22 March 2012

Produce Investments plc

UNAUDITED INTERIM REPORT

For the 27 weeks ended 31 December 2011

Produce Investments plc (the "Group", AIM: PIL), a leading operator in the fresh potato sector with vertically integrated activities covering seed production, own growing, processing and packing and supply to the major retailers, is pleased to announce its interim results for the 27 weeks to 31 December 2011.
Key highlights are:

- Revenue down 3.0% to £79.38m (2010:£81.88m)
- Operating profit excluding exceptional items up 4.4% to £4.76m (2010:£4.56m)
- Operating profit margin of 6.0% (2010: 5.6%)
- Adjusted diluted earning per share up 7.1% to 15.00p (2010:14.01p)
- Interim dividend per share 1.82p (2010:1.82p)
- Net debt down 29% to £9.17m (2010:£12.83m)
- Continued focus on driving operational efficiencies
- Launch of new "Greenvale Farm Fresh" brand in Tesco
- Continued investment in new and improved technology

Commenting on the results, Chief Executive Angus Armstrong said:

"We are satisfied with the results for the first half year to the end of December 2011. The 2011 growing season has produced a sizeable crop but one which is of below average quality. As a consequence of the large crop, the value of potatoes has experienced significant deflationary pressure, although this has had limited impact on the Group's results due to our contractual procurement model.

We continue to trade in line with our expectations and all divisions within the Group continue to maintain the consistently high service levels expected from our customer base. We are confident about the future and the Group remains well placed to execute both its short and longer term objectives.

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Note to Editors
The Group is a vertically integrated company supplying blue chip customers such as Tesco, Sainsbury, Bakkavör and Compass Group with fresh and processed potatoes.

Website: www.produceinvestments.co.uk

Operating and financial review

The Group presents its interim results for the 27 weeks to 31 December 2011, together with comparative information for the 26 weeks ending 25 December 2010.

The free-buy price of potatoes for the season has remained low due to the larger than normal crop. Where possible the Group has taken advantage of these low free-buy prices but as a result of the Group's procurement model, which seeks to fix a large proportion of its procurement in advance of the growing season, the Group has not been able take full advantage of these lower prices, unlike some of its major competitors. Nevertheless, the Board continues to believe that this procurement model is the right long term sustainable model for the Group, its extensive grower base and its customers.

Competition remains fierce across all trading segments of the Group and as a consequence of the low priced season, trading revenues are lower than the high priced season last year. However, this does not impact the bottom line significantly as the margins in this category are generally well below the Group average. We have experienced pressure from our key customers to reduce our selling prices but where possible we seek to reduce the impact of these pressures by achieving cost savings elsewhere.

The retail sector in particular remains very competitive with consumers continually looking to seek better value, resulting in an increase in the amount of volume sold on promotion. Nevertheless, evidence would suggest that at times consumers are prepared to trade-up the category and buy into premium products including those of Greenvale.

Revenue in the first 27 weeks decreased by 3.0% to £79.38m, compared to £81.88m for the comparative period last year. This was largely driven by a reduction in trading revenues as a result of the low priced season against the higher priced season last year. This impacts both the fresh and other segments as detailed in note 4.

Operating profit before exceptional items at £4.76m (2010: £4.56m) was in line with our expectations for the half year which equates to a margin of 6.0%, an improvement on the prior year (2010: 5.6%). Profitability by segment is disclosed in note 4 to the interim results.

Profit before tax was £4.10m (2010: £1.42m). Last year's result was after exceptional charges of £2.73m relating to costs arising from the flotation.

Basic earning per share were 16.08 pence (2010: 4.65 pence). Diluted earnings per share were 15.00 pence (2010: 4.43 pence)

The Group continues to generate cash and pay down debt. Net debt at the half year was £9.17m compared to £12.83m last year. The Group is therefore well placed to execute its strategy to continue to invest in the organic growth of the business and make acquisitions.

The Group is pleased to have launched its new brand "Greenvale Farm Fresh" in Tesco from the beginning of February. A significant amount of resource and investment, including extensive consumer and customer research has gone into developing the brand. Management are both excited and confident about the future growth prospects for the brand which combines exceptional eating qualities along with a unique packaging concept.

The Board has approved an interim dividend of 1.82 pence per share (2010: 1.82 pence per share). This will be paid on 26 April 2012 to shareholders on the register at close of business on 30 March 2012. The shares will trade ex-dividend on 28 March 2012.

Principal risks and uncertainties

The Group set out in its 2011 Annual Report and Financial Statements the principal risks and uncertainties that could have an impact on its performance. These remain largely unchanged since the Annual report was published with the main areas of potential risk and uncertainty being the threat from competition and any disruption to the supply and quality of potatoes.

Outlook

Despite continuing pressure on consumer expenditure which is well documented, we believe that the Group has delivered a creditable set of results for the first half year. Like prior years, results in the second half year will be below the first half, predominantly due to higher raw material prices driven by additional storage, financing costs, and the costs of importing potatoes to fulfil customer requirements.

The remainder of this financial year will no doubt continue to have its challenges, but the Board believes the Group, its management team and all employees are well placed to capitalise on any opportunities that may arise and remains confident of making further progress.

Barrie Clapham	Angus Armstrong
Non-Executive Chairman	**Chief Executive**

22 March 2012

CONSOLIDATED CONDENSED INCOME STATEMENT (UNAUDITED)

For the 27 weeks ended 31 December 2011

	Notes	2011 £'000	2010 £'000
CONTINUING OPERATIONS			
Revenue		79,385	81,876
Cost of sales		(55,807)	(59,711)
Gross profit		23,578	22,165
Administrative and other operating expenses		(18,815)	(17,603)
Exceptional costs associated with equity raising	5	-	(1,232)
Exceptional charge arising on share options vesting on listing	5	-	(1,499)
Operating profit, being profit before interest ,tax and after exceptionals		4,763	1,831
Finance costs		(662)	(412)
Profit before tax from continuing operations		4,101	1,419
Income tax expense		(851)	(497)
Profit after tax		3,250	922
Attributable to:			
Equity holders of the parent		3,194	918
Non- controlling interests		56	4
		3,250	922
Basic earnings per share		16.08 pence	4.65 pence
Diluted earnings per share		15.00 pence	4.43 pence
Adjusted basic earnings per share (see note 6)		16.08 pence	14.69 pence
Adjusted diluted earnings per share (see note 6)		15.00 pence	14.01 pence

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the 27 weeks ended 31 December 2011

	2011 £'000	**2010 £'000**
Profit for the 27 weeks	3,250	922
Other comprehensive income for the 27 weeks	-	-
Total comprehensive income for the 27 weeks, net of tax	3,250	922
Attributable to:		
Equity holders of the parent	3,194	918
Non- controlling interests	56	4
	3,250	922

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 December 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	25,373	24,455
Intangible assets		11,201	11,797
Investment in an associate		169	162
Other non-current financial assets	12	-	309
Deferred tax assets		1,719	2,025
		38,462	38,748
Current assets			
Inventories		9,727	9,197
Biological assets		5,573	6,094
Trade and other receivables		17,912	19,029
Prepayments		530	846
Cash and short-term deposits	12	2,748	890
Deferred tax assets		-	-
		36,490	36,056
Non current assets classified as held for sale		-	500
Total assets		74,952	75,304
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	15,784	15,663
Other capital reserves		3,500	5,672
Retained earnings		6,514	(307)
Equity attributable to equity holders of the parent		25,798	21,028
Non-controlling interests		74	43
Total equity		25,872	21,071
Non-current liabilities			
Interest-bearing loans and borrowings	12	10,602	12,822
Other non-current financial liabilities		1,731	1,635
Deferred revenue		130	124
Pensions and other post employment benefit obligations	13	2,259	5,303
Deferred tax liability		5,121	5,121
		19,843	25,005
Current liabilities			
Trade and other payables		26,321	26,472
Interest-bearing loans and borrowings	12	1,312	1,205
Deferred revenue		163	158
Income tax payable		1,368	1,237
Provisions		-	83
Deferred tax liability		73	73
		29,237	29,228
Total liabilities		49,080	54,233
Total equity and liabilities		74,952	75,304

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the 27 weeks ended 31 December 2011

	Equity Share capital	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 26 June 2010	70	4,121	(1,183)	3,008	39	3,047
Profit and total comprehensive income for the period	-	-	918	918	4	922
Share-based payment transactions	-	1,551	-	1,551	-	1,551
Reserves movements on bonus share issue (note 10)	42	-	(42)	-	-	-
New equity issues	15,551	-	-	15,551	-	15,551
As at 25 December 2010	15,663	5,672	(307)	21,028	43	21,071

	Equity Share capital	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 26 June 2011	15,734	3,500	4,032	23,266	18	23,284
Profit and total comprehensive income for the period	-	-	3,194	3,194	56	3,250
Equity dividends paid	-	-	(722)	(722)	-	(722)
Share Issue	50	-	-	50	-	50
Share-based payment transactions	-	-	10	10	-	10
As at 31 December 2011	15,784	3,500	6,514	25,798	74	25,872

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED)
For the 27 weeks ended 31 December 2011

	2011 £'000	2010 £'000
Operating activities		
Profit before tax from continuing operations	4,101	1,419
Adjustments to reconcile profit before tax for the period to net cash inflow from operating activities		
Depreciation and amortisation	1,972	1,726
Share-based payment transaction expense	10	1,551
Fees incurred in connection with raising of new equity	-	1,232
Gain on disposal of property, plant and equipment	(353)	(39)
Finance costs	662	412
Difference between cash costs incurred in respect of biological assets and movement in fair value	-	(272)
Movement in provisions	-	(21)
Difference between pension contributions paid and amounts recognised in the income statement	(276)	(276)
Working capital adjustments:		
Decrease / (Increase) in trade and other receivables and prepayments	940	(3,479)
(Increase) in inventories	(5,750)	(6,120)
Increase in trade and other payables	1,656	5,375
(Decrease) / Increase in deferred revenue	59	43
Income tax paid	(783)	(971)
Net cash inflows arising from operating activities	2,238	580
Investing activities		
Proceeds from sale of property, plant and equipment	853	105
Purchase of property, plant and equipment	(2,889)	(1,915)
Purchase of intangible assets	(9)	(16)
Net cash outflows arising from investing activities	(2,045)	(1,826)
Financing activities		
Payment of finance lease liabilities	-	(51)
Dividend	(722)	-
Non Current Financial assets	-	-
Proceeds from share issues	50	15,551
Fees incurred in connection with raising of new equity	-	(1,232)
Repayment of bank borrowings	(1,476)	(1,776)
Repayment of loan notes	-	(5,163)
Interest paid	(568)	(642)
Net cash (out) / inflows arising from financing activities	(2,716)	6,687
Net (decrease) / increase in cash and cash equivalents	(2,523)	5,441
Cash and cash equivalents at beginning of period	5,271	(4,551)
Cash and cash equivalents at end of period	2,748	890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 27 weeks ended 31 December 2011

1. General information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is Produce Investments plc, Greenvale AP, Floods Ferry Road, Doddington, March, Cambridgeshire, PE15 0UW. The Company is listed on the London Stock Exchange AIM market.

The condensed consolidated interim financial statements of the Group were approved for issue on 21 March 2012. These interim financial results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 52 weeks ended 25 June 2011 were approved by the Board of Directors on 8 October 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

2. Basis of preparation

The condensed consolidated interim financial statements for the 27 weeks ended 31 December 2011 have been prepared on the same basis and using the same accounting policies of the Group from the year ended 25 June 2011. These consolidated interim financial statements have not been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial information and should be read in conjunction with the annual financial statements for the year ended June 2011 which have been prepared in accordance with IFRS as adopted by the EU.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are discussed in the Operating and Financial Review. The Group net debt position is highlighted in note 12 of the condensed consolidated interim financial statements. The interim information contained in these condensed interim financial statements is unaudited. The Directors report that having reviewed current performance and forecast they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the period ended 25 June 2011, as described in those annual financial statements.

There has been no impact on the Group's financial position or performance from new and amended IFRS and IFRIC interpretations mandatory as of 26th June 2011.

4. Operating segment information

Management have determined the operating segments based on the reports utilised by the directors that are used to make strategic decisions. These are split as follows:

- Fresh
- Processing
- Other

Fresh comprises the sites, staff and assets that grow, source, pack and deliver fresh potatoes to customers, ranging from large retailers, wholesalers to small private businesses. As an element of raw material is not suitable for this purpose it also includes any supplementary sales achieved.

Processing comprises the staff and assets that supply pre-prepared potato products which are ultimately sold as ingredients for food manufacturers.

Other comprises seed sales for both the UK and export, traded volume where Greenvale acts as an intermediary between the farmer and the end customer taking a small margin to cover costs, and all sales activities of Restrain Company Limited, a 70% owned subsidiary that provides ethylene based storage solutions for potatoes and onions. No element within ‘other’ is large enough to require additional segmentation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.
Inventory procurement, receivables and payables are managed centrally and as a result assets and liabilities are managed at Group level. Consequently, no segmental analysis of these items is presented.

4. Operating segment information (continued)

27 weeks ended 31 December 2011

	Fresh £'000	Processing £'000	Other £'000	Total £'000
Revenue	61,846	4,155	13,384	79,385
Depreciation and amortisation	(1,445)	(314)	(213)	(1,972)
Gain on disposal of fixed assets		353		353
Other operating costs	(56,260)	(3,430)	(13,313)	(73,003)
Operating profit/(loss)	**4,141**	**764**	**(142)**	**4,763**
Costs not allocated:				
Finance costs				(662)
Profit before tax				**4,101**
Capital expenditure	(2,650)	(91)	(148)	(2,889)
Development costs			(9)	(9)

26 weeks ended 25 December 2010

	Fresh £'000	Processing £'000	Other £'000	Total £'000
Revenue	63,654	3,699	14,523	81,876
Depreciation and amortisation	(1,239)	(310)	(177)	(1,726)
Exceptional costs associated with equity raising	(1,108)	(62)	(62)	(1,232)
Exceptional charge relating to share options vesting on floatation	(1,349)	(75)	(75)	(1,499)
Other operating costs	(57,898)	(3,115)	(14,575)	(75,588)
Operating profit / (loss)	**2,060**	**137**	**(366)**	**1,831**
Costs not allocated:				
Finance costs				(412)
Profit before tax				**1,419**
Capital expenditure	(1,552)	(45)	(318)	(1,915)
Development costs	-	-	(16)	(16)

The accounting policies for the segments are the same as those described in the summary of significant accounting policies. The revenues and operating profit / (loss) per reportable segment agree in aggregate to the consolidated totals per the interim financial statements.

4. Operating segment information (continued)

Segmentation of Assets and liabilities
Investments in associates are not segmented. Such items are managed at board level and are not integral to the operations of any of the Group segments.

Other non current financial assets and liabilities are not segmented. Such items are managed at board level with the support of the Group central services team. These items are not integral to the operations of any of the Group segments.

No segmentation is presented in respect of receivables, payables and cash. The Group central services team manages Group treasury, cashflow, payables and receivables independently from the operating segments.

Taxation matters are managed by the Group central services team and are not segmented.

Inventories and biological assets are managed centrally by the Group procurement team. Inventories are usually stored at a Group location most appropriate for the supplier to deliver the goods to, usually the closest geographical location to the supplier. The inventories are then used in the delivery of goods and services to all segments within the Group.

The Group central services team coordinates prepayments, accruals and provisions and these are not segmented.

The deferred revenue is managed by the central services team. All deferred revenue relates to the ‘other’ segment.

Intangible assets

	2011 £'000	**2010 £'000**
Fresh	-	-
Processing	11,092	11,633
Other	109	164
Total	**11,201**	**11,797**

Property, plant and equipment analysis

	2011 £'000	**2010 £'000**
Fresh	14,322	12,683
Processing	2,240	2,397
Other	1,779	1,983
Unallocated	7,032	7,392
Total	**25,373**	**24,455**

The amounts for items which are not segmented are disclosed in the balance sheet.

4. Operating segment information (continued)

Geographical information

Revenues from external customers

	2011 £'000	2010 £'000
UK	75,732	78,952
Other EU countries	1,460	1,196
Rest of the world	2,193	1,728
Total revenue per consolidated income statement	79,385	81,876

The revenue information above is based on the location of the customer.

5. Exceptional items

There were no exceptional items recorded in the period to 31 December 2011.

In the period to 25 December 2010, the following exceptional charges were recorded:

- £1,232,000 arising from fees incurred in raising new equity during the company flotation
- £1,499,000 arising from the income statement charge arising from share options awarded to senior management following the successful flotation of the company.

Further references to equity issues and share option charges are made in the notes below.

6. Earnings per share

	2011	2010
Profit attributable to equity shareholders (£'000)	3,194	918
Number of ordinary shares for basic eps calculation	19,859,561	19,744,548
Number of options with dilutive effect	1,430,874	958.273
Total number of shares for fully diluted eps calculation	21,290,435	20,702,821
Basic earnings per share - pence	16.08	4.65
Diluted earnings per share - pence	15.00	4.43
Adjusted earnings per share		
Operating profit as presented on income statement (£'000)		1,831
Add back Exceptional costs associated with equity raising (£'000)		1,232
Add back exceptional charge arising on share options vesting on listing (£'000)		1,499
Operating profit pre exceptional (£'000)		4,562
Finance costs (£'000)		(412)
Adjusted profit before tax (£'000)		4150
Tax on adjusted profit at underlying effective rate (£'000)		(1,245)
Adjusted profit after tax (£'000)		2,905
Adjusted profit attributable to ordinary shareholders(£'000)		2,901
Adjusted basic earnings per share		14.69
Adjusted diluted earnings per share		14.01

Adjusted earnings per share is calculated to enable earnings to be produced on a directly comparable basis. To achieve this comparison, the operating profit for the 26 weeks to 25 December 2010 is reflected as if the exceptional items had not been presented separately in the income statement. This increases underlying profit by £2,731,000. An underlying effective tax rate of 30% has then been applied to the adjusted profit.

For details relating to the changes in share options and issued equity, please refer to the notes below.

7. Taxation

Tax in these interim statements has been computed at 25%, which is the anticipated effective tax rate for the year ended 30 June 2012.

8. Dividends

	2011 £000	2010 £000
Dividends paid in period	722	-

In the 27 week period ended 31 December 2011, the directors paid a final dividend of 3.64 pence per share on 28 October 2011. The total cash outflow was £722,000.

On 21 March 2012, the Board approved an interim dividend for the period ended 31 December 2011 of 1.82p per share. This dividend has not been included as a liability as at 31 December 2011, in accordance with IAS 10 'Events after the balance sheet date'.

9. Property Plant and equipment

During the 27 weeks ended 31 December 2011, the Group acquired assets with a cost of £2,889,000
(2010: £1,915,000)

Assets with a net book value of £500,000 were disposed of by the Group during the 27 weeks ended 31 December 2011 (2010: £66,000), resulting in a net gain on disposal of £353,000 (2010: £39,000). This includes the disposal of Assets held for resale which were being carried at 25 December 2010 and 25 June 2011 at £500,000. These were sold for £853,000 resulting in a net gain of £353,000. All assets held for resale have now been disposed of.

10. Issued capital and reserves

	Number of ordinary shares (thousands)	Ordinary shares £'000	Share premium £'000	Total £'000
As at 26 June 2010 (audited)	1,381	-	70	70
Bonus shares	1,118,623	112	(70)	42
	1,120,004	112	-	112
Consolidation of existing shares	(1,108,804)	-	-	-
Issued on flotation	8,545	85	15,466	15,551
As at 25 December 2010	**19,745**	**197**	**15,466**	**15,663**
As at 25 June 2011 (audited)	19,840	198	15,536	15,734
Issued in period	68	1	49	50
As at 31 December 2011	**19,908**	**199**	**15,585**	**15,784**

Between 26 June 2010 and 25 December 2010 the following transactions occurred in respect of the share capital of the Company

- On 15 October 2010 the Company issued 1,118,623,467 ordinary shares of 0.01p each to its existing shareholders (pro-rata to existing holdings). All these shares were paid up (at nominal value) out of amounts standing to the credit of the Company's share premium account and profit and loss account. The Company then consolidated every 100 of the existing shares into 1 ordinary share of 1p, giving the Company a share capital of £112,000.43 comprised of 11,200,043 shares of 1p each.

- On 18 November 2010, following the successful admission of the Company to trading on the London Stock Exchange AIM market, a further 8,544,505 shares were issued. These new shares raised a further £15,551,000 of gross proceeds. These proceeds are included within share capital.

At 25 December 2010, there were 19,744,548 ordinary shares in issue.

Between 25 June 2011and 31 December 2011, 67,449 ordinary shares were issued to various individuals as a result of the exercise of share options. The gross proceeds of additional share issues was £50,000 and these proceeds are included within share capital.

At 31 December 2011 there were 19,907,733 ordinary shares in issue.

All shares carry equal voting rights.

11. Employee share options

No changes have occurred in respect of CSOP schemes that were in existence at 25 June 2011 and disclosed within the financial statements for the period then ended. In respect of options within these existing schemes (and disclosed in the year end financial statements) a charge for the 27 weeks ended 31 December 2011 of £10,000 (2010: £52,000) has been recorded within the income statement.

No changes have occurred in respect of LTIP schemes that were in existence at 25 June 2011 and disclosed within the financial statements for the period then ended. All shares within this scheme are vested. No exercise has occurred. The shares were issued on condition of successful company flotation on 18 November 2010. A total of 828,064 options vested. The charge recorded in respect of these additional options was £1,499,000. These are equity only instruments with no cash alternative.

Given the unusual nature of these options, these have been described on the face of the income statement as exceptional in the 2010 figures.

These interim statements should therefore be read in conjunction with the full year audited financial statements of the Group, which include full IFRS 2 disclosures.
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12. Net debt and cash equivalents

Reconciliation of net debt between 26 June 2010 and 25 December 2010

	27 June 2010	Cash flow	Non cash	25 December 2010
	£'000	£'000	£'000	£'000
Cash and cash equivalents	(4,551)	5,441	-	890
Long term cash deposits	309	-	-	309
Loans	(20,695)	6,939	(83)	(13,839)
Finance leases	(239)	51	-	(188)
	(25,176)	**12,431**	**(83)**	**(12,828)**

Reconciliation of net debt between 26 June 2011 and 31 December 2011

	26 June 2011	Cash flow	Non cash	31 December 2011
	£'000	£'000	£'000	£'000
Cash and cash equivalents	5,271	(2,523)	-	2,748
Long term cash deposits	-	-	-	-
Loans	(13,130)	1,261	-	(11,869)
Finance leases	(260)	215	-	(45)
	(8,119)	**(1,047)**	**-**	**(9,166)**

Reconciliation to statement of financial position

	31 December 2011	25 December 2010	25 June 2011	26 June 2010
	£'000	£'000	£'000	£'000
Other non current financial assets	-	309	-	309
Cash and short term deposits	2,748	890	5,271	204
Non current interest bearing loans and borrowings	(10,602)	(12,822)	(12,089)	(13,579)
Current interest bearing loans and borrowings	(1,312)	(1,205)	(1,301)	(12,110)
	(9,166)	**(12,828)**	**(8,119)**	**(25,176)**

13. Pensions

The Group operates a defined benefit pension scheme which is closed to new members and no longer accrues benefits to existing member employees.

There were no changes to the members, their accrued future benefits or the scheme funding arrangements at any time between 27 June 2010 and 31 December 2011. Group management therefore regard the key assumptions, in the medium to long term, as unchanged. Given the highly volatile nature of inflation rates and asset markets in the short term, management conclude that computing an interim valuation on an IAS 19 basis at either 25 December 2010 or 31 December 2011 would not provide significant additional benefit to the reader. Consequently, no actuarial valuation at either interim date has been performed.

The movement in the pension liability of £3,044,000 in the 52 week period from 27 June 2010 to 25 June 2011 is consistent with the movement presented in these interim statements – i.e. the same movement is assumed between corresponding December periods as June periods. These interim statements should therefore be read in conjunction with the full year audited financial statements of the Group, which include full IAS 19 disclosures.