

REGISTERED NUMBER: SC580942 (Scotland)

Group Strategic Report,
Report of the Directors and
Audited Consolidated Financial Statements
for the Year Ended 31 March 2023
for
Brownings the Bakers (Holdings) Limited



Brownings the Bakers (Holdings) Limited

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for the Year Ended 31 March 2023

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Brownings the Bakers (Holdings) Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:

Mr J H W Gall
Mr M J W Short

REGISTERED OFFICE:

Block 1
Bonnyton Industrial Estate
Kilmarnock
KA1 2NP

REGISTERED NUMBER:

SC580942 (Scotland)

INDEPENDENT AUDITORS :

Gillespie & Anderson
Statutory Auditors
Chartered Accountants
147 Bath Street
Glasgow
G2 4SN

Brownings the Bakers (Holdings) Limited

Group Strategic Report
for the Year Ended 31 March 2023

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

REVIEW OF BUSINESS

The results for the year show an operating profit of £2,098 (2022: £558,045). The operating profit in 2023 was affected by impairment of loans of £725,396.

During the year the Group experienced difficult trading conditions for a number of reasons not least of which was the ongoing impact on the economy of COVID 19. This combined with the ever-increasing cost and availability of raw material ingredients impacted on gross margin. In addition, overhead costs and in particular establishment costs in the form of heat, light and power impacted the trading performance of the business. The results were also affected by the abandonment of marketing and other development projects. The Group continued to build on investment made in previous years on buildings and plant and equipment all with a view to improving efficiencies throughout the manufacturing process and to meet the ever-increasing demands placed by discerning customers. All of this is done with a view to providing our customers with outstanding service levels and a outstanding range of products . It also provides all of our people with a better environment in which they work.

The directors believe the Group is well placed to take advantage of opportunities coming its way in the future.

Key Performance Indicators

	<u>2023</u>	<u>2022</u> (Unaudited)
Sales	£13,155,182	£10,590,135
Gross margin %	27.1%	25.1%
Total assets	£5,524,865	£5,767,675

PRINCIPAL RISKS AND UNCERTAINTIES

The directors recognize the risk of reliance on a few customers and with this in mind they strive to expand this by the development of its product range in a manner that attracts increasing awareness of and interest in its products.

The Group operates in the food supply market and as such requires to be compliant in all aspects of what it does to ensure that all food, health and safety audits are passed as and when they arise. This involves investment in infrastructure and systems as well as the development of people .

As mentioned above the Group has and continues to experience significant inflation on all major costs, including in particular raw ingredient and energy prices. To ensure the business remains viable we work closely with our suppliers, to minimize increases as far as is possible which is to say the least challenging. We do recognize the support and understanding of our customers with these challenges.

EMPLOYEES

The directors recognize that without the support and commitment of their employees there is no business. As such every effort is made to recruit, retain and develop good people. The directors are setting out plans to improve all aspects of HR matters going forward to ensure everyone in the organization has an important role to play.

THE ONGOING SUCCESS OF THE GROUP

The directors of the group are conscious of their roles and responsibilities and of the need to act at all times in good faith and in a manner that brings success to all connected to the Group. In this regard the directors are fully aware of their roles, responsibilities and duties as detailed in the UK Companies Act 2006.

Brownings the Bakers (Holdings) Limited

Group Strategic Report
for the Year Ended 31 March 2023

COMMUNITY AND ENVIRONMENT

As a large and major employer in the community every effort is made to support community initiatives and activities to include people who regularly engage in volunteering and charitable activities. In addition every effort is made where possible to support and engage local businesses.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Mr M J W Short', written in a cursive style.

Mr M J W Short - Director

28 March 2024

Brownings the Bakers (Holdings) Limited

Report of the Directors **for the Year Ended 31 March 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture, retail and wholesale of bakery and associated food products.

DIVIDENDS

Ordinary dividends were paid during the year of £224,576 (2022: £198,277). The directors do not recommend the payment of a further dividend.

RESEARCH AND DEVELOPMENT

It is essential that the Group continues to develop new products and improve on existing ones, and this is an ongoing activity, key to the success of the group

FUTURE DEVELOPMENTS

The directors' key objective under this heading is to ensure that sufficient resources are available to meet commitments as they fall due as well as the availability of adequate funds to invest in the continued development of its activities and people. This is achieved in a variety of ways to include budgetary control, the production of monthly management accounting information and the use of external sources of finance from time to time. The company does not enter into any formally designated hedging arrangements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr J H W Gall

Mr M J W Short

FINANCIAL INSTRUMENTS

The directors' key objective under this heading is to ensure that sufficient resources are available to meet commitments as they fall due as well as the availability of adequate funds to invest in the continued development of its activities and people. This is achieved in a variety of ways to include budgetary control, the production of monthly management accounting information and the use of external sources of finance from time to time.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Brownings the Bakers (Holdings) Limited

Report of the Directors
for the Year Ended 31 March 2023


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Gillespie & Anderson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M J W Short', written in a cursive style.

Mr M J W Short - Director

28 March 2024

Report of the Independent Auditors to the Members of
Brownings the Bakers (Holdings) Limited

Opinion

We have audited the financial statements of Brownings the Bakers (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Brownings the Bakers (Holdings) Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Brownings the Bakers (Holdings) Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach and assessment were as follows:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

Enquire of management and review supporting documentation concerning the parent company and group's policies and procedures relating to:

- identify, evaluate and comply with laws and regulations and their awareness of any instances of non-compliance;
- detect and respond to the risks of irregularities, fraud and their knowledge of any actual, suspected or alleged fraud;
- internal controls established to mitigate risks related to, unusual items, fraud or non-compliance with laws and regulations.

Obtain an understanding of the legal and regulatory framework that the parent company and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the parent company and group. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", together with health and safety regulations, food standards, money laundering regulations, employment legislation and data protection legislation.

Discuss among the engagement team how and where irregularities might occur in the financial statements and potential indicators of fraud. Identify potential audit risks in relation to income recognition, authorisation of expenses and possible management override of controls.

Communicate relevant identified laws and regulations and potential irregularity risks to all engagement team members and remain alert to any indications of unusual items, fraud or non-compliance with laws and regulations throughout the audit.

Review available Minutes of Meetings of those charged with governance, Reports and correspondence with HMRC and legal advisers.

Perform audit testing which covers the audit assumptions of: existence, completeness, rights and obligations, accuracy and valuation in respect of income recognition and expenditure incurred.

Evaluate the overall presentation, structure and content of the financial statements, including disclosures, by performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to an irregularity or fraud. Agree financial statement disclosures to underlying documents.

Assess whether the financial statements represent the underlying transactions and events in a manner that achieves compliance with relevant laws and regulations.

To address the risk of fraud through management override of controls and management bias, we: assess the rationale behind significant or unusual transactions identified through audit testing and assess where management judgement used in determining accounting estimates were indicative of potential bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence.

Report of the Independent Auditors to the Members of
Brownings the Bakers (Holdings) Limited

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matters which we are required to address

Comparative information in the financial statements is derived from the parent company and group's prior period financial statements which were not audited.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Stewart BA(Hons) CA (Senior Statutory Auditor)
for and on behalf of Gillespie & Anderson
Statutory Auditors
Chartered Accountants
147 Bath Street
Glasgow
G2 4SN

28 March 2024

Brownings the Bakers (Holdings) Limited

**Consolidated
Statement of Comprehensive
Income
for the Year Ended 31 March 2023**

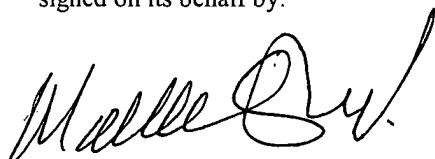
		2023		2022 (Unaudited)	
	Notes	£	£	£	£
TURNOVER	3		13,155,182		10,590,135
Cost of sales			9,587,834		7,932,125
GROSS PROFIT			3,567,348		2,658,010
Distribution costs		685,295		604,163	
Administrative expenses		2,917,858		1,573,721	
			3,603,153		2,177,884
			(35,805)		480,126
Other operating income			37,903		77,919
OPERATING PROFIT	5		2,098		558,045
Amounts written off investments	7		17,500		-
			(15,402)		558,045
Interest payable and similar expenses	8		108,883		69,695
(LOSS)/PROFIT BEFORE TAXATION			(124,285)		488,350
Tax on (loss)/profit	9		68,651		82,701
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(192,936)		405,649
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(192,936)		405,649
(Loss)/profit attributable to:					
Owners of the parent			(192,936)		405,649
Total comprehensive income attributable to:					
Owners of the parent			(192,936)		405,649

The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited (Registered number: SC580942)**Consolidated Balance Sheet**
31 March 2023

		2023		2022 (Unaudited)	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		3,165,472		3,232,743
Investments	13		-		-
Investment property	14		175,000		192,500
			<u>3,340,472</u>		<u>3,425,243</u>
CURRENT ASSETS					
Stocks	15	278,144		264,557	
Debtors: amounts falling due within one year	16	1,900,315		1,585,691	
Debtors: amounts falling due after more than one year	16	-		486,203	
Cash in hand		5,934		5,981	
		<u>2,184,393</u>		<u>2,342,432</u>	
CREDITORS					
Amounts falling due within one year	17	2,380,674		2,172,139	
NET CURRENT (LIABILITIES)/ASSETS			<u>(196,281)</u>		<u>170,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,144,191</u>		<u>3,595,536</u>
CREDITORS					
Amounts falling due after more than one year	18		(308,960)		(416,518)
PROVISIONS FOR LIABILITIES	22		(403,288)		(291,660)
ACCRUALS AND DEFERRED INCOME	23		(542,825)		(580,728)
NET ASSETS			<u><u>1,889,118</u></u>		<u><u>2,306,630</u></u>
CAPITAL AND RESERVES					
Called up share capital	24		8,896		8,896
Share premium	25		52,419		52,419
Retained earnings	25		1,827,803		2,245,315
SHAREHOLDERS' FUNDS			<u><u>1,889,118</u></u>		<u><u>2,306,630</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2024 and were signed on its behalf by:



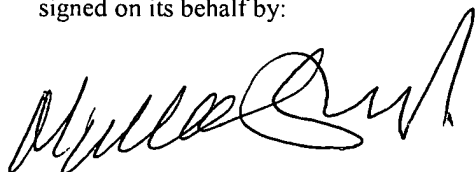
Mr M J W Short - Director

The notes form part of these financial statements

Company Balance Sheet
31 March 2023

		2023		2022 (Unaudited)	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		-		-
Investments	13		7,896		7,896
Investment property	14		175,000		192,500
			<u>182,896</u>		<u>200,396</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	391,679		679,024	
Cash at bank and in hand		4,785		13,516	
		<u>396,464</u>		<u>692,540</u>	
CREDITORS					
Amounts falling due within one year	17	39,092		25,750	
NET CURRENT ASSETS			<u>357,372</u>		<u>666,790</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>540,268</u>		<u>867,186</u>
CREDITORS					
Amounts falling due after more than one year	18		75,306		91,689
NET ASSETS			<u><u>464,962</u></u>		<u><u>775,497</u></u>
CAPITAL AND RESERVES					
Called up share capital	24		8,896		8,896
Retained earnings	25		456,066		766,601
SHAREHOLDERS' FUNDS			<u><u>464,962</u></u>		<u><u>775,497</u></u>
Company's (loss)/profit for the financial year			<u><u>(85,959)</u></u>		<u><u>398,120</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2024 and were signed on its behalf by:



Mr M J W Short - Director

Brownings the Bakers (Holdings) Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2021	8,896	2,037,943	52,419	2,099,258
Changes in equity				
Dividends	-	(198,277)	-	(198,277)
Total comprehensive income	-	405,649	-	405,649
Balance at 31 March 2022	<u>8,896</u>	<u>2,245,315</u>	<u>52,419</u>	<u>2,306,630</u>
Changes in equity				
Dividends	-	(224,576)	-	(224,576)
Total comprehensive income	-	(192,936)	-	(192,936)
Balance at 31 March 2023	<u><u>8,896</u></u>	<u><u>1,827,803</u></u>	<u><u>52,419</u></u>	<u><u>1,889,118</u></u>

The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited

Company Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	8,896	566,758	575,654
Changes in equity			
Dividends	-	(198,277)	(198,277)
Total comprehensive income	-	398,120	398,120
Balance at 31 March 2022	<u>8,896</u>	<u>766,601</u>	<u>775,497</u>
Changes in equity			
Dividends	-	(224,576)	(224,576)
Total comprehensive income	-	(85,959)	(85,959)
Balance at 31 March 2023	<u><u>8,896</u></u>	<u><u>456,066</u></u>	<u><u>464,962</u></u>

The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited

Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

		2023	2022
	Notes	£	(Unaudited) £
Cash flows from operating activities			
Cash generated from operations	1	513,133	956,258
Interest paid		(101,945)	(65,932)
Interest element of hire purchase payments paid		(6,938)	(3,763)
Government grants		37,903	72,190
Tax paid		(23,154)	(38,354)
Net cash from operating activities		<u>418,999</u>	<u>920,399</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(231,655)	(493,607)
Sale of tangible fixed assets		12,550	1,669
Sale of investment property		-	22,050
Net cash from investing activities		<u>(219,105)</u>	<u>(469,888)</u>
Cash flows from financing activities			
Loan repayments in year		(162,754)	(163,021)
Capital repayments in year		(103,310)	(102,880)
Amount introduced by directors		115,000	283,237
Amount withdrawn by directors		(224,739)	(395,991)
Related party loans		88,737	(88,737)
Equity dividends paid		(224,576)	(198,277)
Net cash from financing activities		<u>(511,642)</u>	<u>(665,669)</u>
Decrease in cash and cash equivalents		<u>(311,748)</u>	<u>(215,158)</u>
Cash and cash equivalents at beginning of year	2	<u>(466,335)</u>	<u>(251,177)</u>
Cash and cash equivalents at end of year	2	<u><u>(778,083)</u></u>	<u><u>(466,335)</u></u>

The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022 (Unaudited)
	£	£
(Loss)/profit before taxation	(124,285)	488,350
Depreciation charges	472,213	467,969
(Profit)/loss on disposal of fixed assets	(12,299)	465
Impairment on investment property	17,500	-
Government grants	(37,903)	(72,190)
Finance costs	108,883	69,695
	<hr/>	<hr/>
	424,109	954,289
Increase in stocks	(13,587)	(63,972)
Decrease/(increase) in trade and other debtors	191,818	(393,696)
(Decrease)/increase in trade and other creditors	(89,207)	459,637
	<hr/>	<hr/>
Cash generated from operations	513,133	956,258
	<hr/> <hr/>	<hr/> <hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	5,934	5,981
Bank overdrafts	(784,017)	(472,316)
	<hr/>	<hr/>
	(778,083)	(466,335)
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	5,981	123,778
Bank overdrafts	(472,316)	(374,955)
	<hr/>	<hr/>
	(466,335)	(251,177)
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The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	Other non-cash changes £	At 31.3.23 £
Net cash				
Cash at bank and in hand	5,981	(47)		5,934
Bank overdrafts	(472,316)	(311,701)		(784,017)
	<u>(466,335)</u>	<u>(311,748)</u>		<u>(778,083)</u>
Debt				
Finance leases	(89,132)	103,310	-	(159,364)
Debts falling due within 1 year	(164,442)	(2,026)	-	(166,468)
Debts falling due after 1 year	(391,922)	164,784	-	(227,138)
	<u>(645,496)</u>	<u>266,068</u>	<u>-</u>	<u>(552,970)</u>
Total	<u>(1,111,831)</u>	<u>(45,680)</u>	<u>-</u>	<u>(1,331,053)</u>

The notes form part of these financial statements

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2023

1. STATUTORY INFORMATION

Brownings The Bakers (Holdings) Ltd is a private company, limited by shares, registered in Scotland. The company's registered number is SC580942 and the registered office and principal place of business is at Block 1, Bonnyton Industrial Estate, Kilmarnock, KA1 2NP.

The presentation currency of the financial statements is the Pound Sterling (£) which is the functional currency of the company.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

These financial statements include both the separate and consolidated financial statements of Brownings the Bakers (Holdings) Limited.

The financial statements are presented in Pound Sterling (£) which is the functional currency of the group.

Going concern

After reviewing the parent company and group's current trading performance and forecasts prepared, the directors have a reasonable expectation that the parent company and group has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing the parent company and group's financial statements.

The group relies on external bank borrowings to finance working capital as reflected in the current liability position. These borrowings are subject to review on a yearly basis. The directors have no reason to believe that their current borrowing requirements will not be renewed going forward.

Financial Reporting Standard 102 - reduced disclosure exemptions

The parent company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies consistent with those of the parent are used and all intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the merger accounting method. The carrying values of the assets and liabilities in the combination are not adjusted to fair value, although uniformity of accounting policies is applied in combining the entities. The results and cash flows of all the combining entities are brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies. The comparative information is restated by including the total comprehensive income for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date, adjusted as necessary to achieve uniformity of accounting policies.

There were no group reconstructions effected during the current or previous period.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

The Directors have made judgements, estimates and assumptions that affect the amounts reported within the financial statements during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Directors' estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements are addressed and detail is provided in the associated notes.

Turnover

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Other intangibles has been fully amortised in the current year.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Leasehold property improvements	- at varying rates on cost
Plant and machinery	- 20% on reducing balance
Fixtures, fittings and office equipment	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less depreciation.

Impairment of fixed assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible fixed 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 amount of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Financial instruments

The company has no complex financial instruments but does hold basic financial instruments of; cash at bank, debtors and creditors.

Cash and cash equivalents comprise cash at bank and on hand, foreign currency on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. A bank overdraft would be shown within current liabilities.

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less losses for bad debts except where the effect of discounting would be immaterial. In such cases, trade and other debtors are stated at cost less losses for bad debts.

Trade and other creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate unless the effect of discounting would be immaterial. In such cases, trade and other creditors are stated at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

The total cost of employee benefits to which employees have become entitled as a result of service rendered to the entity during the reporting period are recognised and charged to the profit and loss account in the period to which they relate.

Deferred government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Provisions for liabilities

A provision is initially recognised when there is an obligation at the balance sheet date as the result of a past event, it is probable that there will be the transfer of funds in settlement and the amount of the obligation can be estimated reliably. The provision is subsequently measured by placing a charge against the provision only for expenditure for which the provision was originally recognised.

3. TURNOVER

The Group's activities consist solely of the manufacture, retail and wholesale of bakery and associated food products in the United Kingdom.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

4. EMPLOYEES AND DIRECTORS

	2023	2022 (Unaudited)
	£	£
Wages and salaries	4,150,268	3,559,408
Social security costs	345,377	287,183
Other pension costs	92,673	64,340
	<u>4,588,318</u>	<u>3,910,931</u>

The average number of employees during the year was as follows:

	2023	2022 (Unaudited)
Production and retail	189	172
Administration	10	7
	<u>199</u>	<u>179</u>

	2023	2022 (Unaudited)
	£	£
Directors' remuneration	247,804	195,310
Directors' pension contributions to money purchase schemes	<u>20,582</u>	<u>7,112</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director for the year ended 31 March 2023 is as follows:

	2023
	£
Emoluments etc	122,681
Pension contributions to money purchase schemes	<u>10,721</u>

No disclosure is given for the highest paid director in 2022 as total director remuneration was less than £200,000.

Non- cash benefits include provision of a vehicle, fuel and other benefits.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022 (Unaudited)
	£	£
Other operating leases	156,199	116,482
Depreciation - owned assets	425,314	431,595
Depreciation - assets on hire purchase contracts	46,903	35,942
(Profit)/loss on disposal of fixed assets	(12,299)	465
Other intangibles amortisation	-	432
Government grants release	(37,903)	(72,190)
Loans written off	725,396	-
	<u>725,396</u>	<u>-</u>

6. AUDITORS' REMUNERATION

	2023	2022 (Unaudited)
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	17,500	-
	<u>17,500</u>	<u>-</u>

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2023	2022 (Unaudited)
	£	£
Impairment of inv. property	17,500	-
	<u>17,500</u>	<u>-</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022 (Unaudited)
	£	£
Bank loan interest	25,465	18,789
Other interest paid	284	-
Bank charges	76,196	47,143
Hire purchase	6,938	3,763
	<u>108,883</u>	<u>69,695</u>

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

9. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2023	2022 (Unaudited)
	£	£
Current tax:		
UK corporation tax	5,122	119,981
Prior year adjustment	(48,099)	-
Total current tax	(42,977)	119,981
Deferred tax	111,628	(37,280)
Tax on (loss)/profit	<u>68,651</u>	<u>82,701</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022 (Unaudited)
	£	£
(Loss)/profit before tax	<u>(124,285)</u>	<u>488,350</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(23,614)	92,787
Effects of:		
Expenses not deductible for tax purposes	26,373	4,433
Income not taxable for tax purposes	(7,202)	(2,625)
Depreciation in excess of capital allowances	5,253	10,151
Utilisation of tax losses	-	(467)
Adjustments to tax charge in respect of previous periods	(48,099)	(12,157)
Super-deduction adjustment	(23,600)	(9,421)
Deferred tax movement	111,628	-
Losses carried forward	27,912	-
Total tax charge	<u>68,651</u>	<u>82,701</u>

The corporation tax rate increased to 25% from 1 April 2023, the effect of which has been reflected in these financial statements.

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Profit and loss of the parent company is not presented as part of these financial statements.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

11. DIVIDENDS

	2023	2022 (Unaudited)
	£	£
Ordinary shares of 1 each		
Final	115,000	-
Interim	109,576	198,277
	<u>224,576</u>	<u>198,277</u>

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property improvements £	Plant and machinery £
COST			
At 1 April 2022	1,040,846	1,131,486	4,040,387
Additions	38,317	8,066	346,146
Disposals	-	-	(7,133)
	<u>1,079,163</u>	<u>1,139,552</u>	<u>4,379,400</u>
DEPRECIATION			
At 1 April 2022	83,531	483,253	2,520,833
Charge for year	21,584	60,155	366,105
Eliminated on disposal	-	-	(6,882)
	<u>105,115</u>	<u>543,408</u>	<u>2,880,056</u>
NET BOOK VALUE			
At 31 March 2023	<u>974,048</u>	<u>596,144</u>	<u>1,499,344</u>
At 31 March 2022	<u>957,315</u>	<u>648,233</u>	<u>1,519,554</u>

Brownings the Bakers (Holdings) Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

12. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures, fittings and office equipment £	Motor vehicles £	Website £	Totals £
COST				
At 1 April 2022	333,906	101,364	2,460	6,650,449
Additions	12,668	-	-	405,197
Disposals	-	-	-	(7,133)
At 31 March 2023	346,574	101,364	2,460	7,048,513
DEPRECIATION				
At 1 April 2022	260,056	67,573	2,460	3,417,706
Charge for year	15,923	8,450	-	472,217
Eliminated on disposal	-	-	-	(6,882)
At 31 March 2023	275,979	76,023	2,460	3,883,041
NET BOOK VALUE				
At 31 March 2023	70,595	25,341	-	3,165,472
At 31 March 2022	73,850	33,791	-	3,232,743

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2022	212,686	24,998	237,684
Additions	197,089	-	197,089
Transfer to ownership	(167,686)	-	(167,686)
At 31 March 2023	242,089	24,998	267,087
DEPRECIATION			
At 1 April 2022	82,673	1,562	84,235
Charge for year	41,044	5,859	46,903
Transfer to ownership	(72,172)	-	(72,172)
At 31 March 2023	51,545	7,421	58,966
NET BOOK VALUE			
At 31 March 2023	190,544	17,577	208,121
At 31 March 2022	130,013	23,436	153,449

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

13. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 April 2022
and 31 March 2023

7,896

NET BOOK VALUE

At 31 March 2023

7,896

At 31 March 2022

7,896

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Brownings The Bakers Limited - SC218108

Registered office: Block 1, Bonnyton Industrial Estate, Kilmarnock, Ayrshire, KA1 2NP

Nature of business: Manufacture and retail of bakery products

Class of shares:	%
Ordinary £1	holding 100.00

	2023	2022
	£	£
Aggregate capital and reserves	1,431,870	1,538,847
(Loss)/profit for the year	(106,977)	382,530

This company is held directly by the parent company.

John Short & Sons (Bakers) Limited - SC023301

Registered office: Block 1, Bonnyton Industrial Estate, Kilmarnock, Ayrshire, KA1 2NP

Nature of business: Non-trading

Class of shares:	%
Ordinary £1	holding 100.00

	2023	2022
	£	£
Aggregate capital and reserves	183	183

This company is held indirectly by the parent company. The subsidiary has claimed the exemption from audit under s479A of the Companies Act 2006.

All the above subsidiaries are included in the consolidation.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 April 2022	192,500
Impairments	(17,500)
	<hr/>
At 31 March 2023	175,000
	<hr/>
NET BOOK VALUE	
At 31 March 2023	175,000
	<hr/>
At 31 March 2022	192,500
	<hr/>
Fair value at 31 March 2023 is represented by:	
	£
Valuation in 2021	(8,966)
Valuation in 2023	(17,500)
Cost	201,466
	<hr/>
	175,000
	<hr/>

If investment property had not been revalued it would have been included at the following historical cost:

	2023	2022 (Unaudited)
	£	£
Cost	201,466	201,466
	<hr/>	<hr/>

Investment property was valued on an open market basis on 7 September 2023 by Shepherd Commercial.

Company

	Total £
FAIR VALUE	
At 1 April 2022	192,500
Impairments	(17,500)
	<hr/>
At 31 March 2023	175,000
	<hr/>
NET BOOK VALUE	
At 31 March 2023	175,000
	<hr/>
At 31 March 2022	192,500
	<hr/>

The investment property was formally valued during the period and as a result an impairment adjustment has been made.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

15. STOCKS

	Group	
	2023	2022 (Unaudited)
	£	£
Raw materials	237,278	137,971
Finished goods	40,866	126,586
	<u>278,144</u>	<u>264,557</u>

16. DEBTORS

	Group	Company	
	2023	2022 (Unaudited)	2023 2022 (Unaudited)
	£	£	£ £
Amounts falling due within one year:			
Trade debtors (see note 15)	1,322,917	987,132	- -
Amounts owed by group undertakings	-	-	199,019 563,329
Amounts owed by associates	-	88,737	- 2,011
Other debtors	265,494	345,795	- -
Directors' loan accounts	222,130	113,154	192,130 113,154
VAT	89,774	50,873	530 530
	<u>1,900,315</u>	<u>1,585,691</u>	<u>391,679</u> <u>679,024</u>
Amounts falling due after more than one year:			
Other debtors	-	486,203	- -
	<u>-</u>	<u>486,203</u>	<u>-</u> <u>-</u>
Aggregate amounts	<u>1,900,315</u>	<u>2,071,894</u>	<u>391,679</u> <u>679,024</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	2023	2022 (Unaudited)	2023 2022 (Unaudited)
	£	£	£ £
Bank loans and overdrafts (see note 19)	950,485	636,758	17,702 15,641
Hire purchase contracts (see note 20)	77,542	64,536	- -
Trade creditors	790,682	877,239	- -
Tax	15,496	81,627	5,122 4,846
Social security and other taxes	100,217	185,240	- -
Other creditors	21,104	27,119	- -
Directors' loan accounts	-	763	- 763
Accruals and deferred income	425,148	298,857	16,268 4,500
	<u>2,380,674</u>	<u>2,172,139</u>	<u>39,092</u> <u>25,750</u>

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2023	2022 (Unaudited)	2023	2022 (Unaudited)
	£	£	£	£
Bank loans (see note 19)	227,138	391,922	75,306	91,689
Hire purchase contracts (see note 20)	81,822	24,596	-	-
	<u>308,960</u>	<u>416,518</u>	<u>75,306</u>	<u>91,689</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022 (Unaudited)	2023	2022 (Unaudited)
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	784,017	472,316	-	-
Bank loans	166,468	164,442	17,702	15,641
	<u>950,485</u>	<u>636,758</u>	<u>17,702</u>	<u>15,641</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>149,925</u>	<u>165,160</u>	<u>18,150</u>	<u>16,359</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>77,213</u>	<u>205,160</u>	<u>57,156</u>	<u>53,728</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>-</u>	<u>21,602</u>	<u>-</u>	<u>21,602</u>

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2023	2022 (Unaudited)
	£	£
Gross obligations repayable:		
Within one year	85,805	67,685
Between one and five years	93,271	26,097
	<u>179,076</u>	<u>93,782</u>
Finance charges repayable:		
Within one year	8,263	3,149
Between one and five years	11,449	1,501
	<u>19,712</u>	<u>4,650</u>
Net obligations repayable:		
Within one year	77,542	64,536
Between one and five years	81,822	24,596
	<u>159,364</u>	<u>89,132</u>

Group

	Non-cancellable operating leases	
	2023	2022 (Unaudited)
	£	£
Within one year	99,099	117,027
Between one and five years	97,088	224,471
In more than five years	-	35,975
	<u>196,187</u>	<u>377,473</u>

Operating lease commitments are in place for both properties and motor vehicles. The amounts above represent the total payable over the entire period of each lease agreement.

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2023	2022	2023	2022
		(Unaudited)		(Unaudited)
	£	£	£	£
Bank overdrafts	784,017	-	-	-
Bank loans	393,606	-	93,008	107,330
Hire purchase contracts	159,364	-	-	-
	<u>1,336,987</u>	<u>-</u>	<u>93,008</u>	<u>107,330</u>

The group's banking facilities include bank overdrafts and bank loans. Included in bank overdrafts is the sum of £688,691 (2022: £457,274) in respect of an invoice finance account. The banking facilities are secured by:

- A charge over the debtor book
- A floating charge over the assets and undertakings of the company
- A charge over the company's and the group's heritable properties. In addition the borrowings are secured over an asset used by the company but in the ownership of a director.
- A guarantee from subsidiary John Short & Sons Bakers Ltd
- Cross guarantees between the parent company and Brownings The Bakers Limited supported by a floating charge over the assets and undertakings of both companies.

The company also has obligations under hire purchase contracts, which are secured over the assets to which they relate.

Interest on all facilities is charged at a commercial rate of interest.

22. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
		(Unaudited)
	£	£
Deferred tax		
Accelerated capital allowances	<u>403,288</u>	<u>291,660</u>
Group		
		Deferred tax
		£
Balance at 1 April 2022		291,660
Provided during year		<u>111,628</u>
Balance at 31 March 2023		<u>403,288</u>

Brownings the Bakers (Holdings) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

23. ACCRUALS AND DEFERRED INCOME

Group

Deferred government grants

	2023 £	2022 £
Balance at 1 April 2022	580,728	542,918
Received during the year	-	110,000
Amortisation for the year	(37,903)	(72,190)
Balance at 31 March 2023	<u>542,825</u>	<u>580,728</u>

In the event of all conditions relating to the award of grant not being met throughout the qualifying period it is repayable in full or in part

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
8,896	Ordinary	1	<u>8,896</u>	<u>8,896</u>

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

Called-up share capital represents the nominal value of shares that have been issued.

25. RESERVES

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

26. CAPITAL COMMITMENTS

	2023 £	2022 (Unaudited) £
Contracted but not provided for in the financial statements	<u>55,000</u>	<u>100,000</u>

27. PENSION COMMITMENTS

Pensions contributions owed to the defined contribution pension scheme of £15,419 (2022 - £20,859) are included within accruals in these Financial Statements. The total pension costs in the year are disclosed in these notes.

Brownings the Bakers (Holdings) Limited

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28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023	2022 (Unaudited)
	£	£
J H W Gall		
Balance outstanding at start of year	113,154	(363)
Amounts advanced	132,645	219,782
Amounts repaid	(115,000)	(106,265)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>130,799</u>	<u>113,154</u>
 M J W Short		
Balance outstanding at start of year	(763)	-
Amounts advanced	62,094	133,729
Amounts repaid	-	(134,492)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>61,331</u>	<u>(763)</u>

The terms of the loans are that they are unsecured, interest free and repayable on demand.

29. RELATED PARTY DISCLOSURES

One of the directors owns a property business personally and receives rental income from the group for its use. The charge in the year was £101,500 (2022: £92,662). The group advanced £10,000 (2022: nil) in the year and paid costs on behalf of the business of £6,458 (2022: £14,880). The amount outstanding and due to the group at the year end amounted to £167,144 (2022: £150,686). This amount is unsecured, interest free and repayable on demand.

During the year, the group advanced £1,500 to a business in which two group directors have a material interest. The debtor outstanding at the year end of £88,286 was written off as the assets provided in settlement were considered fully impaired. The balance at the year end was £nil (2022: £86,726). This amount is unsecured, interest free and repayable on demand.

One of the group directors owes the group £30,000 (2022: £30,000) as at the year end. This amount is unsecured, interest free and repayable on demand.

Kilmarnock Pie Company Ltd is owned by two of the directors and was paid £15,000 (2022: £14,496) in property rents in the year. The balance owed at the year end was £21,104 (2022: £21,450). This amount is unsecured, interest free and repayable on demand.

30. ULTIMATE CONTROLLING PARTY

J.H Gall is the controlling party by virtue of his controlling interest in the company's ultimate parent company Brownings the Bakers (Holdings) Ltd.