

Company Registration No. 06299517 (England and Wales)

CHERRYTREE BAKERY HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

PAGES FOR FILING WITH REGISTRAR

CHERRYTREE BAKERY HOLDINGS LIMITED

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CHERRYTREE BAKERY HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3	1,723,597		1,832,737	
Investments	4	8,317		8,317	
		<u>1,731,914</u>		<u>1,841,054</u>	
Current assets					
Debtors	6	425,000		391,221	
Cash at bank and in hand		2,057,681		1,436,650	
		<u>2,482,681</u>		<u>1,827,871</u>	
Creditors: amounts falling due within one year	7	<u>(257,918)</u>		<u>(220,736)</u>	
Net current assets		<u>2,224,763</u>		<u>1,607,135</u>	
Total assets less current liabilities		<u>3,956,677</u>		<u>3,448,189</u>	
Creditors: amounts falling due after more than one year	8	(719,373)		(768,559)	
Provisions for liabilities	9	(49,701)		(49,701)	
Net assets		<u><u>3,187,603</u></u>		<u><u>2,629,929</u></u>	
Capital and reserves					
Called up share capital	11	1		1	
Profit and loss reserves		<u>3,187,602</u>		<u>2,629,928</u>	
Total equity		<u><u>3,187,603</u></u>		<u><u>2,629,929</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 10 March 2022 and are signed on its behalf by:

G J Entwistle
Director

Company Registration No. 06299517

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Cherrytree Bakery Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Belshaw Court, Billington Road, Burnley, Lancashire, BB11 5UB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of leasehold properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company finances its business operations through trading profits and the ongoing support of its bankers.

The directors are not aware of any reasons why the bank loan facility will not be maintained at its current level.

The directors are satisfied that in preparing the financial statements they have taken into account all the information that could reasonably be expected to be available.

On this basis they consider that it is appropriate to prepare the financial statements on the going concern basis.

Whilst the directors have adopted the going concern basis set out above, the impact of the worldwide Coronavirus pandemic, Covid-19, on all businesses represents an uncertainty and the true impact of this pandemic will only become apparent over time. The directors have given due consideration to the impact of the pandemic on the company and consider that it will have adequate resources to manage that impact.

1.3 Turnover

Turnover represents amounts receivable for rent and hire charges net of VAT.

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	No depreciation charged
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance & 20% straight line
Motor vehicles	15% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The company does not depreciate leasehold buildings as they are maintained to such a standard that the estimated residual value of the asset is not materially different from the book value and as such any charge to depreciation would also be immaterial.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and 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 measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised 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. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised 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 calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	3	3
	==	==

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 August 2020	1,260,953	1,334,196	2,595,149
Disposals	-	(44,109)	(44,109)
At 31 July 2021	1,260,953	1,290,087	2,551,040
Depreciation and impairment			
At 1 August 2020	-	762,412	762,412
Depreciation charged in the year	-	107,140	107,140
Eliminated in respect of disposals	-	(42,109)	(42,109)
At 31 July 2021	-	827,443	827,443
Carrying amount			
At 31 July 2021	1,260,953	462,644	1,723,597
At 31 July 2020	1,260,953	571,784	1,832,737

The company's properties at Units E5, E6, E7, E8 and F1, Belshaw Court, Billington Road, Burnley were valued at a market value of £1,200,000 at a previous balance sheet date by a director of the company. The director's valuation was based on an external valuation undertaken in November 2017 by a third party professional valuer. This valuation was incorporated into the accounts at the 2018 balance sheet date. The directors still consider this valuation to be appropriate at the current balance sheet date.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2021 £	2020 £
Cost	1,596,343	1,596,343
Accumulated depreciation	-	-
Carrying value	1,596,343	1,596,343

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

4 Fixed asset investments

	2021 £	2020 £
Investments in subsidiaries	8,317	8,317

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2020 & 31 July 2021	8,317
Carrying amount	
At 31 July 2021	8,317
At 31 July 2020	8,317

5 Subsidiaries

Details of the company's subsidiaries at 31 July 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Cherrytree Bakery Limited	Belshaw Court, Billington Road, Burnley, Lancashire, BB11 5UB	Ordinary	100	0

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	300,000	391,221
Other debtors	125,000	-
	425,000	391,221

Included within Other debtors are amounts due from a director of the company totalling £125,000 (2020: £nil).

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	54,210	49,892
Trade creditors	6,448	4,608
Other taxation and social security	69,710	20,236
Accruals and deferred income	127,550	146,000
	<u>257,918</u>	<u>220,736</u>

The bank loan is secured by a debenture over the assets of the company and its subsidiary company and first legal charges over its properties.

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	719,373	768,559
	<u>719,373</u>	<u>768,559</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	508,464	609,302
	<u>508,464</u>	<u>609,302</u>

CHERRYTREE BAKERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

9 Provisions for liabilities

		2021 £	2020 £
Deferred tax liabilities	10	49,701	49,701
		<u> </u>	<u> </u>

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	49,701	49,701
	<u> </u>	<u> </u>

The deferred tax liability set out above is expected to reverse within five years and relates to accelerated capital allowances that are expected to mature within the same period.

11 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
100 Ordinary shares of 1p each	100	100	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Linda Wilkinson.
The auditor was Pierce C A Limited.

13 Financial commitments, guarantees and contingent liabilities

The company has given a guarantee, supported by a debenture over its assets and a first legal charge over its leasehold property, in respect of the bank borrowings of its subsidiary company, Cherrytree Bakery Limited. At 31 July 2021 there was an amount of £269,333 (2020: £350,133) outstanding.

14 Events after the reporting date

On 21 February 2022 the company repurchased 150 of its £0.01 ordinary shares for a consideration of £1,300,000.

Following the above repurchase, the company is now under the sole control of its director, G J Entwistle.

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.