

Main Street Bakery Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2020

Main Street Bakery Ltd

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Main Street Bakery Ltd

Company Information

Directors	Margaret MacIsaac John MacIsaac
Registered office	5 Glen Gardens Callander FK17 8ES
Bankers	Clydesdale Bank plc 56 Murray Place Stirling FK8 2BX
Accountants	Roderick Gunkel & Associates Ltd Chartered Certified Accountants Orchardlea Callander FK17 8BG

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Main Street Bakery Ltd
for the Year Ended 31 May 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Main Street Bakery Ltd for the year ended 31 May 2020 as set out on pages 3 to 8 from the company's accounting records and from information and explanations you have given us.

As a member of the Association of Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://rulebook.accaglobal.com>.

This report is made solely to the Board of Directors of Main Street Bakery Ltd, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the accounts of Main Street Bakery Ltd and state those matters that we have agreed to state to the Board of Directors of Main Street Bakery Ltd, as a body, in this report. This is in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.doc. And, to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Main Street Bakery Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Main Street Bakery Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Main Street Bakery Ltd. You consider that Main Street Bakery Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Main Street Bakery Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Roderick Gunkel & Associates Ltd
Chartered Certified Accountants
Orchardlea
Callander
FK17 8BG

24 August 2020

Main Street Bakery Ltd
(Registration number: SC592160)
Balance Sheet as at 31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	13,585	13,585
Tangible assets	<u>5</u>	<u>3,987</u>	<u>5,003</u>
		<u>17,572</u>	<u>18,588</u>
Current assets			
Stocks	<u>6</u>	3,000	3,000
Debtors	<u>7</u>	-	3,121
Cash at bank and in hand		<u>42,135</u>	<u>17,376</u>
		45,135	23,497
Creditors: Amounts falling due within one year	<u>8</u>	<u>(51,263)</u>	<u>(42,096)</u>
Net current liabilities		<u>(6,128)</u>	<u>(18,599)</u>
Total assets less current liabilities		11,444	(11)
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(24,000)</u>	-
Net liabilities		<u>(12,556)</u>	<u>(11)</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		<u>(12,656)</u>	<u>(111)</u>
Total equity		<u>(12,556)</u>	<u>(11)</u>

For the financial year ending 31 May 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 24 August 2020 and signed on its behalf by:

.....

Margaret MacIsaac
Director

The notes on pages 4 to 8 form an integral part of these financial statements.
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Main Street Bakery Ltd

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

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

5 Glen Gardens
Callander
FK17 8ES

These financial statements were authorised for issue by the Board on 24 August 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position 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, fittings, equipment	20-50% p.a reducing balance basis

Main Street Bakery Ltd

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

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	no diminution considered to be appropriate

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.

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.

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

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 12 (2019 - 11).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 June 2019	<u>13,585</u>	<u>13,585</u>
At 31 May 2020	<u>13,585</u>	<u>13,585</u>
Amortisation		
Carrying amount		
At 31 May 2020	<u><u>13,585</u></u>	<u><u>13,585</u></u>
At 31 May 2019	<u><u>13,585</u></u>	<u><u>13,585</u></u>

Main Street Bakery Ltd

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

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 June 2019	6,503	6,503
Additions	284	284
At 31 May 2020	6,787	6,787
Depreciation		
At 1 June 2019	1,500	1,500
Charge for the year	1,300	1,300
At 31 May 2020	2,800	2,800
Carrying amount		
At 31 May 2020	3,987	3,987
At 31 May 2019	5,003	5,003

6 Stocks

	2020 £	2019 £
Stock for sale and business use	3,000	3,000

7 Debtors

	2020 £	2019 £
Trade debtors	-	3,121
	-	3,121

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and overdrafts	10	49,259	39,421
Taxation and social security		2,004	2,675
		51,263	42,096
Due after one year			
Loans and borrowings	10	24,000	-

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

9 Share capital

Allotted, called up and fully paid shares

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

10 Loans and borrowings

	2020	2019
	£	£
Non-current loans and borrowings		
Bank borrowings	24,000	-
	24,000	-
	2020	2019
	£	£
Current loans and borrowings		
Bank borrowings	6,000	-
Director current account	43,259	39,421
	49,259	39,421

Orchardlea

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the Companies Act 2006.