57
Operating lease rentals – land and buildings	<b>301</b>	276

Notes to the Consolidated Financial Statements

Continued

9. FINANCE COSTS

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Bank interest payable	<b>38</b>	49
Pension deficit – finance cost	<b>87</b>	128
	<b>125</b>	177

10. TAXATION

The tax charge represents:

UK Corporation tax at 27.5% (2010: 28%)	<b>566</b>	407
Adjustment in respect of prior years	<b>(6)</b>	5
	<b>560</b>	412
Deferred tax – origination and reversal of temporary differences	<b>224</b>	201
Tax on profit for the year	<b>784</b>	613

The deferred tax charge includes £31,000 in respect of an adjustment for the change in tax rate from 28% to 26% on the deferred tax asset.

The tax charge for the year is higher than the standard rate of Corporation tax in the UK of 27.5% (2010: 28%)

The differences are explained as follows:

Profit on ordinary activities before tax	<b>2,292</b>	1,956
Profit on ordinary activities before tax multiplied by standard rate of Corporation tax at 27.5% (2010: 28%)	<b>630</b>	547
Effect of:		
Amortisation of goodwill	<b>121</b>	–
Expenses not deductible for tax purposes	<b>9</b>	51
Share option expense not deductible for tax purposes	–	4
Depreciation in excess of capital allowances	<b>4</b>	9
Pension and other timing differences	<b>(198)</b>	(204)
Deferred tax origination and reversal of temporary differences	<b>224</b>	201
Adjustments to tax charges in respect of prior periods	<b>(6)</b>	5
Tax on profit for the year	<b>784</b>	613

11. DIVIDENDS

Paid during the year

Final dividend paid in respect of prior year of 10p (2010: 8p) per ordinary share	<b>293</b>	272
Interim dividend paid in respect of current year of 15p (2010: 10p) per ordinary share	<b>440</b>	282
	<b>733</b>	554
Proposed after the year end (not recognised as a liability)		
Proposed final dividend in respect of the year of 15p (2010: 10p) per ordinary share	<b>440</b>	290

Notes to the Consolidated Financial Statements

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12. 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:

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Profit attributable to equity holders of the Company and profit used to determine diluted earnings per share	<u>1,508</u>	<u>1,343</u>
Weighted average number of ordinary shares in issue and weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>2,921</u>	<u>3,058</u>

All share options in issue are anti-dilutive

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold properties	Plant and machinery	Motor vehicles	Total
	£000s	£000s	£000s	£000s	£000s
<b>Cost</b>					
At 30 June 2009	963	328	3,518	17	4,826
Additions	–	–	115	22	137
Disposals	–	–	(171)	(13)	(184)
At 30 June 2010	963	328	3,462	26	4,779
Additions	–	–	118	–	118
Disposals	–	–	–	(4)	(4)
At 30 June 2011	<u>963</u>	<u>328</u>	<u>3,580</u>	<u>22</u>	<u>4,893</u>
<b>Depreciation</b>					
At 30 June 2009	(221)	(194)	(2,896)	(14)	(3,325)
Charge for the year	(15)	(24)	(193)	(6)	(238)
Disposals	–	–	171	13	184
At 30 June 2010	(236)	(218)	(2,918)	(7)	(3,379)
Charge for the year	(16)	(24)	(184)	(8)	(232)
Disposals	–	–	–	3	3
At 30 June 2011	<u>(252)</u>	<u>(242)</u>	<u>(3,102)</u>	<u>(12)</u>	<u>(3,608)</u>
Net book amounts – 30 June 2011	<u>711</u>	<u>86</u>	<u>478</u>	<u>10</u>	<u>1,285</u>
Net book amounts – 30 June 2010	<u>727</u>	<u>110</u>	<u>544</u>	<u>19</u>	<u>1,400</u>

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

Continued

14. GOODWILL

£000s

Deemed cost	
At 30 June 2010 and 2009	4,736
Impairment charged to the Income Statement	(441)
At 30 June 2011	<u>4,295</u>

The carrying value of goodwill at 30 June 2011 allocated to each cash-generating unit was as follows:

Westfield Medical Limited	3,326
Clinipak Limited	418
Nelsons Labels (Manchester) Limited	551
	<u>4,295</u>

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 seven 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 6% 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 2010. However, the above calculations at 30 June 2011 indicated an impairment of £441,000 relating to the carrying value of goodwill in respect of Nelsons Labels (Manchester) Limited, which has been charged as an exceptional item in the income statement.

Following the charge for impairment above, management believes that any reasonably possible change in these key assumptions would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of each unit.

15. OTHER INTANGIBLE ASSETS

	Order Book £000s	Contracted Sales £000s	Patents £000s	Other customer relationships £000s	Total £000s
Cost					
30 June 2011, 2010 and 2009	<u>12</u>	<u>58</u>	<u>551</u>	<u>565</u>	<u>1,186</u>
Amortisation					
1 July 2009	(12)	(58)	(151)	(527)	(748)
Charge for year	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>(14)</u>	<u>(57)</u>
30 June 2010	(12)	(58)	(194)	(541)	(805)
Charge for year	<u>-</u>	<u>-</u>	<u>(39)</u>	<u>(10)</u>	<u>(49)</u>
30 June 2011	<u>(12)</u>	<u>(58)</u>	<u>(233)</u>	<u>(551)</u>	<u>(854)</u>
Net book value					
30 June 2011	<u>-</u>	<u>-</u>	<u>318</u>	<u>14</u>	<u>332</u>
30 June 2010	<u>-</u>	<u>-</u>	<u>357</u>	<u>24</u>	<u>381</u>

Notes to the Consolidated Financial Statements

Continued

16. INVENTORIES

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Raw materials and consumables	<b>731</b>	589
Work in progress	<b>61</b>	53
Finished goods and goods held for resale	<b>902</b>	807
	<b><u>1,694</u></b>	<u>1,449</u>

In 2011, a total of £13,919,000 of inventories was included in the income statement as an expense (2010: £12,806,000). This is net of an inventory provision of £14,000 (2010: £9,000). All Group inventories form part of the assets pledged as security in respect of the bank overdraft.

17. TRADE AND OTHER RECEIVABLES

Trade receivables	<b>3,521</b>	2,847
Prepayments and accrued income	<b>704</b>	313
Other receivables	<b>5</b>	58
	<b><u>4,230</u></b>	<u>3,218</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 £76,000 (2010: £62,000) 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 three months	<b><u>818</u></b>	<u>669</u>
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18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents freehold properties not being utilised within the Group, which are intended to be disposed of within 12 months.

19. TRADE AND OTHER PAYABLES

Bank overdraft (secured)	<b>974</b>	1,230
Trade payables	<b>2,633</b>	1,888
Accruals and deferred income	<b>1,057</b>	991
Social security and other taxes	<b>180</b>	175
Other payables	<b>130</b>	320
	<b><u>4,974</u></b>	<u>4,604</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.

20. LONG TERM PROVISIONS

At 1 July 2009 and 2010	<b>15</b>
Unutilised amounts reversed	<b><u>(15)</u></b>
At 30 June 2011	<u>-</u>

Provisions related to potential liabilities arising from businesses disposed of in the preceding period.

Notes to the Consolidated Financial Statements

Continued

21. DEFERRED TAX

The gross movements on the deferred tax account are as follows:

	<b>2011</b>	2010
	<b>£000s</b>	£000s
At 30 June 2010	<b>917</b>	883
- amount recognised in the Income Statement	<b>(224)</b>	(201)
- amount recognised in the Statement of Comprehensive Income	<b>(471)</b>	235
<b>At 30 June 2011</b>	<b>222</b>	917

Deferred tax arose from the following sources:

	Accelerated Capital allowances	Pension deficit	Other temporary timing differences	Total
	£000s	£000s	£000s	£000s
At 1 July 2009	(201)	901	183	883
(Charged)/credited to the income statement	(5)	(204)	8	(201)
Charged directly to equity	-	235	-	235
At 30 June 2010	(206)	932	191	917
(Charged)/credited to the income statement	20	(241)	(3)	(224)
Charged directly to equity	-	(471)	-	(471)
<b>At 30 June 2011</b>	<b>(186)</b>	<b>220</b>	<b>188</b>	<b>222</b>

Amounts provided in respect of deferred tax are computed at 26% (2010: 28%).

Other temporary differences include trading losses carried forward by Jourdan plc totalling £676,000 (2010: £676,000) with tax effect of £176,000 (2010: £189,000). These losses are available to be offset against future profits of the Parent Company.

22. SHARE CAPITAL

	<b>2011</b>	2010
	<b>£000s</b>	£000s
<b>Authorised</b>		
4,850,000 Ordinary shares of £1	<b>4,850</b>	4,850
<b>Allotted, called up and fully paid</b>		
2,930,810 (2010: 2,897,810) Ordinary shares of £1	<b>2,931</b>	2,898

On 22 October 2010, the Company, under the Unapproved 2000 Share Option Scheme, issued 33,000 ordinary shares of £1 each, for cash of £77,550.

The above movements are summarised as follows:

	Number of shares	Share Capital	Share Premium	Total
	000s	£000s	£000s	£000s
At 1 July 2009	3,400	3,400	260	3,660
Purchase of own shares	(585)	(585)	-	(585)
Share options exercised	83	83	129	212
At 30 June 2010	2,898	2,898	389	3,287
Share options exercised	33	33	44	77
<b>At 30 June 2011</b>	<b>2,931</b>	<b>2,931</b>	<b>433</b>	<b>3,364</b>

## Notes to the Consolidated Financial Statements

Continued

### Share Option Schemes:

#### Executive Share Option Scheme

Options in respect of Ordinary shares, remaining outstanding at 30 June 2011 under the Company's 1984 Executive Share Option Scheme, are exercisable for the periods and at the prices set out below:

2011:	Price per share	At 30 June 2010	Lapsed	At 30 June 2011
Exercisable seven years from 20 October 2003	£5.00	8,550	8,550	–
Weighted average price per share		£5.00	£5.00	
2010:	Price per share	At 30 June 2009	Lapsed	At 30 June 2010
Exercisable seven years from 20 October 2003	£5.00	8,550	–	8,550
Weighted average price per share		£5.00	–	£5.00

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 2011 under the Company's Unapproved 2000 Share Option Scheme, are exercisable for the periods and at the prices set out below:

2011:	Price per share	At 30 June 2010	Exercised	Lapsed	At 30 June 2011
Exercisable 7 years from 25 September 2006	£2.70	25,000	–	–	25,000
28 September 2009	£2.35	137,500	33,000	–	104,500
		162,500	33,000	–	129,500
Weighted average price per share		£2.40	£2.35		£2.42
2010:	Price per share	At 30 June 2009	Exercised	Lapsed	At 30 June 2010
Exercisable 7 years from 25 September 2006	£2.70	75,000	50,000	–	25,000
28 September 2009	£2.35	170,000	32,500	–	137,500
		245,000	82,500	–	162,500
Weighted average price per share		£2.46	£2.56		£2.40

No further options may be granted under this scheme.

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 £nil (2010: £16,000) has been made in these accounts.

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

## Notes to the Consolidated Financial Statements

Continued

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 historical 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.

### 23. RESERVES

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 £640,000.

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.

The balance remaining in the Special Reserve at 30 June 2011 of £2,399,000 represents the proportion of the pension deficit relating to the Company calculated at the Effective Date.

### 24. 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 25 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 2011 the Group had trade receivables denominated in foreign currency as follows: Euros - £621,000 (2010: £658,000) and US Dollars - £134,000 (2010: £122,000).
- At 30 June 2011 the Group had bank balances denominated in foreign currency as follows: Euros - £211,000 (2010: £38,000) and US Dollars £28,000 (2010: £191,000).

## Notes to the Consolidated Financial Statements

Continued

Financial assets by category	<b>2011</b>	2010
	<b>£000s</b>	£000s
Loans and receivables: Trade receivables	<b>3,521</b>	2,847
Other receivables	<b>5</b>	58
	<b><u>3,526</u></b>	<u>2,905</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 £38,000 (2010: £49,000), as analysed in note 9.

### Financial liabilities by category

Due within one year:

Trade and other payables: Overdrafts	<b>974</b>	1,230
Trade payables	<b>2,633</b>	1,888
Other payables	<b>130</b>	321
	<b><u>3,737</u></b>	<u>3,439</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.

## 25. 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.

### Foreign currency sensitivity

The Group exports a proportion of its revenues, frequently denominated in foreign currencies (principally in US\$ and Euros). 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. Any reasonably possible variations in exchange rates are not expected to have a material impact on the Group.

### 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. Any reasonably possible variations in exchange rates are not expected to have a material impact on the Group.

### 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.

Notes to the Consolidated Financial Statements

Continued

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Trade and other receivables	<b>4,230</b>	3,218

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 17). Details of the financial assets secured by collateral or other credit enhancements are given in note 19.

**Liquidity risk**

The Group's bank borrowings constitute a bank overdraft which is repayable on demand. The Group had an undrawn overdraft facility of £2,026,000 at 30 June 2011 (2010: £1,770,000). 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.

**26. OPERATING LEASES COMMITMENTS**

Operating leases payments expensed during the year:

Land and property	<b>301</b>	276
Minimum operating lease commitments falling due:		
Within one year	<b>301</b>	301
Between one and five years	<b>922</b>	974
After five years	<b>395</b>	792
Total commitment	<b>1,618</b>	2,067

**27. PARTICULARS OF EMPLOYEES**

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

	<b>Number</b>	Number
Category:		
Production	<b>90</b>	88
Administration	<b>28</b>	29
Sales and distribution	<b>24</b>	24
	<b>142</b>	141
Business segment:		
Medical Packaging	<b>114</b>	111
Labels	<b>25</b>	27
Head Office	<b>3</b>	3
	<b>142</b>	141
Their total remuneration was:	<b>£000s</b>	£000s
Wages and salaries	<b>3,819</b>	3,769
Social security costs	<b>358</b>	338
Other pension costs	<b>508</b>	556
	<b>4,685</b>	4,663

Notes to the Consolidated Financial Statements

Continued

28. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management is considered to be the Directors of Jourdan plc. Amounts payable to key management for employee services are set out below:

Salaries and other short term benefits:

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Payable to Directors	<b>240</b>	252
Payable to third parties for Directors' services	<b>143</b>	236
Share based payments	<b>-</b>	14
	<b>383</b>	502
Post employment benefits:		
Contributions to money purchase pension scheme	<b>25</b>	23
	<b>408</b>	525

Emoluments of the highest paid Director were as follows:

Salary and other short term benefits payable for Director's services (2010 paid to third party)	<b>208</b>	215
Share based payments	<b>-</b>	5
	<b>208</b>	220

Share based payments above relate to charges under IFRS2 and were not actually received by the Directors as remuneration in the year.

One Director exercised share options in the year, resulting in a gain of £4,950.

One Director participated in a money purchase pension scheme during the year.

## Notes to the Consolidated Financial Statements

Continued

### 29. 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 2010 by a qualified independent actuary. This valuation showed that the market value of the Fund's assets was £10,455,000 and the actuarial value of the assets covered the accrued liabilities to 79% on an ongoing basis, and the market value of the assets covered the accrued liabilities to 61% on a Solvency basis and 109% on a Section 179 basis.

The main assumptions made were:

	%
Investment returns	4.9 and 6.9
Salary increases	3.5
Escalation in pensions	3.5

On a current funding level basis there was a deficit of £2,282,000. The deficit is being eliminated by employer's annual contribution of £298,000 payable monthly from 1 July 2011 with an additional one-off payment of £500,000 in June 2011. In addition, an allowance of £5,000 per month is paid to cover administration expenses. Employee contributions are 9%.

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				
	2011	2010	2011	2010	2009	2008	2007
Equities	<b>7.55</b>	7.55	<b>8,430</b>	6,898	5,194	6,104	6,922
Bonds	<b>5.6</b>	5.4	<b>2,751</b>	2,617	3,014	2,252	2,807
Other (excluding cash)	<b>0.5</b>	4.2	<b>613</b>	-	53	48	97
Fair value of Fund Assets			<b>11,794</b>	9,515	8,261	8,404	9,826
Present value of defined benefit obligations			<b>(12,641)</b>	(12,843)	(11,480)	(11,279)	(11,342)
Deficit in the scheme			<b>(847)</b>	(3,328)	(3,219)	(2,875)	(1,516)
Deferred tax asset			<b>220</b>	932	901	805	455
Net pension obligations			<b>(627)</b>	(2,396)	(2,318)	(2,070)	(1,061)

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 £870,000.

The Pension Fund assets include Ordinary shares issued by Jourdan plc with a fair value of £320,000 (2010: £180,000).

The actual return on Fund assets for the year ended 30 June 2011 was 18.8% (2010: 11.8%).

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.

Asset values have fallen significantly since the year end and accordingly the Company's obligations will have increased from the position at 30 June 2011 but an accurate estimate of the financial effect cannot be made.

Notes to the Consolidated Financial Statements

Continued

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

	<b>2011</b>	2010			
	<b>£000s</b>	£000s			
The amounts recognised in the income statement are as follows:					
Charged against operating profit					
Current service cost, less employee contributions	<b>(16)</b>	(13)			
Total operating charge	<b>(16)</b>	(13)			
Other finance costs					
Expected return on Pension Fund assets	<b>621</b>	592			
Interest on Pension Fund liabilities	<b>(708)</b>	(720)			
Net finance cost	<b>(87)</b>	(128)			
Total amounts recognised in the Statement of Comprehensive Income are as follows:					
Actual return less expected return on Pension Fund assets	<b>1,212</b>	266			
Experience gains and losses arising on the Fund liabilities	<b>502</b>	(70)			
Changes in the assumptions underlying the present value of the Fund liabilities	<b>-</b>	(1,035)			
Actuarial gain/(loss)	<b>1,714</b>	(839)			
Cumulative actuarial losses recognised since adoption of IAS 19	<b>(1,267)</b>	(2,981)			
The history of experience gains and losses is as follows:					
	<b>2011</b>	2010	2009	2008	2007
Difference between expected and actual return on Fund assets					
Amount (£000s)	<b>1,212</b>	266	(1,273)	(1,324)	59
Percentage of Fund assets	<b>10%</b>	3%	(15)%	(16)%	1%
Experience gains/(losses) on Fund liabilities					
Amount (£000s)	<b>502</b>	(70)	18	420	163
Percentage of Fund liabilities	<b>4%</b>	0%	0%	4%	1%
Total actuarial gains/(losses)					
Amount (£000s)	<b>1,714</b>	(839)	(1,231)	(1,931)	1,068
Percentage of Fund liabilities	<b>14%</b>	(7)%	(11)%	(17)%	9%
Movement in fair value of Fund assets					
Fair value at 1 July 2010				<b>9,515</b>	8,261
Expected return on assets				<b>621</b>	592
Actuarial gain				<b>1,212</b>	266
Contributions by employer				<b>870</b>	871
Contributions by plan participants				<b>10</b>	12
Benefits paid				<b>(434)</b>	(487)
Fair value at 30 June 2011				<b>11,794</b>	9,515
Movement in defined benefit obligation:					
Defined benefit obligation at 1 July 2010				<b>12,843</b>	11,480
Current service cost				<b>16</b>	13
Interest cost				<b>708</b>	720
Contributions by participants				<b>10</b>	12
Actuarial (gains)/losses				<b>(502)</b>	1,105
Benefits paid				<b>(434)</b>	(487)
Defined benefit obligation at 30 June 2011				<b>12,641</b>	12,843

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 2011 were as follows:

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Net assets excluding pension liability	<b>7,875</b>	7,549
Pension liability	<b>(627)</b>	(2,396)
Net assets including pension liability	<b>7,248</b>	5,153
Profit and loss reserve excluding pension liability	<b>781</b>	532
Pension liability	<b>(627)</b>	(2,396)
Profit and loss reserve including pension liability	<b>154</b>	(1,864)

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

Future salary increases	<b>3.05%</b>	3.05%
Future pension increases	<b>3.00%</b>	3.00%
Inflation	<b>3.05%</b>	3.05%
Discount rate	<b>5.60%</b>	5.60%

The inflation assumption above is a composite of relevant RPI and CPI rates. The impact of revaluation of pensions in deferment from RPI to CPI in the year has increased the actuarial gain for the year by approximately £190,000.

The mortality assumptions adopted at 30 June 2011 imply the following life expectancies:

Male retiring at age 65 in 2011	21.1
Female retiring at age 65 in 2011	23.9
Male retiring at age 65 in 2031	23.0
Female retiring at age 65 in 2031	25.8

The mortality assumptions adopted at 30 June 2010 imply the following life expectancies:

Male retiring at age 65 in 2010	21.0
Female retiring at age 65 in 2010	23.8
Male retiring at age 65 in 2030	22.9
Female retiring at age 65 in 2030	25.7

**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 £105,000 (2010: £104,000).

**30. ULTIMATE CONTROLLING PARTY**

There was no single controlling party throughout the current or previous year.

## Parent Company Financial Statements

For the year ended 30 June 2011



### Report of the independent auditor to the members of Jourdan plc

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We have audited the Parent Company Financial Statements of Jourdan plc for the year ended 30 June 2011 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

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As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

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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 2011;
- 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

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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

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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

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We have reported separately on the Group Financial Statements of Jourdan plc for the year ended 30 June 2011.

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

30 August 2011

Parent Company Balance Sheet

Notes	<b>30 June 2011 £000s</b>	30 June 2010 £000s
<b>Fixed assets</b>		
4 Intangible assets	–	466
5 Tangible assets	<b>890</b>	1,011
3 Investments in subsidiaries	<b>10,589</b>	10,589
	<b>11,479</b>	12,066
<b>Current assets</b>		
Property held for resale	<b>1,351</b>	1,324
6 Stocks	<b>99</b>	91
7 Debtors	<b>3,402</b>	3,590
Cash in hand and at bank	<b>1,044</b>	531
	<b>5,896</b>	5,536
8 Creditors: amounts falling due within one year	<b>(5,461)</b>	(5,727)
	<b>435</b>	(191)
<b>Net current assets</b>		
	<b>11,914</b>	11,875
<b>Total assets less current liabilities</b>		
10 Provisions for liabilities	<b>(103)</b>	(118)
11 Pension liability	<b>(627)</b>	(2,396)
	<b>11,184</b>	9,361
<b>Capital and reserves</b>		
12 Called up share capital	<b>2,931</b>	2,898
13 Share premium	<b>433</b>	389
13 Other reserves	<b>5,427</b>	5,427
13 Profit and loss account	<b>2,393</b>	647
	<b>11,184</b>	9,361
13 Equity shareholders' funds	<b>11,184</b>	9,361

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 30 August 2011.

J. David Abell  
*Chairman*

Company Registration Number: 215690

## 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, and in accordance with applicable United Kingdom Accounting Standards.

### 2. SUMMARY OF SIGNIFICANT 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 was 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.

In addition, the Company 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 Company. The amount charged against profits represents the contributions payable to the scheme in the period.

#### 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.

## Notes to the Parent Company Financial Statements

Continued

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 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.

The Directors consider the economic life of goodwill to be in the order of 20 years. Amortisation of goodwill will be charged to the Company profit and loss account over that period. The carrying value of goodwill is reviewed for impairment in a period when there is some indication that impairment has occurred. At 30 June 2011, projected cashflows of the Nelsons Labels division indicated an impairment of £441,000 in respect of the carrying value of goodwill which has been charged to the profit and loss account.

### 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%
- Long leasehold properties 2%
- Motor vehicles 25-33%

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

### 2.7 Property held for resale

Such property is 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.

Notes to the Parent Company Financial Statements

Continued

3. INVESTMENTS

	<b>2011</b>	2010
	<b>£000s</b>	£000s
Shares in subsidiary companies		
<b>Cost or valuation</b>		
At 30 June 2010	<b>15,712</b>	18,294
Dormant companies struck off	-	(2,582)
<b>At 30 June 2011</b>	<b>15,712</b>	15,712
<b>Amounts written off</b>		
At 30 June 2010	<b>(5,123)</b>	(7,705)
Dormant companies struck off	-	2,582
<b>At 30 June 2011</b>	<b>(5,123)</b>	(5,123)
<b>Net book value at 30 June 2011</b>	<b>10,589</b>	10,589

The principal trading subsidiaries of Jourdan plc at 30 June 2011, both 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 sterilisation packaging materials.	Ordinary £1
Clinipak Limited *	Manufacture and distribution of single use sterilisation products.	Ordinary £1

\* Indirect holding

The former trade of Nelsons Labels (Manchester) Limited is now operated as a division of Jourdan plc

4. INTANGIBLE ASSETS

Purchased goodwill		
<b>Cost</b>		
At 30 June 2010 and 30 June 2011	<b>491</b>	491
<b>Amortisation</b>		
At 30 June 2010	<b>(25)</b>	-
Provided in year	<b>(25)</b>	(25)
Impairment in year	<b>(441)</b>	-
<b>At 30 June 2011</b>	<b>(491)</b>	(25)
<b>Net book value at 30 June 2011</b>	<b>-</b>	466

At 30 June 2011, projected cashflows of the Nelsons Labels division indicated an impairment of £441,000 in respect of the carrying value of goodwill which has been charged to the profit and loss account.

Notes to the Parent Company Financial Statements

Continued

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000s	Leasehold properties £000s	Plant and machinery £000s	Motor vehicles £000s	Total £000s
<b>Cost</b>					
At 30 June 2010	963	270	1,031	14	2,278
Additions	-	-	3	-	3
Disposals	-	-	-	-	-
<b>At 30 June 2011</b>	<b>963</b>	<b>270</b>	<b>1,034</b>	<b>14</b>	<b>2,281</b>
<b>Depreciation</b>					
At 30 June 2010	(236)	(208)	(820)	(3)	(1,267)
Charge for the year	(16)	(18)	(85)	(5)	(124)
Disposals	-	-	-	-	-
<b>At 30 June 2011</b>	<b>(252)</b>	<b>(226)</b>	<b>(905)</b>	<b>(8)</b>	<b>(1,391)</b>
<b>Net book amounts – 30 June 2011</b>	<b>711</b>	<b>44</b>	<b>129</b>	<b>6</b>	<b>890</b>
Net book amounts – 30 June 2010	727	62	211	11	1,011

6. STOCKS

	2011 £000s	2010 £000s
Raw materials and consumables	93	77
Work in progress	-	4
Finished goods and goods held for resale	6	10
	<b>99</b>	<b>91</b>

7. DEBTORS

Trade debtors	242	385
Amounts owed by Group companies	2,808	2,808
Other debtors	45	98
Prepayments and accrued income	180	189
Corporation tax recoverable	113	110
Deferred tax asset	14	-
	<b>3,402</b>	<b>3,590</b>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	188	186
Amounts owing to Group companies	4,964	4,964
Other creditors	127	324
Social security and other taxes	43	36
Accruals and deferred income	139	217
	<b>5,461</b>	<b>5,727</b>

Notes to the Parent Company Financial Statements

Continued

9. DEFERRED TAX ASSET

	<b>2011</b>	2010
	<b>£000s</b>	£000s
At 30 June 2010	<b>932</b>	972
Relating to pension deficit	<b>(712)</b>	31
Credit/(charge) to profit and loss account in the year	<b>14</b>	(71)
<b>At 30 June 2011</b>	<b>234</b>	932
Accelerated capital allowances	<b>(161)</b>	(194)
Pension deficit	<b>220</b>	932
Other timing differences	<b>175</b>	194
	<b>234</b>	932
Set against pension deficit	<b>220</b>	932
Included in debtors	<b>14</b>	–
	<b>234</b>	932

10. PROVISION FOR LIABILITIES

Provision for indebtedness of subsidiaries

At 30 June 2010 and 30 June 2011	<b>103</b>	103
<b>Other provision</b>		
At 30 June 2010	<b>15</b>	15
Unused amounts reversed	<b>(15)</b>	–
<b>At 30 June 2011</b>	<b>–</b>	15
<b>Total</b>	<b>103</b>	118

11. PENSION LIABILITY

The defined benefit pension liability was 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 29 to the Consolidated Financial Statements.

Gross pension deficit at 30 June 2011	<b>847</b>	3,328
Deferred tax asset	<b>(220)</b>	(932)
<b>Net pension deficit at 30 June 2011</b>	<b>627</b>	2,396

12. SHARE CAPITAL

Details relating to the Parent Company's share capital are set out in note 22 to the Consolidated Financial Statements.

Notes to the Parent Company Financial Statements

Continued

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 2010	2,898	389	640	1,697	691	2,399	5,427	647	9,361
Pension liability	-	-	-	-	-	-	-	1,243	1,243
Profit for the financial year	-	-	-	-	-	-	-	1,236	1,236
Dividends	-	-	-	-	-	-	-	(733)	(733)
Share options exercised	33	44	-	-	-	-	-	-	77
<b>30 June 2011</b>	<b>2,931</b>	<b>433</b>	<b>640</b>	<b>1,697</b>	<b>691</b>	<b>2,399</b>	<b>5,427</b>	<b>2,393</b>	<b>11,184</b>

The Company's profit on ordinary activities after tax for the year was £1,236,000 (2010: £1,414,000).

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

The Special Reserve balance is explained in note 23 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

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

	2011 Number	2010 Number
Category:		
Production	16	16
Administration	11	13
Sales & distribution	1	1
	<b>28</b>	<b>30</b>
Their total remuneration was:	£000s	£000s
Wages and salaries	867	1,018
Social security costs	70	77
Other pension costs	409	457
	<b>1,346</b>	<b>1,552</b>

16. EMOLUMENTS OF DIRECTORS

The total emoluments of the Directors for the year are set out in note 28 to the Consolidated Financial Statements.

Of the total emoluments disclosed, £208,000 (2010: £213,000) was paid to a Director by a subsidiary company.

One director exercised share options in the year resulting in a gain of £4,950.

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the eighty-fourth Annual General Meeting of Jourdan plc will be held at 1200 on 26 October 2011 at the offices of Bird & Bird, 15 Fetter Lane, 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 2011 and the reports of the Directors and the Auditors.
2. To declare a dividend of 15p per share on the issued ordinary shares of £1 each in the Company, payable on 25 November 2011 to those shareholders on the register of members at close of business on 4 November 2011.
3. To re-appoint as a Director Mr P Hartley 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 a Special Resolution:

5. THAT, in accordance with section 551 of the Companies Act 2006 (the "Act"), the directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal value of £1,449,990 provided that this authority shall, unless renewed, varied or revoked by the Company expire on 4 November 2015 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Act.
6. THAT, subject to the passing of resolution 5 and in accordance with section 570 of the Companies Act 2006 (the "Act") the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 5, as if section 651(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £145,000 and shall expire on 26 October 2016 unless renewed, varied or revoked by the Company prior to or on that date, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

30 August 2011

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) 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, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD not later than forty-eight hours before the time fixed for the Meeting.
- (2) Completing and returning the Form of Proxy will not prevent a member from attending at the Meeting if he/she so wishes.
- (3) 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 25 October 2011 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.
- (4) 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 1200 on 26 October 2011 until the conclusion of the Meeting.

