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CHARTERED ACCOUNTANTS

Registration number SC063871

Argyll Bakeries Ltd

Directors' report and financial statements

for the year ended 31 January 2012

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Argyll Bakeries Ltd

Company information

Directors	Alex Russell Sweeney McGeachy
Secretary	A. R. Russell
Company number	SC063871
Business address	Unit 9 Snipefield Industrial Estate Campbeltown Argyll PA28 6SY

Argyll Bakeries Ltd

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Argyll Bakeries Ltd

Directors' report
for the year ended 31 January 2012

The directors present their report and the financial statements for the year ended 31 January 2012.

Principal activity
The Company operates as a Manufacturer, Wholesaler and Retailer of bakery products.

Directors
The directors who served during the year are as stated below:

Alex Russell
Sweeney McGeachy

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 17 May 2012 and signed on its behalf by

A. R. Russell
Secretary

Profit and loss account
for the year ended 31 January 2012

	Notes	2012 £	2011 £
Turnover	2	1,534,204	1,561,221
Cost of sales		(599,918)	(635,900)
Gross profit		934,286	925,321
Distribution costs		(184,274)	(197,196)
Administrative expenses		(717,215)	(756,870)
Operating profit/(loss)	3	32,797	(28,745)
Interest payable and similar charges		(33,034)	(64,730)
Loss on ordinary activities before taxation		(237)	(93,475)
Tax on loss on ordinary activities		-	-
Loss for the year	12	(237)	(93,475)
Accumulated loss brought forward		(436,862)	(343,387)
Accumulated loss carried forward		(437,099)	(436,862)

The notes on pages 5 to 9 form an integral part of these financial statements.

Argyll Bakeries Ltd

Balance sheet
as at 31 January 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	**5**		4,375		-
Tangible assets	**6**		38,634		37,337
			43,009		37,337
Current assets					
Stocks	**7**	87,447		84,255	
Debtors	**8**	398,448		338,482	
		485,895		422,737	
Creditors: amounts falling due within one year	**9**	(485,703)		(420,098)	
Net current assets			192		2,639
Total assets less current liabilities			43,201		39,976
Creditors: amounts falling due after more than one year	**10**		(264,700)		(261,238)
Deficiency of assets			(221,499)		(221,262)
Capital and reserves					
Called up share capital	**11**		215,600		215,600
Profit and loss account	**12**		(437,099)		(436,862)
Shareholders' funds			(221,499)		(221,262)

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 9 form an integral part of these financial statements.

Balance sheet (continued)

Directors' statements required by Sections 475(2) and (3) for the year ended 31 January 2012

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 January 2012 ; and

(c) that we acknowledge our responsibilities for:

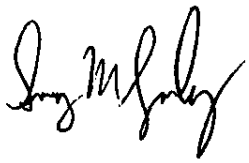
(1) ensuring that the company keeps accounting records which comply with Section 386 ; and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 17 May 2012 and signed on its behalf by

Sweeney McGeachy
Director



Registration number SC063871

The notes on pages 5 to 9 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 January 2012

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of - years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery - 10% to 25% per annum of cost.

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit/(loss)

	2012	2011
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation and other amounts written off intangible assets	125	-
Depreciation and other amounts written off tangible assets	16,445	16,481

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4. Directors' remuneration

	2012	2011
	£	£
Remuneration and other benefits	17,027	17,100

5. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
Additions	4,500	4,500
At 31 January 2012	4,500	4,500
Amortisation		
Charge for year	125	125
At 31 January 2012	125	125
Net book values		
At 31 January 2012	4,375	4,375

6. Tangible fixed assets

	Plant and machinery	Total
	£	£
Cost		
At 1 February 2011	213,401	213,401
Additions	17,742	17,742
At 31 January 2012	231,143	231,143
Depreciation		
At 1 February 2011	176,064	176,064
Charge for the year	16,445	16,445
At 31 January 2012	192,509	192,509
Net book values		
At 31 January 2012	38,634	38,634
At 31 January 2011	37,337	37,337

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Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2012 Net book value £	2012 Depreciation charge £	2011 Net book value £	2011 Depreciation charge £
Plant and machinery	10,438	6,625	17,063	6,625

7. Stocks

	2012 £	2011 £
Stocks	87,447	84,255

Stocks have been valued at the lower of cost and net realisable value.

8. Debtors

	2012 £	2011 £
Trade debtors	363,613	299,174
Other debtors	1,988	2,861
Prepayments and accrued income	32,847	36,447
	398,448	338,482

9. Creditors: amounts falling due within one year

	2012 £	2011 £
Bank overdraft	25,526	41,192
Loan Stock - HIE Ventures Ltd	60,500	48,000
Net obligations under finance leases and hire purchase contracts	3,450	7,950
Trade creditors	225,228	143,516
Directors' accounts	117,739	131,638
Accruals and deferred income	53,260	47,802
	485,703	420,098

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10. Creditors: amounts falling due after more than one year	2012 £	2011 £
Loan Stock - HIE Ventures Ltd	261,500	256,000
Net obligations under finance leases and hire purchase contracts	3,200	5,238
	264,700	261,238

The HIE Ventures Loan Stock is secured by a floating charge over all of the assets of the Company. The Directors have also given personal securities to HIE Ventures Ltd.

11. Share capital	2012 £	2011 £
Allotted, called up and fully paid		
50,600 Ordinary shares of £1 of £1 each	50,600	50,600
59,400 Ordinary shares of £0.01 of £0.01 each	594	594
74,406 A & D Preference shares of £1 each	74,406	74,406
50,000 B Preference shares of £1 each	50,000	50,000
40,000 C Preference shares of £1 each	40,000	40,000
	215,600	215,600
Equity Shares		
50,600 Ordinary shares of £1 of £1 each	50,600	50,600
59,400 Ordinary shares of £0.01 of £0.01 each	594	594
74,406 A & D Preference shares of £1 each	74,406	74,406
50,000 B Preference shares of £1 each	50,000	50,000
40,000 C Preference shares of £1 each	40,000	40,000
	215,600	215,600

The preference shareholders have waived all rights to dividends and late penalty dividends due to date, until such time as the Compant begins to generate sufficient reserves to enable it to pay dividends.

The preference shareholders have also waived capital redemption penalties which would have accrued an remained unpaid on their preference shares to date, until such time as the Company begins to generate sufficient reserves to enable it to make the redemptions.

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12. Reserves

	Profit and loss account £	Total £
At 1 February 2011	(436,862)	(436,862)
Loss for the year	(237)	(237)
At 31 January 2012	(437,099)	(437,099)

13. Related party transactions

During the year the Company sold goods in the normal course of business totalling £238,706 (P/Y £265,937) to firms in which the Company Directors, or members of their families, had controlling interests. The Company also purchased goods in the normal course of business totalling £35,504 (P/Y £31,111). The firms involved were Messrs N.C. McGeachy and The Stables Restaurant and the balance due to the Company by these firms as at 31st January, 2012 was £124,087 (P/Y £120,603)