

Registered number
07748150

First National Bakery Limited

Unaudited Filleted Accounts

30 November 2019

First National Bakery Limited**Registered number: 07748150****Balance Sheet****as at 30 November 2019**

	Notes	2019	2018
		£	£
Fixed assets			
Tangible assets	3	20,737	20,414
Current assets			
Stocks		13,763	11,014
Debtors	4	100,864	50,319
Cash at bank and in hand		319	12,578
		<u>114,946</u>	<u>73,911</u>
Creditors: amounts falling due within one year	5	(190,360)	(88,240)
Net current liabilities		<u>(75,414)</u>	<u>(14,329)</u>
Total assets less current liabilities		<u>(54,677)</u>	<u>6,085</u>
Provisions for liabilities		-	(3,650)
Net (liabilities)/assets		<u>(54,677)</u>	<u>2,435</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		(54,777)	2,335
Shareholders' funds		<u>(54,677)</u>	<u>2,435</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

R A Francis

Director

Approved by the board on 6 November 2020

First National Bakery Limited
Notes to the Accounts
for the period from 1 June 2018 to 30 November 2019

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The accounts are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	20% reducing balance
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Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and

past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Employees	2019 Number	2018 Number
Average number of persons employed by the company	25	26

3 Tangible fixed assets	Plant and machinery £
Cost	
At 1 June 2018	50,797
Additions	9,175
At 30 November 2019	59,972
Depreciation	
At 1 June 2018	30,383
Charge for the period	8,852
At 30 November 2019	39,235
Net book value	
At 30 November 2019	20,737
At 31 May 2018	20,414

4 Debtors	2019	2018
	£	£
Trade debtors	6,131	11,263
Prepayments and accrued income	2,237	2,708
Other debtors	92,496	36,348
	<u>100,864</u>	<u>50,319</u>

5 Creditors: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	23,676	-
Trade creditors	56,755	12,359
Corporation tax	-	4,837
Other taxes and social security costs	79,803	21,999
Accruals and deferred income	6,900	17,994
Other creditors	23,226	31,051
	<u>190,360</u>	<u>88,240</u>

6 Share capital	2019	2018
	£	£
Allotted, called up and fully paid:		
Ordinary shares	100	100
	<u>100</u>	<u>100</u>

7 Other information

First National Bakery Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is:

339 High Street
West Bromwich
West Midlands
B70 9QG

Its registered number is: 07748150

8 Going concern

The company suffered a catastrophic machinery failure in October 2019, resulting in a complete and lengthy halt in production. An insurance claim for the event has been agreed and included within the accounts, however the losses for this period were much higher than the amount recovered.

The accounts have been prepared on the going concern basis. However the balance sheet shows the company had net liabilities of £54,677 at 30 November 2019. There is a material uncertainty about the ability of the company to continue as a going concern which depends on the maintenance of the bank overdraft and the willingness of creditors to provide extended credit.

9 Non-adjusting post balance sheet events

Since 30 November 2019, the consequences of the COVID-19 pandemic have materially and adversely affected the supply of materials and the demand for the Company's products. During this time the company took advantage of available government assistance, utilising the Coronavirus Job Retention Scheme and Coronavirus Statutory Sick Pay Rebate Scheme.

Workforce reductions resulting from illnesses and self isolation during April and May on the Company's premises have resulted in interruptions of the Company's manufacturing and distribution system. The directors consider the company to have returned to full production and is currently trading profitably. The company has made significant efforts to reduce costs and is paying current liabilities as and when they fall due. The directors have agreed an installment arrangement with HMRC in respect of arrears of PAYE which they consider will be cleared from future profits.

The Company has determined that these events are non-adjusting post balance sheet events. Accordingly, the financial position and results of operations for the period ended 30 November 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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.