

COMPANY REGISTRATION NUMBER 1238149

W C ROWE (FALMOUTH) LTD
FINANCIAL STATEMENTS
29 DECEMBER 2012



WILLS BINGLEY LIMITED
Accountants & Statutory Auditor
St Denys House
22 East Hill
St Austell
Cornwall
PL25 4TR

W C ROWE (FALMOUTH) LTD
FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

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W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 January 2012 to 29 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the production, wholesale and retail distribution of bread, confectionery and related products

Turnover decreased by 12.6% in 2012, with small decreases in both the retail and wholesale side of the business

The Directors' recognise that the company incurred a substantial trading loss before taxation during the year to 29 December 2012, of £938,050, £605,290 after taxation. The company directors' together with its bankers have addressed the reasons for these losses and have developed a comprehensive and detailed plan to restore the company to profitability and recoup past losses. The company directors are pleased to report that during the current financial year there is strong evidence that the measures taken are having a beneficial effect. The company directors' intend to continue building on the progress made to date and to increase sales volumes, through an expansion in the customer base. The key financial highlights are as follows:

	2012	2011	2010
Turnover	25,093,883	28,708,916	27,446,313
Turnover growth	(12.60)%	4.60%	4.90%
Gross profit margin	32.40%	33.50%	35.80%
(Loss)/Profit before tax	(938,050)	(90,727)	383,828

RESULTS AND DIVIDENDS

The loss for the period amounted to £605,290. The directors have not recommended a dividend.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and hire purchase agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting and overdrafts at floating rates of interest. The company makes use of money market facilities where available.

In respect of loans, these comprise intermittent loans from the directors and loans from financial institutions. The interest rate on the loans from financial institutions are both fixed and variable. Where the interest rate is variable, the monthly repayments are fixed. The company manages the liquidity risk by ensuring that there are sufficient funds to meet the payments. The loans from directors are interest free and repayable on demand. The directors are aware of the company's required finance and have determined that any such loans will only be repaid, in whole or in part, when finance is available.

The company is a lessee in respect of hire purchase assets. The liquidity risk of these is managed in the same way as that of the loans explained above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning both the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

DIRECTORS

The directors who served the company during the period were as follows

A H Pearce
M Pearce
M A Rowe
K Lynch
M B Parsons
H M Jones
P W C Pearce

DIRECTORS' RESPONSIBILITIES

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

DIRECTORS' RESPONSIBILITIES *(continued)*

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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS

During the period the company made the following contributions:

	Period from 1 January 2012 to 29 December 2012	Period from 2 January 2011 to 31 December 2011
	£	£
Charitable	<u>2,513</u>	<u>-</u>

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow free flow of information and ideas. Employees participate directly in the success of the business through the company's bonus schemes.

The company is also fully committed to a policy of equal opportunities for all disabled employees, and operates a policy of zero tolerance of discrimination in the work place.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

AUDITOR

Wills Bingley Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

Registered office
Dreason
Lanhydrock
Cornwall
PL30 4BG

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M Pearce', written over a horizontal line.

M PEARCE
Company Secretary

Approved by the directors on 24 September 2013

W C ROWE (FALMOUTH) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
W C ROWE (FALMOUTH) LTD

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

We have audited the financial statements of W C ROWE (FALMOUTH) LTD for the period from 1 January 2012 to 29 December 2012 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement 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 shareholders, 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 shareholders 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 shareholders 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 pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of its loss for the period then ended,
- 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.

W C ROWE (FALMOUTH) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
W C ROWE (FALMOUTH) LTD *(continued)*

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



PAUL SMITH FCCA (Senior
Statutory Auditor)
For and on behalf of
WILLS BINGLEY LIMITED
Accountants
& Statutory Auditor

St Denys House
22 East Hill
St Austell
Cornwall
PL25 4TR

24 September 2013

W C ROWE (FALMOUTH) LTD
PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

		Period from 1 Jan 12 to 29 Dec 12	Period from 2 Jan 11 to 31 Dec 11
	Note	£	£
TURNOVER	2	25,093,883	28,708,916
Cost of sales		<u>16,967,512</u>	<u>19,105,151</u>
GROSS PROFIT		8,126,371	9,603,765
Distribution costs		<u>1,160,092</u>	1,358,466
Administrative expenses		<u>7,845,313</u>	8,261,648
Other operating income	3	<u>(42,401)</u>	<u>(59,139)</u>
OPERATING (LOSS)/PROFIT	4	(836,633)	42,790
Interest receivable and similar income		<u>8</u>	-
Interest payable and similar charges	7	<u>(101,425)</u>	<u>(133,517)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(938,050)	(90,727)
Tax on loss on ordinary activities	8	<u>(332,760)</u>	<u>(103,183)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u>(605,290)</u>	<u>12,456</u>

All of the activities of the company are classed as continuing

The notes on pages 12 to 30 form part of these financial statements

W C ROWE (FALMOUTH) LTD
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

	Period from 1 Jan 12 to 29 Dec 12	Period from 2 Jan 11 to 31 Dec 11
	£	£
(Loss)/Profit for the financial period attributable to the shareholders	(605,290)	12,456
Unrealised loss on revaluation of certain fixed assets	—	(488,962)
Total gains and losses recognised since the last annual report	<u>(605,290)</u>	<u>(476 506)</u>

The notes on pages 12 to 30 form part of these financial statements

W C ROWE (FALMOUTH) LTD

BALANCE SHEET

29 DECEMBER 2012

	Note	£	29 Dec 12 £	31 Dec 11 £
FIXED ASSETS				
Intangible assets	9		—	—
Tangible assets	10		7,909,688	8,667,594
Investments	11		50	50
			<u>7,909,738</u>	<u>8,667,644</u>
CURRENT ASSETS				
Stocks	12	1,226,212		1,281,226
Debtors	13	1,753,001		2,605,261
Cash at bank and in hand		224,002		533,438
		<u>3,203,215</u>		<u>4,419,925</u>
CREDITORS: Amounts falling due within one year	14	<u>4,375,392</u>		<u>5,024,545</u>
NET CURRENT LIABILITIES			<u>(1,172,177)</u>	<u>(604,620)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,737,561</u>	<u>8,063,024</u>
CREDITORS: Amounts falling due after more than one year	15		1,629,644	2,060,166
PROVISIONS FOR LIABILITIES				
Deferred taxation	17		340,939	630,590
			<u>4,766,978</u>	<u>5,372,268</u>
CAPITAL AND RESERVES				
Called-up equity share capital	20		40,000	40,000
Revaluation reserve	21		489,542	489,542
Profit and loss account	22		4,237,436	4,842,726
SHAREHOLDERS' FUNDS	23		<u>4,766,978</u>	<u>5,372,268</u>

These financial statements were approved by the directors and authorised for issue on 24 September 2013, and are signed on their behalf by



A H PEARCE
Director

Company Registration Number 1238149

The notes on pages 12 to 30 form part of these financial statements.

W C ROWE (FALMOUTH) LTD

CASH FLOW STATEMENT

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

	Note	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	1,226,957	1,793,211
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(101,417)	(133,517)
TAXATION	24	(42,290)	(110,763)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	24	(231,997)	(460,034)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		851,253	1,088,897
MANAGEMENT OF LIQUID RESOURCES			
Cash placed in other liquid investments		—	35
NET CASH INFLOW FROM MANAGEMENT OF LIQUID RESOURCES		—	35
FINANCING	24	(1,160,691)	(685,696)
(DECREASE)/INCREASE IN CASH	24	(309,438)	403,236

The notes on pages 12 to 30 form part of these financial statements

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

Turnover

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

Amortisation

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

Design & marketing - 4 years

Fixed assets

All fixed assets are initially recorded at cost

These assets are periodically re-valued by external specialists, at least every five years, with intervening years subject to internal reviews to assess the continued accuracy of the valuations

Depreciation

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

Freehold Property	-	Straight line over 100 years
Leasehold Property	-	Straight line over the life of the lease
Plant & Machinery	-	10 years straight line
Fixtures & Fittings	-	15 years
Motor Vehicles	-	4 years

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Stock

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

Hire purchase agreements

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

Operating lease agreements

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

Pension costs

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

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Financial instruments

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

Invoice discounting

Trade debtors subject to invoice discounting arrangements are disclosed within the accounts at the gross value as an asset, and a corresponding liability in respect of the proceeds received from the discounting house is included as a liability within bank loans and overdrafts.

Finance charges relating to the invoice discounting arrangements are recognised as they arise and are included within the profit and loss account with other finance charges.

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
United Kingdom	<u>25,093,883</u>	<u>28,708,916</u>

3. OTHER OPERATING INCOME

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Rent receivable	42,401	36,639
Other operating income	—	22,500
	<u>42,401</u>	<u>59,139</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Amortisation of government grants	224,396	235,331
Amortisation of government grants re fixed assets	(112,198)	(117,665)
Amortisation of short leasehold property	44,706	44,635
Depreciation of owned fixed assets	738,703	779,532
Depreciation of assets held under hire purchase agreements	228,018	228,303
(Profit)/Loss on disposal of fixed assets	(21,524)	53,274
Auditor's remuneration		
- as auditor	8,450	7,300
Operating lease costs		
- Plant and equipment	6,440	3,498
- Other	<u>903,832</u>	<u>799,617</u>

5 PARTICULARS OF EMPLOYEES

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

	Period from 1 Jan 12 to 29 Dec 12 No.	Period from 2 Jan 11 to 31 Dec 11 No
Number of production staff	253	293
Number of distribution and retail staff	176	179
Number of administrative staff	<u>64</u>	<u>68</u>
	<u>493</u>	<u>540</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

5. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Wages and salaries	8,186,651	8,866,615
Social security costs	617,130	716,425
Other pension costs	147,319	189,688
	<u>8,951,100</u>	<u>9,772,728</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Remuneration receivable	541,690	672,208
Value of company pension contributions to money purchase schemes	72,636	106,197
	<u>614,326</u>	<u>778,405</u>

Remuneration of highest paid director:

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Total remuneration (excluding pension contributions)	108,437	170,655
Value of company pension contributions to money purchase schemes	30,558	56,346
	<u>138,995</u>	<u>227,001</u>

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

	Period from 1 Jan 12 to 29 Dec 12 No	Period from 2 Jan 11 to 31 Dec 11 No
Money purchase schemes	<u>6</u>	<u>6</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

7 INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Interest payable on bank borrowing	24,978	31,620
Finance charges	32,995	43,968
Other similar charges payable	43,452	57,929
	<u>101,425</u>	<u>133,517</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 20% (2011 - 19 65%)	(42,290)	42,194
Over/under provision in prior year	(819)	-
Total current tax	<u>(43,109)</u>	<u>42,194</u>
Deferred tax		
Origination and reversal of timing differences	(289,651)	(145,377)
Tax on loss on ordinary activities	<u>(332,760)</u>	<u>(103 183)</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 20% (2011 - 19.65%)

	Period from 1 Jan 12 to 29 Dec 12	Period from 2 Jan 11 to 31 Dec 11
	£	£
Loss on ordinary activities before taxation	<u>(938,050)</u>	<u>(90,727)</u>
Loss on ordinary activities by rate of tax	-	(17,828)
Expenses not deductible for tax purposes	-	6,897
Capital allowances for period in excess of depreciation	-	53,120
Utilisation of tax losses	(42,290)	-
Adjustments to tax charge in respect of previous periods	(819)	-
Rounding on tax charge	-	5
Total current tax (note 8(a))	<u>(43,109)</u>	<u>42,194</u>

9. INTANGIBLE FIXED ASSETS

	Intangible £
COST	
At 1 January 2012 and 29 December 2012	<u>10,290</u>
AMORTISATION	
At 1 January 2012 and 29 December 2012	<u>10,290</u>
NET BOOK VALUE	
At 29 December 2012	<u>-</u>
At 31 December 2011	<u>-</u>

The amounts capitalised in respect of the intangible fixed asset represent the set-up costs of establishing a potentially stand alone shop brand within the current product portfolio. These costs have been fully amortised.

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

10. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£	£
COST OR VALUATION						
At 1 Jan 2012	4,486,690	489,074	9,841,926	1,058,472	317,795	16,193,957
Additions	60,148	18,953	182,811	46,490	1,478	309,880
Disposals	—	—	(301,423)	(29,355)	(109,079)	(439,857)
At 29 Dec 2012	<u>4,546,838</u>	<u>508,027</u>	<u>9,723,314</u>	<u>1,075,607</u>	<u>210,194</u>	<u>16,063,980</u>
DEPRECIATION						
At 1 Jan 2012	429,973	187,445	6,234,824	453,533	220,588	7,526,363
Charge for the period	66,983	44,706	808,973	65,964	24,801	1,011,427
On disposals	—	—	(280,620)	(29,112)	(73,766)	(383,498)
At 29 Dec 2012	<u>496,956</u>	<u>232,151</u>	<u>6,763,177</u>	<u>490,385</u>	<u>171,623</u>	<u>8,154,292</u>
NET BOOK VALUE						
At 29 Dec 2012	<u>4,049,882</u>	<u>275,876</u>	<u>2,960,137</u>	<u>585,222</u>	<u>38,571</u>	<u>7,909,688</u>
At 31 Dec 2011	<u>4,056,717</u>	<u>301,629</u>	<u>3,607,102</u>	<u>604,939</u>	<u>97,207</u>	<u>8,667,594</u>

Freehold Property is stated at market valuation

The historical cost of freehold buildings is £4,280,897 and the depreciation provision is £501,202. Freehold land with a historical cost of £61,080 is not being depreciated.

The main bakery production land and buildings, bakehouse premises and shops were revalued during September 2012 by Miller Commercial Ltd, Chartered Surveyors, on an open market value basis. The valuations were made in accordance with the R I C S recommended procedures. Miller Commercial Ltd are not connected to the company. The valuation has been recognised in the accounts, as referred to under note 21.

Hire purchase agreements

Included within the net book value of £7,909,688 is £1,271,200 (2011 - £1,420,093) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £228,018 (2011 - £228,303).

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

11. INVESTMENTS

Listed investments	£
COST	
At 1 January 2012 and 29 December 2012	<u>50</u>
NET BOOK VALUE	
At 29 December 2012 and 31 December 2011	<u>50</u>

12. STOCK

	29 Dec 12	31 Dec 11
	£	£
Raw materials	531,669	663,964
Finished goods	694,543	617,262
	<u>1,226,212</u>	<u>1,281,226</u>

13. DEBTORS

	29 Dec 12	31 Dec 11
	£	£
Trade debtors	1,345,376	2,025,034
Corporation tax repayable	42,290	–
Other debtors	150,141	403,971
Director's current account - P Pearce	–	64
Directors current accounts - M Pearce	–	984
Prepayments and accrued income	215,194	175,208
	<u>1,753,001</u>	<u>2,605,261</u>

Included in trade debtors is an amount of £88,703 which is due after more than one year (2011 - £88,486)

Debtors due after one year relates to a long outstanding trade debt, which the directors consider will ultimately be recovered. The debt has been shown as due after more than one year, as the outstanding amount will not be repaid within twelve months of the balance sheet date.

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

14. CREDITORS: Amounts falling due within one year

	29 Dec 12	31 Dec 11
	£	£
Bank loans	819,485	1,331,834
Trade creditors	2,705,954	2,661,577
Other creditors including taxation and social security		
Corporation tax	-	43,109
Other taxation and social security	128,206	184,554
Hire purchase agreements	215,446	400,136
Other creditors	112,198	117,665
Other creditors	226,082	147,014
Director's current account	53,264	32
	<u>4,260,635</u>	<u>4,885,921</u>
Accruals and deferred income	114,757	138,624
	<u>4,375,392</u>	<u>5,024,545</u>

Bank loans and overdrafts include invoice discounting loans of £628,627 (2011 - £1,060,240)

Bank Loans are secured on company freehold properties Invoice discounting loans are secured against book debt

Liabilities under hire purchase agreements and chattel mortgages are secured on the assets to which they relate

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

	29 Dec 12	31 Dec 11
	£	£
Bank loans	<u>819,485</u>	<u>1,331,834</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

15. CREDITORS Amounts falling due after more than one year

	29 Dec 12 £	31 Dec 11 £
Bank loans and overdrafts	992,817	1,183,530
Other creditors		
Hire purchase agreements	234,269	367,348
Other creditors	402,558	509,288
	<u>1,629,644</u>	<u>2,060,166</u>

Bank loans are secured on company freehold properties, and by Debenture over the company assets

Liabilities under hire purchase agreements are secured on the assets to which they relate

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	29 Dec 12 £	31 Dec 11 £
Bank loans and overdrafts	<u>992,817</u>	<u>1,183,530</u>

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

	29 Dec 12 £	31 Dec 11 £
Bank loans and overdrafts	<u>199,171</u>	<u>441,354</u>

The terms of repayment and interest rates on loans which have more than 5 years to maturity are as follows

Commercial mortgage - monthly over 10 years from 2007, at interest rates of 1.2% and 1.9% over bank base rate per annum, together with a fixed rate loan of 5.8% pa

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	29 Dec 12	31 Dec 11
	£	£
Amounts payable within 1 year	234,875	434,584
Amounts payable between 2 to 5 years	254,235	386,002
	<u>489,110</u>	<u>820,586</u>
Less interest and finance charges relating to future periods	(39,395)	(53,102)
	<u>449,715</u>	<u>767,484</u>
Hire purchase agreements are analysed as follows		
Current obligations	215,446	400,136
Non-current obligations	234,269	367,348
	<u>449,715</u>	<u>767,484</u>

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	Period from 1 Jan 12 to 29 Dec 12	Period from 2 Jan 11 to 31 Dec 11
	£	£
Provision brought forward	630,590	775,967
Profit and loss account movement arising during the period	(289,651)	(145,377)
Provision carried forward	<u>340,939</u>	<u>630,590</u>

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

	29 Dec 12	31 Dec 11
	£	£
Excess of taxation allowances over depreciation on fixed assets	413,980	630,590
Tax losses available	(73,041)	-
	<u>340,939</u>	<u>630,590</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

18. COMMITMENTS UNDER OPERATING LEASES

At 29 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	29 Dec 12		31 Dec 11	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	28,750	22,606	29,096	30,399
Within 2 to 5 years	136,075	126,008	109,700	134,522
After more than 5 years	257,450	-	288,250	-
	<u>422,275</u>	<u>148,614</u>	<u>427,046</u>	<u>164,921</u>

The majority of leases of land and buildings are subject to rent reviews at periodic intervals ranging between 1 and 5 years

19. RELATED PARTY TRANSACTIONS

The company was under the control of Mr A H Pearce throughout the current and previous period. Mr A H Pearce is the managing director and majority shareholder.

Creditors include balances due to Mr A H Pearce £49,816 (2011 £32), Mr P W C Pearce £31 (2011 £64 debit balance) and Mr M Rowe £3,417 (2011 nil) at period end. The balances have no fixed repayment terms.

During the period the directors purchased goods and services to the value of £576 (2011 £3,042) from the company.

During the period the company purchased services in relation to the position of non-executive director to the value of £87,104 (2011 £51,588) from Vaggers Lynch, a firm in which Mr K Lynch is a partner. The services were provided under normal trading terms.

In addition, Vaggers Lynch undertook services to the value of £9,105 (2011 £8,561) for accounting, taxation and similar advice. These services were also undertaken under normal trading terms.

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

20 SHARE CAPITAL

Authorised share capital:

	29 Dec 12	31 Dec 11
	£	£
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid.

	29 Dec 12		31 Dec 11	
	No	£	No	£
40,000 Ordinary shares of £1 each	40,000	40,000	40,000	40,000

21. REVALUATION RESERVE

	Period from 1 Jan 12 to 29 Dec 12	Period from 2 Jan 11 to 31 Dec 11
	£	£
Balance brought forward	489,542	978,504
Revaluation of fixed assets	—	(488,962)
Balance carried forward	<u>489,542</u>	<u>489,542</u>

The main bakery production land and buildings, bakehouse premises and shops were revalued during September 2012 as referred to under note 10. The deficit on revaluation has been recognised in the accounts.

No adjustment has been made to the revaluation reserve in the year to represent the difference between historical cost depreciation and the depreciation on the revalued amounts since, in the opinions of the directors, this difference is immaterial.

No adjustment for deferred taxation on the revaluation has been made in accordance with the requirements of Financial Reporting Standard 19 due to the fact that the revalued properties are unlikely to be sold in the foreseeable future.

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

22. PROFIT AND LOSS ACCOUNT

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Balance brought forward	4,842,726	4,830,270
(Loss)/profit for the financial period	(605,290)	12,456
Balance carried forward	<u>4,237,436</u>	<u>4,842,726</u>

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 Dec 12 £	31 Dec 11 £
(Loss)/Profit for the financial period	(605,290)	12,456
Other net recognised gains and losses	—	(488,962)
Net reduction to shareholders' funds	(605,290)	(476,506)
Opening shareholders' funds	<u>5,372,268</u>	<u>5,848,774</u>
Closing shareholders' funds	<u>4,766,978</u>	<u>5,372,268</u>

24. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Operating (loss)/profit	(836,633)	42,790
Depreciation	1,011,427	1,052,469
(Profit)/Loss on disposal of fixed assets	(21,524)	53,274
Amortisation of government grants	112,196	117,666
Decrease/(increase) in stocks	55,014	(142,465)
Decrease in debtors	894,550	39,403
Increase in creditors	11,927	630,074
Net cash inflow from operating activities	<u>1,226,957</u>	<u>1,793,211</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

24. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Interest received	8	-
Interest paid	(68,430)	(89,549)
Interest element of hire purchase	<u>(32,995)</u>	<u>(43,968)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(101,417)</u>	<u>(133,517)</u>

TAXATION

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Taxation	<u>(42,290)</u>	<u>(110,763)</u>

CAPITAL EXPENDITURE

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Payments to acquire tangible fixed assets	(309,880)	(525,234)
Receipts from sale of fixed assets	<u>77,883</u>	<u>65,200</u>
Net cash outflow from capital expenditure	<u>(231,997)</u>	<u>(460,034)</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

24 NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
Repayment of bank loans	(703,062)	(63,943)
Net inflow/(outflow) from other short-term creditors	79,068	(150,144)
Capital element of hire purchase	(317,769)	(236,278)
Net outflow from other long-term creditors	(106,730)	(117,665)
Repayment of grants	(112,198)	(117,666)
Net cash outflow from financing	<u>(1,160,691)</u>	<u>(685,696)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	29 Dec 12 £	31 Dec 11 £
(Decrease)/increase in cash in the period	(309,438)	403,236
Net cash outflow from bank loans	703,062	63,943
Net (inflow) from/outflow from other short-term creditors	(79,068)	150,144
Cash outflow in respect of hire purchase	317,769	236,278
Net cash outflow from other long-term creditors	106,730	117,665
Cash used to decrease liquid resources	<u>2</u>	<u>(35)</u>
	<u>739,057</u>	<u>971,231</u>
Change in net debt	739,057	971,231
Net debt at 1 January 2012	(3,405,712)	(4,376,943)
Net debt at 29 December 2012	<u>(2,666,655)</u>	<u>(3,405,712)</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

24. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2012 £	Cash flows £	At 29 Dec 2012 £
Net cash			
Cash in hand and at bank	<u>533,438</u>	<u>(309,436)</u>	<u>224,002</u>
Liquid resources			
Debt			
Debt due within 1 year	(1,478,848)	433,281	(1,045,567)
Debt due after 1 year	(1,692,818)	297,443	(1,395,375)
Hire purchase agreements	<u>(767,484)</u>	<u>317,769</u>	<u>(449,715)</u>
	<u>(3,939,150)</u>	<u>1,048,493</u>	<u>(2,890,657)</u>
Net debt	<u>(3,405,712)</u>	<u>739,057</u>	<u>(2,666,655)</u>

W C ROWE (FALMOUTH) LTD
MANAGEMENT INFORMATION
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 6 to 7**

W C ROWE (FALMOUTH) LTD
DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
TURNOVER	25,093,883	28,708,916
COST OF SALES		
Ingredient useage	10,935,072	12,496,465
Direct wages	3,631,361	4,149,987
National insurance contributions on direct labour	236,794	320,900
Hire of plant and machinery	308,468	280,309
Repairs to plant and machinery	411,996	430,211
Light, heat and power	634,848	615,221
Depreciation of plant and machinery	808,973	828,116
Profit on disposal of fixed assets	-	(16,058)
	<u>16,967,512</u>	<u>19,105,151</u>
GROSS PROFIT	<u>8,126,371</u>	<u>9,603,765</u>
OVERHEADS		
Distribution costs	1,160,092	1,358,466
Administrative expenses	7,845,313	8,261,648
	<u>9,005,405</u>	<u>9,620,114</u>
	(879,034)	(16,349)
OTHER OPERATING INCOME	<u>42,401</u>	<u>59,139</u>
OPERATING (LOSS)/PROFIT	<u>(836,633)</u>	<u>42,790</u>
Interest Receivable	<u>8</u>	<u>-</u>
	(836,625)	42,790
Interest payable	<u>(101,425)</u>	<u>(133,517)</u>
LOSS ON ORDINARY ACTIVITIES	<u>(938,050)</u>	<u>(90,727)</u>

W C ROWE (FALMOUTH) LTD

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
DISTRIBUTION COSTS		
Despatch and delivery wages	177,380	177,138
National insurance contributions on distribution labour	10,265	15,345
Commercial vehicle expenses	215,543	202,098
Vehicle hire and haulage	742,334	944,568
Depreciation of commercial vehicles	19,216	19,817
Profit on disposal of fixed assets	(4,646)	(500)
	<u>1,160,092</u>	<u>1,358,466</u>
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	382,230	472,784
Directors fees	87,104	51,588
Directors national insurance contributions	59,898	67,477
Directors pension contributions	72,636	106,197
Wages and salaries	3,908,576	4,015,118
Employers national insurance contributions	310,173	312,703
Staff pension contributions	74,683	83,491
	<u>4,895,300</u>	<u>5,109,358</u>
Establishment expenses		
Rent	803,672	715,040
Rates and water	465,444	435,016
Insurance	167,102	171,495
Repairs and maintenance (allowable)	106,897	154,512
	<u>1,543,115</u>	<u>1,476,063</u>
General expenses		
Motor expenses	87,040	104,903
Travel and subsistence	42,284	46,901
Vehicle leasing charges	100,160	84,577
Telephone	85,313	96,408
Computer costs	39,630	41,328
Equipment leasing charges	6,440	3,498
Printing, postage and stationery	47,671	59,874
Recruitment costs	8,199	6,021
Staff training	13,315	25,268
Laundry, cleaning and welfare	336,460	344,494
Levies and subscriptions	42,250	41,381
Life assurance policy	6,363	6,363
Flat expenses	174	812
Advertising	143,330	171,844
General expenses	60,315	115,842
Legal and professional fees	237,560	295,128
Accountancy fees	9,105	8,561
	<u>1,265,609</u>	<u>1,453,203</u>
Carried forward	1,265,609	1,453,203

W C ROWE (FALMOUTH) LTD
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2012 TO 29 DECEMBER 2012

	Period from 1 Jan 12 to 29 Dec 12 £	Period from 2 Jan 11 to 31 Dec 11 £
ADMINISTRATIVE EXPENSES <i>(continued)</i>		
Brought forward	1,265,609	6,438,415
Auditors remuneration	8,450	7,300
Amortisation of short leasehold	44,706	44,635
Depreciation of freehold property	66,983	62,505
Depreciation of fixtures and fittings	65,964	72,122
Depreciation of motor vehicles	5,585	25,275
Amortisation of government grants	(112,198)	(117,665)
(Profit)/Loss on disposal of fixed assets	(16,878)	69,832
	<u>1,328,221</u>	<u>1,617,207</u>
Financial costs		
Provision for doubtful debts	-	(1)
Bank charges	78,677	59,021
	<u>78,677</u>	<u>59,020</u>
	<u>7,845,313</u>	<u>8,261,648</u>
OTHER OPERATING INCOME		
Rent receivable	42,401	36,639
Lease surrender premium	-	22,500
	<u>42,401</u>	<u>59,139</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Interest Receivable	8	-
INTEREST PAYABLE		
Statutory interest payable	94	73
Bank interest payable	24,978	31,620
Hire purchase and finance lease charges	32,995	43,968
Interest on other loans	43,358	57,856
	<u>101,425</u>	<u>133,517</u>