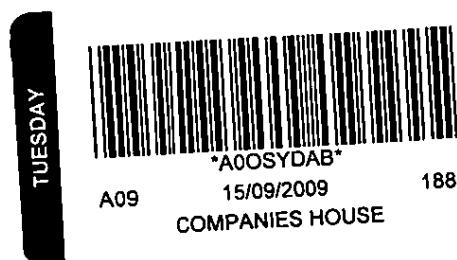


COMPANY REGISTRATION NUMBER 1238149

W C ROWE (FALMOUTH) LTD
FINANCIAL STATEMENTS
27 DECEMBER 2008



ERIC WILLS & CO LTD
Accountants & Registered Auditors
St Denys House
22, East Hill
St Austell
Cornwall
PL25 4TR

W C ROWE (FALMOUTH) LTD

FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

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W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the period from 30 December 2007 to 27 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

Turnover increased by 17.2% in 2008, with increases in both the retail and wholesale side of the business. Profitability decreased in the year due to rising costs of ingredients not passed on to customers and increases in wages and salaries. It is anticipated that there will be an increase in profitability in the current financial year due to the careful control of costs and rising sales.

The key financial highlights are as follows:

	2008 £	2007 £	2006 £
Turnover	23,146,935	19,759,217	17,652,324
Turnover growth	17.2%	12.0%	24.2%
Gross profit margin	36.4%	37.9%	36.1%
Profit before tax	659,808	1,048,554	788,650

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £342,562. The directors have not recommended a dividend.

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 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.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

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.

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
A C Akehurst
M D Brown
H M Jones

H M Jones was appointed as a director on 1 January 2008.

A C Akehurst retired as a director on 1 January 2008.

M D Brown retired as a director on 6 June 2008.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

W C ROWE (FALMOUTH) LTD

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

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 30 December 2007 to 27 December 2008	Period from 31 December 2006 to 29 December 2007
	£	£
Charitable	<u>1,615</u>	<u>624</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 30 DECEMBER 2007 TO 27 DECEMBER 2008

AUDITOR

A resolution to reappoint Eric Wills & Co Ltd as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
68 Lemon Street
Truro
Cornwall
TR1 2PN

Signed by order of the directors



M PEARCE
Company Secretary

Approved by the directors on 20th August 2009

W C ROWE (FALMOUTH) LTD

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

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

We have audited the financial statements of W C ROWE (FALMOUTH) LTD for the period from 30 December 2007 to 27 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

W C ROWE (FALMOUTH) LTD

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

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Eric Wills & Co Limited

ERIC WILLS & CO LTD
Accountants
& Registered Auditors

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

20th August 2009.

W C ROWE (FALMOUTH) LTD

PROFIT AND LOSS ACCOUNT

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

		Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	Note	£	£
TURNOVER	2	23,146,935	19,759,217
Cost of sales		<u>14,724,823</u>	<u>12,264,397</u>
GROSS PROFIT		8,422,112	7,494,820
Distribution costs		1,059,460	831,228
Administrative expenses		6,534,345	5,455,329
Other operating income	3	<u>(4,800)</u>	<u>(11,800)</u>
OPERATING PROFIT	4	833,107	1,220,063
Interest receivable		26	95
Interest payable and similar charges	7	<u>(173,325)</u>	<u>(171,604)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		659,808	1,048,554
Tax on profit on ordinary activities	8	<u>317,246</u>	<u>383,959</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>342,562</u>	<u>664,595</u>

All of the activities of the company are classed as continuing.

The notes on page 7 form part of these financial statements.

W C ROWE (FALMOUTH) LTD
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Profit for the financial period attributable to the shareholders	342,562	664,595
Unrealised profit on revaluation of certain fixed assets	420,971	—
Total gains and losses recognised since the last annual report	<u>763,533</u>	<u>664,595</u>

The notes on page 8 form part of these financial statements.

W C ROWE (FALMOUTH) LTD

BALANCE SHEET

27 DECEMBER 2008

	Note	27 Dec 08 £	29 Dec 07 £
FIXED ASSETS			
Intangible assets	10	3,589	6,252
Tangible assets	11	9,021,837	7,964,532
Investments	12	60	60
		<u>9,025,486</u>	<u>7,970,844</u>
CURRENT ASSETS			
Stocks	13	1,267,984	978,599
Debtors	14	2,381,445	2,196,920
Cash in hand		2,662	1,689
		<u>3,652,091</u>	<u>3,177,208</u>
CREDITORS: Amounts falling due within one year	15	<u>3,689,763</u>	<u>3,538,201</u>
NET CURRENT LIABILITIES		<u>(37,672)</u>	<u>(360,993)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,987,814</u>	<u>7,609,851</u>
CREDITORS: Amounts falling due after more than one year	16	<u>3,117,832</u>	<u>2,638,659</u>
		<u>5,869,982</u>	<u>4,971,192</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	903,030	767,773
		<u>4,966,952</u>	<u>4,203,419</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	40,000	40,000
Revaluation reserve	22	978,504	557,533
Profit and loss account	23	3,948,448	3,605,886
SHAREHOLDERS' FUNDS	24	<u>4,966,952</u>	<u>4,203,419</u>

These financial statements were approved by the directors and authorised for issue on 20th AUGUST 2009,
and are signed on their behalf by:

A H Pearce

A H PEARCE
Director

The notes on page 9 form part of these financial statements.

W C ROWE (FALMOUTH) LTD

CASH FLOW STATEMENT

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

		Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	Note	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	1,530,118	1,587,213
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25	(173,299)	(171,509)
TAXATION	25	(189,761)	(106,611)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25	(1,482,009)	(1,521,615)
EQUITY DIVIDENDS PAID		–	(40,000)
CASH OUTFLOW BEFORE FINANCING		(314,951)	(252,522)
FINANCING	25	98,236	326,616
(DECREASE)/INCREASE IN CASH	25	(216,715)	74,094

The notes on page 10 form part of these financial statements.

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

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.

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.

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.

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

Stocks

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

Hire purchase agreements

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

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Pension costs

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

Deferred taxation

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

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.

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

2. TURNOVER

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

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
United Kingdom	<u>23,146,935</u>	<u>19,759,217</u>

3. OTHER OPERATING INCOME

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Rent receivable	4,800	4,800
Other operating income	–	7,000
	<u>4,800</u>	<u>11,800</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Amortisation of government grants	245,213	245,212
Amortisation of government grants re fixed assets	(122,607)	(122,606)
Amortisation	22,433	12,826
Depreciation of owned fixed assets	711,180	696,862
Depreciation of assets held under hire purchase agreements	109,994	44,376
Loss on disposal of fixed assets	4,730	38,460
Auditor's remuneration		
- as auditor	7,000	7,000
Operating lease costs:		
Plant and equipment	4,457	3,575
Other	<u>348,649</u>	<u>244,963</u>

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

5. PARTICULARS OF EMPLOYEES

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

	Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	No	No
Number of production staff	259	243
Number of distribution and retail staff	146	135
Number of administrative staff	57	46
	<u>462</u>	<u>424</u>

The aggregate payroll costs of the above were:

	Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	£	£
Wages and salaries	8,134,514	6,874,376
Social security costs	75,511	50,562
Other pension costs	99,420	94,070
	<u>8,309,445</u>	<u>7,019,008</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	£	£
Emoluments receivable	628,084	481,468
Value of company pension contributions to money purchase schemes	57,842	63,004
	<u>685,926</u>	<u>544,472</u>

Emoluments of highest paid director:

	Period from 30 Dec 07 to 27 Dec 08	Period from 31 Dec 06 to 29 Dec 07
	£	£
Total emoluments (excluding pension contributions)	165,798	186,100
Value of company pension contributions to money purchase schemes	42,670	36,070
	<u>208,468</u>	<u>222,170</u>

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

6. DIRECTORS' EMOLUMENTS *(continued)*

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

	Period from 30 Dec 07 to 27 Dec 08 No	Period from 31 Dec 06 to 29 Dec 07 No
Money purchase schemes	<u>6</u>	<u>6</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Interest payable on bank borrowing	36,392	39,369
Finance charges	37,648	14,646
Other similar charges payable	99,285	117,589
	<u>173,325</u>	<u>171,604</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 26.31% (2007 - 27.15%)	185,153	192,926
Over/under provision in prior year	<u>(3,164)</u>	<u>(1,114)</u>
Total current tax	181,989	191,812
Deferred tax:		
Origination and reversal of timing differences	<u>135,257</u>	<u>192,147</u>
Tax on profit on ordinary activities	<u>317,246</u>	<u>383,959</u>

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 26.31% (2007 - 27.15%).

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Profit on ordinary activities before taxation	<u>659,808</u>	<u>1,048,554</u>
Profit on ordinary activities by rate of tax	173,595	284,682
Expenses not deductible for tax purposes	(25,222)	(31,413)
Capital allowances for period in excess of depreciation	36,802	(60,343)
Adjustments to tax charge in respect of previous periods	(3,164)	(1,114)
Rounding on tax charge	(22)	-
Total current tax (note 8(a))	<u>181,989</u>	<u>191,812</u>

9. DIVIDENDS

Equity dividends

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Paid		
Equity dividends on ordinary shares	<u>-</u>	<u>40,000</u>

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

10. INTANGIBLE FIXED ASSETS

	Intangible £
COST	
At 30 December 2007 and 27 December 2008	<u>10,289</u>
AMORTISATION	
At 30 December 2007	4,037
Charge for the period	<u>2,663</u>
At 27 December 2008	<u>6,700</u>
NET BOOK VALUE	
At 27 December 2008	<u>3,589</u>
At 29 December 2007	<u>6,252</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. Costs are to be carried forward until the market potential of the new brand is established. It is hoped to launch the first of the new branded shops in 2009.

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

11. TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
COST OR VALUATION						
At 30 Dec 2007	3,338,460	264,085	7,645,666	401,727	270,749	11,920,687
Additions	816,847	72,070	427,013	170,713	16,390	1,503,033
Disposals	–	–	(17,207)	–	(31,863)	(49,070)
Revaluation	420,971	–	–	–	–	420,971
At 27 Dec 2008	<u>4,576,278</u>	<u>336,155</u>	<u>8,055,472</u>	<u>572,440</u>	<u>255,276</u>	<u>13,795,621</u>
DEPRECIATION						
At 30 Dec 2007	220,005	70,746	3,247,850	241,532	176,022	3,956,155
Charge for the period	38,129	19,771	706,331	43,914	32,800	840,945
On disposals	–	–	(11,393)	–	(11,923)	(23,316)
At 27 Dec 2008	<u>258,134</u>	<u>90,517</u>	<u>3,942,788</u>	<u>285,446</u>	<u>196,899</u>	<u>4,773,784</u>
NET BOOK VALUE						
At 27 Dec 2008	<u>4,318,144</u>	<u>245,638</u>	<u>4,112,684</u>	<u>286,994</u>	<u>58,377</u>	<u>9,021,837</u>
At 29 Dec 2007	<u>3,118,455</u>	<u>193,339</u>	<u>4,397,816</u>	<u>160,195</u>	<u>94,727</u>	<u>7,964,532</u>

The historical cost of freehold buildings is £3,838,248 and the depreciation provision is £335,406. 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 October 2008 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 in any way. In the opinion of the directors, the valuation at the balance sheet date is not materially different to the professional valuation.

Hire purchase agreements

Included within the net book value of £9,021,837 is £962,151 (2007 - £820,939) 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 £109,994 (2007 - £44,376).

W C ROWE (FALMOUTH) LTD
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

11. TANGIBLE FIXED ASSETS *(continued)*

Capital commitments

	27 Dec 08	29 Dec 07
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>126,870</u>

12. INVESTMENTS

Listed investments

	£
COST	
At 30 December 2007 and 27 December 2008	<u>60</u>
NET BOOK VALUE	
At 27 December 2008	<u>60</u>
At 29 December 2007	<u>60</u>

13. STOCKS

	27 Dec 08	29 Dec 07
	£	£
Raw materials	598,531	438,026
Finished goods	669,453	540,573
	<u>1,267,984</u>	<u>978,599</u>

14. DEBTORS

	27 Dec 08	29 Dec 07
	£	£
Trade debtors	1,941,142	1,790,039
Other debtors	303,302	317,577
Prepayments and accrued income	137,001	89,304
	<u>2,381,445</u>	<u>2,196,920</u>

There are no amounts falling due after more than one year.

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15. CREDITORS: Amounts falling due within one year

	27 Dec 08	29 Dec 07
	£	£
Commercial loans	65,120	200,527
Loans awaiting HP agreement	—	228,040
Bank loans and overdrafts	935,082	622,357
Trade creditors	1,705,195	1,513,458
Other creditors including taxation and social security:		
Corporation tax	186,485	194,257
Other taxation and social security	205,645	190,117
Hire purchase agreements	196,496	197,749
Other creditors	122,606	122,606
Other creditors	151,882	140,550
Directors current accounts	20,261	33,111
	<u>3,588,772</u>	<u>3,442,772</u>
Accruals and deferred income	100,991	95,429
	<u>3,689,763</u>	<u>3,538,201</u>

Bank loans and overdrafts and the commercial loans are secured on company freehold properties.

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:

	27 Dec 08	29 Dec 07
	£	£
Bank loans and overdrafts	935,082	622,357
Other creditors including taxation and social security	65,120	428,567
	<u>1,000,202</u>	<u>1,050,924</u>

16. CREDITORS: Amounts falling due after more than one year

	27 Dec 08	29 Dec 07
	£	£
Commercial loans	100,473	178,724
Bank loans and overdrafts	1,694,228	1,229,474
Other creditors:		
Hire purchase agreements	462,495	247,218
Other creditors	860,636	983,243
	<u>3,117,832</u>	<u>2,638,659</u>

Bank loans and the commercial loans are secured on company freehold properties.

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

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PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

16. CREDITORS: Amounts falling due after more than one year *(continued)*

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

	27 Dec 08 £	29 Dec 07 £
Bank loans and overdrafts	1,210,566	1,229,474
Other creditors	100,473	178,724
	<u>1,311,039</u>	<u>1,408,198</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:

	27 Dec 08 £	29 Dec 07 £
Bank loans and overdrafts	<u>763,236</u>	<u>479,087</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 an interest rate 1.2% over bank base rate per annum.

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	27 Dec 08 £	29 Dec 07 £
Amounts payable within 1 year	213,927	206,570
Amounts payable between 2 to 5 years	462,494	250,430
	<u>676,421</u>	<u>457,000</u>
Less interest and finance charges relating to future periods	(17,430)	(12,033)
	<u>658,991</u>	<u>444,967</u>
Hire purchase agreements are analysed as follows:		
Current obligations	196,496	197,749
Non-current obligations	462,495	247,218
	<u>658,991</u>	<u>444,967</u>

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18. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Provision brought forward	767,773	575,626
Profit and loss account movement arising during the period	135,257	192,147
Provision carried forward	<u>903,030</u>	<u>767,773</u>

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

	27 Dec 08 £	29 Dec 07 £
Excess of taxation allowances over depreciation on fixed assets	903,030	767,773
	<u>903,030</u>	<u>767,773</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 27 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	27 Dec 08	Other	29 Dec 07	Other
	Land & Buildings £	Items £	Land & Buildings £	Items £
Operating leases which expire:				
Within 1 year	26,471	163,321	26,471	12,551
Within 2 to 5 years	-	258,922	-	126,922
After more than 5 years	194,700	-	194,700	-
	<u>221,171</u>	<u>422,243</u>	<u>221,171</u>	<u>139,473</u>

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

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20. 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. The company owed Mr A H Pearce £20,261 (2007 £33,111) at year end.

During the period the directors purchased goods and services to the value of £46,508 (2007 £81,892) from the company. P Pearce, a shareholder and adult son of Mr A H Pearce also purchased goods and services from the company to the value of ££5,211 (2007 - £4,839). The transactions were declared on annual benefit in kind return forms for tax purposes and taxed accordingly.

During the period the company purchased services in relation to the position of non-executive director to the value of £22,063 (2007 £2,590) 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 £14,656 (2007 £14,656) for accounting, taxation and similar advice. These services were also undertaken under normal trading terms.

21. SHARE CAPITAL

Authorised share capital:

	27 Dec 08	29 Dec 07
	£	£
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid:

	27 Dec 08		29 Dec 07	
	No	£	No	£
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

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22. REVALUATION RESERVE

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Balance brought forward	557,533	557,533
Revaluation of fixed assets	420,971	–
Balance carried forward	<u>978,504</u>	<u>557,533</u>

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.

23. PROFIT AND LOSS ACCOUNT

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Balance brought forward	3,605,886	2,981,291
Profit for the financial period	342,562	664,595
Equity dividends	–	(40,000)
Balance carried forward	<u>3,948,448</u>	<u>3,605,886</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	27 Dec 08 £	29 Dec 07 £
Profit for the financial period	342,562	664,595
Other net recognised gains and losses	420,971	–
Equity dividends	–	(40,000)
Net addition to shareholders' funds	<u>763,533</u>	<u>624,595</u>
Opening shareholders' funds	4,203,419	3,578,824
Closing shareholders' funds	<u>4,966,952</u>	<u>4,203,419</u>

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NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

25. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Operating profit	833,107	1,220,063
Amortisation	2,663	2,752
Depreciation	840,945	751,312
Loss on disposal of fixed assets	4,730	38,460
Amortisation of government grants	122,606	122,606
Increase in stocks	(289,385)	(163,357)
Increase in debtors	(184,525)	(455,699)
Increase in creditors	199,977	71,076
Net cash inflow from operating activities	<u>1,530,118</u>	<u>1,587,213</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Interest received	26	95
Interest paid	(135,677)	(156,958)
Interest element of hire purchase	(37,648)	(14,646)
Net cash outflow from returns on investments and servicing of finance	<u>(173,299)</u>	<u>(171,509)</u>

TAXATION

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Taxation	<u>(189,761)</u>	<u>(106,611)</u>

CAPITAL EXPENDITURE

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
Payments to acquire intangible fixed assets	—	(949)
Payments to acquire tangible fixed assets	(1,503,033)	(1,560,542)
Receipts from sale of fixed assets	21,024	39,876
Net cash outflow from capital expenditure	<u>(1,482,009)</u>	<u>(1,521,615)</u>

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25. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	Period from 30 Dec 07 to 27 Dec 08 £	Period from 31 Dec 06 to 29 Dec 07 £
(Repayment of)/increase in debenture loans	(441,698)	16,285
Increase in bank loans	559,791	242,927
Net inflow from other short-term creditors	11,332	16,228
Capital element of hire purchase	214,024	304,136
Net outflow from other long-term creditors	(122,607)	(130,354)
Repayment of grants	(122,606)	(122,606)
Net cash inflow from financing	<u>98,236</u>	<u>326,616</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	27 Dec 08 £	29 Dec 07 £
(Decrease)/increase in cash in the period	(216,715)	74,094
Net cash outflow from/(inflow) from debenture loans	441,698	(16,285)
Net cash (inflow) from bank loans	(559,791)	(242,927)
Net (inflow) from other short-term creditors	(11,332)	(16,228)
Cash outflow in respect of hire purchase	(214,024)	(304,136)
Net cash outflow from other long-term creditors	<u>122,607</u>	<u>130,354</u>
	(437,557)	(375,128)
Change in net debt	(437,557)	(375,128)
Net debt at 30 December 2007	(4,026,193)	(3,651,065)
Net debt at 27 December 2008	<u>(4,463,750)</u>	<u>(4,026,193)</u>

W C ROWE (FALMOUTH) LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 DECEMBER 2007 TO 27 DECEMBER 2008

25. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 30 Dec 2007 £	Cash flows £	At 27 Dec 2008 £
Net cash:			
Cash in hand and at bank	1,689	973	2,662
Overdrafts	(392,023)	(217,688)	(609,711)
	<u>(390,334)</u>	<u>(216,715)</u>	<u>(607,049)</u>
Debt:			
Debt due within 1 year	(799,451)	257,078	(542,373)
Debt due after 1 year	(2,391,441)	(263,896)	(2,655,337)
Hire purchase agreements	(444,967)	(214,024)	(658,991)
	<u>(3,635,859)</u>	<u>(220,842)</u>	<u>(3,856,701)</u>
Net debt	<u>(4,026,193)</u>	<u>(437,557)</u>	<u>(4,463,750)</u>