

Berryman's Bakery Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Walker Moyle Ltd
3 Chapel Street
Redruth
Cornwall
TR15 2BY

Berryman's Bakery Limited

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Berryman's Bakery Limited

Company Information

Directors
Mr J S Berryman
Mrs B H Berryman
Mr R J Vingoe
Mrs R J Vingoe

Company secretary Mrs B H Berryman

Registered office
Pednandrea Bakery
Redruth
Cornwall
TR15 2EE

Berryman's Bakery Limited
(Registration number: 4732479)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	<u>4</u>	42,000	48,000
Tangible assets	<u>5</u>	72,543	74,830
Other financial assets	<u>6</u>	100	100
		<u>114,643</u>	<u>122,930</u>
Current assets			
Stocks	<u>7</u>	4,500	5,550
Debtors	<u>8</u>	14,470	9,419
Cash at bank and in hand		5,466	6,891
		24,436	21,860
Creditors: Amounts falling due within one year	<u>9</u>	(59,204)	(41,379)
Net current liabilities		(34,768)	(19,519)
Total assets less current liabilities		79,875	103,411
Creditors: Amounts falling due after more than one year	<u>2</u>	(38,515)	(41,943)
Provisions for liabilities		(2,239)	(3,219)
Net assets		<u>39,121</u>	<u>58,249</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		39,021	58,149
Total equity		<u>39,121</u>	<u>58,249</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Berryman's Bakery Limited
(Registration number: 4732479)
Balance Sheet as at 31 December 2016

Approved and authorised by the Board on 11 July 2017 and signed on its behalf by:

.....

Mrs B H Berryman

Director

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

Pednandrea Bakery
Redruth
Cornwall
TR15 2EE

These financial statements were authorised for issue by the Board on 11 July 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% p.a. reducing balance
Motor vehicles	25% p.a. reducing balance
Office equipment	50% p.a. reducing balance
Buildings	2% p.a straight line
Leasehold property	5% p.a. straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made. The directors consider a reliable estimate can be made of the useful economic life of the existing goodwill. The useful life of goodwill should remain at 20 years.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	straight line (over 20 years)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Financial instruments

Classification

Financial assets are classified into either basic or other financial assets. Financial liabilities are classified into either basic or other financial liabilities. These classifications depend on certain criteria determined at the time of recognition.

The company holds only basic financial instruments.

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is initially measured at the present value of the future receipts discounted at a market rate of interest and subsequently held at amortised cost.

Basic financial liabilities, including trade and other payables are initially measured at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Impairment

Basic financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The impairment loss is recognised in profit or loss.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 31 (2015 - 31).

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2016	120,000	120,000
At 31 December 2016	120,000	120,000
Amortisation		
At 1 January 2016	72,000	72,000
Amortisation charge	6,000	6,000
At 31 December 2016	78,000	78,000
Carrying amount		
At 31 December 2016	42,000	42,000
At 31 December 2015	48,000	48,000

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 January 2016	64,144	12,194	14,661	142,715
Additions	350	3,350	-	749
At 31 December 2016	64,494	15,544	14,661	143,464
Depreciation				
At 1 January 2016	11,454	11,862	13,816	121,752
Charge for the year	997	1,227	212	4,300
At 31 December 2016	12,451	13,089	14,028	126,052
Carrying amount				
At 31 December 2016	52,043	2,455	633	17,412
At 31 December 2015	52,690	332	845	20,963

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

	Total £
Cost or valuation	
At 1 January 2016	233,714
Additions	<u>4,449</u>
At 31 December 2016	<u>238,163</u>
Depreciation	
At 1 January 2016	158,884
Charge for the year	<u>6,736</u>
At 31 December 2016	<u>165,620</u>
Carrying amount	
At 31 December 2016	<u><u>72,543</u></u>
At 31 December 2015	<u><u>74,830</u></u>

Included within the net book value of land and buildings above is £48,064 (2015 - £48,426) in respect of freehold land and buildings and £3,979 (2015 - £4,264) in respect of short leasehold land and buildings.

6 Other financial assets (current and non-current)

	2016 £	2015 £
Non-current financial assets		
Financial assets at cost less impairment	<u>100</u>	<u>100</u>

7 Stocks

	2016 £	2015 £
Raw materials and consumables	<u>4,500</u>	<u>5,550</u>

8 Debtors

	2016 £	2015 £
Trade debtors	8,139	5,739
Other debtors	<u>6,331</u>	<u>3,680</u>
Total current trade and other debtors	<u><u>14,470</u></u>	<u><u>9,419</u></u>

9 Creditors

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	<u>12</u>	20,942	17,218
Trade creditors		11,211	8,181
Directors loan accounts		18,938	5,941
Taxation and social security		1,484	2,430
Other creditors		6,629	7,609
		<u>59,204</u>	<u>41,379</u>

Due after one year

Loans and borrowings	<u>12</u>	<u>38,515</u>	<u>41,943</u>
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	2016 £	2015 £
After more than five years by instalments	24,515	27,943

10 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2016	3,219	3,219
Increase (decrease) in existing provisions	(980)	(980)
At 31 December 2016	<u>2,239</u>	<u>2,239</u>

11 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £3,430 (2015 - £2,651). Contributions totalling £137 (2015 - £129) were payable to the scheme at the end of the year and are included in creditors.

12 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	<u>38,515</u>	<u>41,943</u>

Berryman's Bakery Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	3,300	3,300
Bank overdrafts	17,642	10,671
Other borrowings	-	3,247
	<u>20,942</u>	<u>17,218</u>

Bank borrowings

HSBC bank loan

The bank loan is secured on the assets of the company and by guarantee given by the directors Mr J S and Mrs B H Berryman.

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

The amounts due after more than five years are bank loan repayments, £24,515 (2015) - £27,943.
Repayments are made monthly.

13 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	20,218	20,218
Later than one year and not later than five years	1,124	2,698
	<u>21,342</u>	<u>22,916</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £20,218 (2015 - £20,218).

The company is controlled by two of the directors, Mr R J Vingoe and Mrs R J Vingoe, who together hold a majority of the issued share capital.

14 Transition to FRS 102

The company's financial statements have been prepared in accordance with FRS 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS 102 as at 1 January 2015. There is no impact on the reported financial position and financial performance as a result of adopting FRS 102.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.