

Brown Bread (UK) LTD
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020

Brown Bread (UK) LTD

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Brown Bread (UK) LTD

Company Information

Directors	P Brown A Brown
Company secretary	P Brown
Registered office	10 Grange Road West Kirby Wirral CH48 4HA

Brown Bread (UK) LTD
(Registration number: 05131425)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	7,676	48,467
Current assets			
Stocks	<u>5</u>	11,800	2,500
Debtors	<u>6</u>	49,030	31,857
Cash at bank and in hand		123,228	31,092
		<hr/> 184,058	<hr/> 65,449
Creditors: Amounts falling due within one year	<u>7</u>	<hr/> (350,098)	<hr/> (118,708)
Net current liabilities		<hr/> (166,040)	<hr/> (53,259)
Total assets less current liabilities		(158,364)	(4,792)
Creditors: Amounts falling due after more than one year	<u>7</u>	<hr/> (200,000)	<hr/> (200,000)
Net liabilities		<hr/> <hr/> (358,364)	<hr/> <hr/> (204,792)
Capital and reserves			
Called up share capital	<u>8</u>	100	100
Profit and loss account		<hr/> (358,464)	<hr/> (204,892)
Shareholders' deficit		<hr/> <hr/> (358,364)	<hr/> <hr/> (204,792)

Brown Bread (UK) LTD

(Registration number: 05131425)

Balance Sheet as at 31 December 2020 (continued)

For the financial year ending 31 December 2020 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.

Approved and authorised by the Board on 29 September 2021 and signed on its behalf by:

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A Brown

Director

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 General information

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

The address of its registered office is:

10 Grange Road
West Kirby
Wirral
CH48 4HA
United Kingdom

These financial statements were authorised for issue by the Board on 29 September 2021.

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.

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

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:

Asset class	Depreciation method and rate
Plant and machinery	33% on cost
Furniture and fittings	20% on cost
Office equipment	33% on cost
Motor vehicles	25% reducing balance

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 goods 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.

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (31 December 2019 - 22).

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

4 Tangible assets

	Office equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2020	22,667	18,100	274,223	314,990
Disposals	-	(6,400)	(23,679)	(30,079)
At 31 December 2020	22,667	11,700	250,544	284,911
Depreciation				
At 1 January 2020	18,377	10,809	237,337	266,523
Charge for the year	2,922	1,823	31,075	35,820
Eliminated on disposal	-	(3,981)	(21,127)	(25,108)
At 31 December 2020	21,299	8,651	247,285	277,235
Carrying amount				
At 31 December 2020	1,368	3,049	3,259	7,676
At 31 December 2019	4,290	7,291	36,886	48,467

5 Stocks

	2020 £	2019 £
Finished goods and goods for resale	11,800	2,500

6 Debtors

	2020 £	2019 £
Trade debtors	-	8,979
Prepayments	11,610	7,032
Other debtors	37,420	15,846
	49,030	31,857

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

7 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	14,812	21,860
Taxation and social security	49,168	28,553
Accruals and deferred income	285,581	67,342
Other creditors	537	953
	<u>350,098</u>	<u>118,708</u>

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	9	<u>200,000</u>	<u>200,000</u>

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100

9 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	<u>200,000</u>	<u>200,000</u>

In December 2019, P Brown, Director, agreed to waive £121,192 of the loan due to him from the Company.

Brown Bread (UK) LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of contingencies not included in the balance sheet is £Nil (2019 - £Nil). A fixed and floating charge over the assets of the Company is held by the Company's bankers, HSBC PLC.

11 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	<u>29,500</u>	<u>55,000</u>

Director's loan

In December 2019, P Brown, Director, agreed to waive £121,192 of the loan due to him from the Company.

The entire amount was recognized as income in the Profit and Loss Account for the year ended 31 December 2019.

12 Parent and ultimate parent undertaking

The ultimate controlling parties are A Brown and P Brown.

13 Off-balance sheet arrangements

Lease commitments

The company had entered into a non-cancellable lease relating to property commencing February 2019, the payments for which extend over a period of up to 3 years. However, the company have managed to negotiate an early termination and agreed to end the lease and exit the office by 31 July 2020 and pay rent to 31 Aug 2020. This has now been completed with all rents paid and deposit returned.

The minimum annual rentals under the lease as at the year end are as follows :

31.12.20 expiring in less than 1 year - £nil

31.12.19 expiring in less than 1 year - £4,787

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