

# Reid's Bakery (Thurso) Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2022

A9 Accountancy Limited  
Chartered Accountants  
Elm House  
Cradlehall Business Park  
Inverness  
IV2 5GH

**Reid's Bakery (Thurso) Limited**  
**(Registration number: SC284517)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Intangible assets	<u>5</u>	38,941	45,291
Tangible assets	<u>6</u>	847,925	829,943
		<u>886,866</u>	<u>875,234</u>
<b>Current Assets</b>			
Stocks	<u>7</u>	213,394	172,354
Debtors	<u>8</u>	159,649	174,982
Cash at bank and in hand		<u>19,618</u>	<u>65,926</u>
		392,661	413,262
<b>Creditors:</b> Amounts falling due within one year	<u>9</u>	<u>(471,398)</u>	<u>(373,463)</u>
<b>Net current (liabilities)/assets</b>		<u>(78,737)</u>	<u>39,799</u>
<b>Total assets less current liabilities</b>		808,129	915,033
<b>Creditors:</b> Amounts falling due after more than one year	<u>9</u>	<u>(605,690)</u>	<u>(728,187)</u>
<b>Provisions for liabilities</b>		<u>(21,862)</u>	<u>(26,583)</u>
<b>Net assets</b>		<u>180,577</u>	<u>160,263</u>
<b>Capital and Reserves</b>			
Called up share capital		4	4
Profit and loss account		<u>180,573</u>	<u>160,259</u>
<b>Total equity</b>		<u>180,577</u>	<u>160,263</u>

For the financial year ending 31 March 2022 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.

**Reid's Bakery (Thurso) Limited**  
**(Registration number: SC284517)**  
**Balance Sheet as at 31 March 2022**

Approved and authorised by the Board on 19 December 2022 and signed on its behalf by:

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Mr Gary Rodney Reid

Director

# **Reid's Bakery (Thurso) Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**

### **1 General information**

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

The address of its registered office is:

Unit 17  
Ormlie Industrial Estate  
Henderson Street  
Thurso  
Caithness  
KW14 7QU  
United Kingdom

These financial statements were authorised for issue by the Board on 19 December 2022.

### **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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

#### **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.

#### **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.

#### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### **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.

## **Reid's Bakery (Thurso) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**

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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the balance sheet 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Motor Vehicles	25% Reducing balance
Computer Equipment	33.33% Straight line
Plant & Machinery	15% Reducing balance
Leasehold Property	1% Reducing balance

#### **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.

#### **Intangible assets**

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### **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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Development Costs	10% Straight line

## **Reid's Bakery (Thurso) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**

Branding	10% Straight line
Website	10% Straight line

#### **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.

#### **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.

## Reid's Bakery (Thurso) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

#### 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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### 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.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 47 (2021 - 44).

#### 4 Loss/profit before tax

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	36,598	35,973
Amortisation expense	6,351	6,193

## Reid's Bakery (Thurso) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

#### 5 Intangible assets

	Website £	Branding £	Development costs £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	8,839	5,330	148,397	162,566
At 31 March 2022	8,839	5,330	148,397	162,566
<b>Amortisation</b>				
At 1 April 2021	4,304	1,978	110,993	117,275
Amortisation charge	504	373	5,473	6,350
At 31 March 2022	4,808	2,351	116,466	123,625
<b>Carrying amount</b>				
At 31 March 2022	4,031	2,979	31,931	38,941
At 31 March 2021	4,535	3,352	37,404	45,291

#### 6 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2021	775,200	422,015	21,775	12,846	1,231,836
Additions	-	54,314	-	260	54,574
Disposals	-	-	(8,345)	-	(8,345)
At 31 March 2022	775,200	476,329	13,430	13,106	1,278,065
<b>Depreciation</b>					
At 1 April 2021	88,994	283,474	16,862	12,557	401,887
Charge for the year	6,862	28,183	1,228	325	36,598
Eliminated on disposal	-	-	(8,345)	-	(8,345)
At 31 March 2022	95,856	311,657	9,745	12,882	430,140
<b>Carrying amount</b>					
At 31 March 2022	679,344	164,672	3,685	224	847,925
At 31 March 2021	686,206	138,541	4,907	289	829,943

Included within the net book value of land and buildings above is £679,344 (2021 - £686,206) in respect of long leasehold land



and buildings.

# Reid's Bakery (Thurso) Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

### 7 Stocks

	2022 £	2021 £
Other inventories	213,394	172,354

### 8 Debtors

Current	2022 £	2021 £
Trade debtors	120,599	140,952
Prepayments	5,999	2,040
Other debtors	33,051	31,990
	159,649	174,982

### 9 Creditors

#### Creditors: amounts falling due within one year

	Note	2022 £	2021 £
<b>Due within one year</b>			
Loans and borrowings	10	88,001	41,911
Trade creditors		142,164	53,133
Taxation and social security		10,035	27,389
Other creditors		231,198	251,030
		471,398	373,463

#### Due after one year

Loans and borrowings	10	430,040	537,808
Deferred income		175,650	190,379
		605,690	728,187

#### Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
<b>Due after one year</b>			
Loans and borrowings	10	430,040	537,808
Deferred income		175,650	190,379
		605,690	728,187

# Reid's Bakery (Thurso) Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

### 10 Loans and borrowings

	2022 £	2021 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	374,475	448,166
Hire purchase contracts	20,150	-
Other borrowings	35,415	89,642
	<u>430,040</u>	<u>537,808</u>
	2022 £	2021 £
<b>Current loans and borrowings</b>		
Bank borrowings	48,547	23,563
Hire purchase contracts	6,200	3,827
Other borrowings	33,254	14,521
	<u>88,001</u>	<u>41,911</u>

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.