

Paceys Bakery Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2021

Paceys Bakery Limited

Contents

Balance Sheet	<u>1</u>
Notes to the Unaudited Financial Statements	<u>2</u> to <u>6</u>

Paceys Bakery Limited
(Registration number: 09244110)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	11,400	15,200
Tangible assets	<u>5</u>	43,006	20,172
		<u>54,406</u>	<u>35,372</u>
Current assets			
Stocks	<u>6</u>	15,000	12,000
Debtors	<u>7</u>	18,912	15,569
Cash at bank and in hand		6,889	27,332
		40,801	54,901
Creditors: Amounts falling due within one year	<u>8</u>	(89,420)	(107,281)
Net current liabilities		(48,619)	(52,380)
Total assets less current liabilities		5,787	(17,008)
Provisions for liabilities		(2,916)	-
Net assets/(liabilities)		<u>2,871</u>	<u>(17,008)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		2,771	(17,108)
Shareholders' funds/(deficit)		<u>2,871</u>	<u>(17,008)</u>

For the financial year ending 31 August 2021 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 8 October 2021 and signed on its behalf by:

Mr George Tear

Mrs Sharon Tear

Director

The notes on pages 2 to 6 form an integral part of these financial statements.

Director
Page 1

Paceys Bakery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

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:

1-4 London Road
Spalding
Lincolnshire
PE11 2TA

These financial statements were authorised for issue by the Board on 8 October 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.

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 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.

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.

Paceys Bakery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

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
Fixtures and fittings	20% reducing balance
Motor vehicles	25% 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.

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	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.

Paceys Bakery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

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.

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 20 (2020 - 19).

Paceys Bakery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2020	38,000	38,000
At 31 August 2021	38,000	38,000
Amortisation		
At 1 September 2020	22,800	22,800
Amortisation charge	3,800	3,800
At 31 August 2021	26,600	26,600
Carrying amount		
At 31 August 2021	11,400	11,400
At 31 August 2020	15,200	15,200

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 September 2020	33,734	12,500	46,234
Additions	10,631	28,955	39,586
Disposals	-	(12,500)	(12,500)
At 31 August 2021	44,365	28,955	73,320
Depreciation			
At 1 September 2020	19,562	6,500	26,062
Charge for the year	4,961	5,791	10,752
Eliminated on disposal	-	(6,500)	(6,500)
At 31 August 2021	24,523	5,791	30,314
Carrying amount			
At 31 August 2021	19,842	23,164	43,006
At 31 August 2020	14,172	6,000	20,172

6 Stocks

Other inventories

Page 5

2021	2020
£	£
15,000	12,000

Paceys Bakery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

7 Debtors

	2021 £	2020 £
Trade debtors	15,060	9,871
Other debtors	3,852	5,698
	<u>18,912</u>	<u>15,569</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	9	47,250	50,000
Trade creditors		(403)	(175)
Taxation and social security		5,245	2,234
Accruals and deferred income		1,200	1,200
Other creditors		36,128	54,022
		<u>89,420</u>	<u>107,281</u>

9 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	<u>47,250</u>	<u>50,000</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.