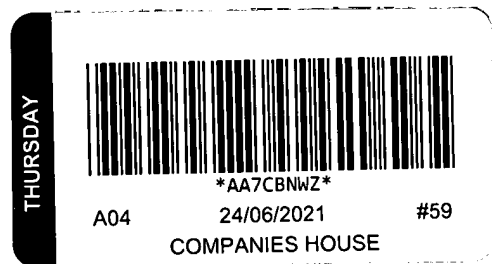


Company Registration No. 03208563 (England and Wales)

**MILLERS BESPOKE BAKERY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**



# MILLERS BESPOKE BAKERY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	W.M. Miller Ms A.M.L.O Polizzi di Sorrentino The Hon Mrs O.M.L.A. Polizzi di Sorrentino CBE
<b>Secretary</b>	W.M. Miller
<b>Company number</b>	03208563
<b>Registered office</b>	8 Peterborough Road Harrow HA1 2BQ
<b>Auditors</b>	David Morgan & Co Limited 8 Peterborough Road Harrow HA1 2BQ
<b>Business address</b>	Units 4 & 5 Saxon 2 Business Centre 57 Windsor Avenue London SW19 2RR

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# MILLERS BESPOKE BAKERY LIMITED

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# MILLERS BESPOKE BAKERY LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2019**

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The directors present their strategic report on the company for the year ended 31 October 2020.

### **Review of the business**

The principal activity of the company continued to be that of the production of specialty breads for wholesale.

The company's financial statements were severely affected by the global covid pandemic which impacted the UK in March 2020 and which had a devastating effect on the hospitality sector to which in the most part the company supplied its products. Fortunately, the company was able to weather the trading difficulties due to its profitable first six months trading, its strong balance sheet and the financial assistance provided by the government in the form of the furlough scheme.

As with many businesses of our size, the business environment in which we operate continues to be challenging. The wholesale bread market in the UK is highly competitive and competition is strong within the industry. With these risks and uncertainties in mind we are aware that any plans for the future development of the business may be subject to unforeseen future events outside the scope of our control.

Despite the fall in profits, due to the covid pandemic the company's balance sheet has maintained a very strong position at the year end with net assets of £3.8M (2019- £4.8M). The company was able to pay out a dividend of £1.5M during the course of the year. The company's cash at bank rose by £200K over the course of the year to £1.5M despite the fall in profits and the payment of the dividend. The company continues to invest in new plant and machinery.

We consider our key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit, net operating profit before tax and return on capital employed. The turnover of the company fell to £9.7M in 2020 from £12.8M in 2019, a decrease of 24%. Gross margins were maintained at 73% in 2020 in line with previous years. Net profit before tax decreased to £0.28M in 2020 from £1.6M in 2019, a fall of 82%. The return on capital employed also decreased to 12.6% in 2020 from 30% in 2019. The negative financial indicators stated above reflect the decrease in profitability of the company caused by the global covid pandemic on the hospitality sector. The company has been able to maintain a positive cashflow throughout the period and is in a good position to take advantage of the financial rewards on offer when the economy begins to open up in 2021.

By order of the board



W.M. Miller

**Director**

22 June 2021

# **MILLERS BESPOKE BAKERY LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 OCTOBER 2020***

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The directors present their report and financial statements for the year ended 31 October 2020.

#### **Future developments**

The disclosure of future developments is set out in the Strategic Report on Page 1.

#### **Results and dividends**

The results for the year are set out on page 7.

#### **Directors**

The following directors have held office since 1 November 2019:

W.M. Miller

Ms A.M.L.O Polizzi di Sorrentino

The Hon Mrs O.M.L.A. Polizzi di Sorrentino CBE

#### **Disabled persons**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Auditors**

David Morgan & Co Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# MILLERS BESPOKE BAKERY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2020**

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### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report and the Directors' Report 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and ROI", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit and loss of the company in 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;
- state whether applicable accounting standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the jurisdictions.

### **Statement of disclosure to auditors**

The directors at the date of approval of this report each confirm that:

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



W.M. Miller

**Director**

22 June 2021

# **MILLERS BESPOKE BAKERY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF MILLERS BESPOKE BAKERY LIMITED**

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#### **Report on the financial statements**

##### **Opinion**

We have audited the financial statements of Millers Bespoke Bakery Limited for the year ended 31 October 2020 which comprise the statutory profit and loss, balance sheet, cash flow and statement of changes in equity and notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The financial Reporting Standard applicable in the UK and ROI.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than in the financial statements and our auditor's report thereon.

# **MILLERS BESPOKE BAKERY LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF MILLERS BESPOKE BAKERY LIMITED**

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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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic and directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the Directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 is 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 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 company or to cease operations, or have no realistic alternative to do so.



# MILLERS BESPOKE BAKERY LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF MILLERS BESPOKE BAKERY LIMITED

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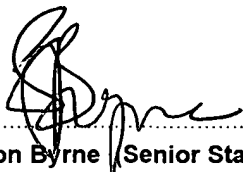
#### **Auditors responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit is 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 on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the financial Reporting Councils website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our audit report.

#### **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 an auditor's report 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.



Simon Byrne (Senior Statutory Auditor)  
for and on behalf of David Morgan & Co Limited

22 June 2021

Chartered Accountants  
Statutory Auditor

8 Peterborough Road

Harrow

HA1 2BQ

# MILLERS BESPOKE BAKERY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	2020 £	2019 £
Turnover	3	9,734,717	12,843,927
Cost of sales		(2,673,304)	(3,510,868)
<b>Gross profit</b>		7,061,413	9,333,059
Distribution costs		(2,389,187)	(2,742,434)
Administrative expenses		(4,799,007)	(4,955,692)
Other operating income		349,536	7,517
<b>Operating profit</b>	4	222,755	1,642,450
Other interest receivable and similar income	5	650	-
Interest payable and similar charges	6	(23,613)	(29,438)
<b>Profit on ordinary activities before taxation</b>		199,792	1,613,012
Tax on profit on ordinary activities	7	121,804	(159,810)
<b>Profit for the year</b>		321,596	1,453,202

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

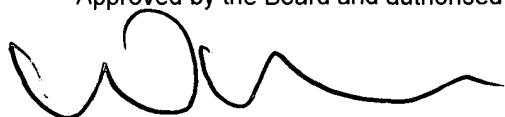
# MILLERS BESPOKE BAKERY LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9	2,547,305		3,389,392	
<b>Current assets</b>					
Stocks	10	213,240		256,903	
Debtors	11	1,145,694		1,732,785	
Cash at bank and in hand		1,533,995		1,335,067	
		<u>2,892,929</u>		<u>3,324,755</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,422,952)</u>		<u>(1,341,524)</u>	
<b>Net current assets</b>		<u>1,469,977</u>		<u>1,983,231</u>	
<b>Total assets less current liabilities</b>		<u>4,017,282</u>		<u>5,372,623</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	(194,796)		(324,474)	
<b>Provisions for liabilities</b>	14	<u>(154,862)</u>		<u>(202,121)</u>	
		<u>3,667,624</u>		<u>4,846,028</u>	
<b>Capital and reserves</b>					
Called up share capital	16	2,000		2,000	
Share premium account		113,436		113,436	
Profit and loss account		<u>3,552,188</u>		<u>4,730,592</u>	
<b>Shareholders' funds</b>		<u>3,667,624</u>		<u>4,846,028</u>	

Approved by the Board and authorised for issue on 22 June 2021



W.M. Miller  
Director



Ms A.M.L.O Polizzi di Sorrentino  
Director

Company Registration No. 03208563

# MILLERS BESPOKE BAKERY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2020

	Share Premium	Called-up share capital	Retained earnings	Total equity
Balance as at 1 November 2018	113,436	2,000	4,777,390	4,892,826
Profit for the financial year			1,453,202	1,453,202
Equity dividends paid			(1,500,000)	(1,500,000)
Total comprehensive income for the year			(46,798)	(46,798)
Balance as at 31 October 2019	113,436	2,000	4,730,592	4,846,028
Balance as at 1 November 2019	113,436	2,000	4,730,592	4,846,028
Profit for the financial year			321,596	321,596
Equity dividends paid			(1,500,000)	(1,500,000)
Total comprehensive income for the year			(1,178,404)	(1,178,404)
Balances as at 31 October 2020	113,436	2,000	3,552,188	3,667,624

# MILLERS BESPOKE BAKERY LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2020

	2020	2019
	£	£
<b>Cash flow from operating activities</b>	1,989,214	2,967,703
Interest received	650	-
Interest paid	(23,613)	(29,438)
Taxation	(50,000)	(202,434)
<b>Net cash flow from operating activities</b>	1,916,251	2,735,831
<b>Cash flow from investing activities</b>		
Payments to acquire tangible assets	(28,484)	(1,294,507)
Receipts from sales of tangible assets	-	8,860
<b>Net Cash flow from investing activities</b>	(28,484)	(1,285,647)
<b>Cash flow from financing activities</b>		
New long term bank loan	-	317,091
Repayment of long term bank loan	(139,125)	(352,139)
Capital element of hire purchase contracts	(49,714)	(28,654)
Capital element of finance lease contracts	-	52,265
Equity dividends paid	(1,500,000)	(1,500,000)
<b>Net cash flow from financing activities</b>	(1,688,839)	(1,511,437)
<b>Increase/(decrease) in cash in the year</b>	198,928	(61,253)
<b>Cash and cash equivalents at the beginning of the year</b>	1,335,067	1,396,320
<b>Cash and cash equivalents at the end of the year</b>	1,533,995	1,335,067
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	1,533,995	1,335,067
Bank overdrafts	-	-
<b>Cash and cash equivalents at 31 October 2020</b>	1,533,995	1,335,067

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 OCTOBER 2020**

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<b>1</b>	<b>Reconciliation of profit to cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Operating profit	222,755	1,642,450
	Depreciation of tangible assets	830,677	974,398
	Loss on disposal of tangible assets	39,856	8,050
	Decrease/(increase) in stocks	43,663	(12,111)
	Decrease in debtors	587,091	246,102
	Increase in creditors within one year	265,172	108,814
		<hr/>	<hr/>
	<b>Net cash flow from operating activities</b>	<b>1,989,214</b>	<b>2,967,703</b>
		<hr/>	<hr/>

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 1 Summary of significant accounting policies

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. The company has adopted FRS 102 in these financial statements.

##### 1.1 Accounting convention & going concern

The financial statements are prepared under the historical cost convention.

Going Concern - The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on Page 1. The company is expected to generate positive cash flows for the foreseeable future. The company has a strong cash balances and is able to fund its operations through a combination of bank loans and profits. The company's forecasts and management figures indicate that it will be able to continue to operate within its existing facility. The Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

The company recognises revenue when a) the significant risks and rewards of ownership have been transferred to the buyer; b) the amount of revenue can be measured reliably; c) it is probable that future economic benefits will flow to the entity; d) usually when the goods have been despatched from company premises.

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

i) Land & buildings include freehold and leasehold factories. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

ii) Plant and machinery and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings Leasehold	Straight line depreciation over 15 years
Plant and machinery	10%-20% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies

(continued)

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Inventories

Stock is valued at the lower of cost and net realisable value. Cost is based on the first-in first-out principle. Finished Goods are valued using an average cost pricing method.

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity respectively.

##### i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii) Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference,



# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 1 Accounting policies

(continued)

##### 1.9 Foreign currency translation

###### i) Functional and presentation currency

The company's functional and presentational currency is the pound sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

###### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

##### 1.10 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.

##### 1.11 Financial instruments

Financial assets and impairment - financial assets comprise cash at bank and in hand, trade and other debtors; these are initially recorded at cost on the date they originate and are subsequently recorded at cost less provisions for impairment. The company considers evidence of impairment for all individual trade and other debtors, and any subsequent impairment is recognised in the profit and loss account. Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays. Impairment provisions represent the difference between the net carrying amount of a financial asset and the value of the expected future cash receipts from that asset. Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Financial liabilities - Financial liabilities comprise trade creditors, other creditors and accruals; these are initially recorded, and subsequently carried, at cost on the date they originate.

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 2 General Information

Millers Bespoke Bakery Limited manufactures breads for the wholesale and restaurant trade within the UK.

### 3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4	Operating profit	2020 £	2019 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	830,677	974,398
	Loss on disposal of tangible assets	39,856	8,050
	Loss on foreign exchange transactions	-	19,339
	Operating lease rentals	977,165	823,343
	Auditors' remuneration (including expenses and benefits in kind)	9,000	9,000
	and after crediting:		
	Government grants	342,411	-
	Profit on foreign exchange transactions	(199)	-

5	Investment income	2020 £	2019 £
	Bank interest	650	-
		650	-

6	Interest payable	2020 £	2019 £
	On other loans wholly repayable within five years	18,200	25,176
	Hire purchase interest	5,413	4,262
		23,613	29,438

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

7	Taxation	2020 £	2019 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	91,241	110,000
	Adjustment for prior years	(165,786)	-
	<b>Total current tax</b>	<u>(74,545)</u>	<u>110,000</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(47,259)	49,810
		<u>(121,804)</u>	<u>159,810</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>199,792</u>	<u>1,613,012</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2019 - 19.00%)	<u>37,960</u>	<u>306,472</u>
	Effects of:		
	Non deductible expenses	2,422	2,747
	Depreciation add back	165,401	185,136
	Capital allowances	(116,919)	(273,083)
	Deferred tax adjustment	(8,979)	9,463
	Other tax adjustments	(201,689)	(70,925)
		<u>(159,764)</u>	<u>(146,662)</u>
	<b>Total tax charge for the year</b>	<u>(121,804)</u>	<u>159,810</u>

The deferred tax provision has been provided at 19% as future reductions in the corporation tax rate remain in doubt.

8	Dividends	2020 £	2019 £
	Ordinary interim paid	<u>1,500,000</u>	<u>1,500,000</u>

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 9 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 November 2019	425,752	8,372,767	108,270	393,289	9,300,078
Additions	-	24,171	4,275	-	28,446
Disposals	-	(53,092)	-	-	(53,092)
At 31 October 2020	425,752	8,343,846	112,545	393,289	9,275,432
<b>Depreciation</b>					
At 1 November 2019	300,600	5,299,041	101,296	209,749	5,910,686
On disposals	-	(13,236)	-	-	(13,236)
Charge for the year	37,686	707,144	1,602	84,245	830,677
At 31 October 2020	338,286	5,992,949	102,898	293,994	6,728,127
<b>Net book value</b>					
At 31 October 2020	87,466	2,350,897	9,647	99,295	2,547,305
At 31 October 2019	125,152	3,073,726	6,974	183,540	3,389,392

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 31 October 2020	624,936	96,797	721,733
At 31 October 2019	1,364,513	129,062	1,493,575
<b>Depreciation charge for the year</b>			
At 31 October 2020	84,144	32,666	116,810
At 31 October 2019	265,844	43,021	308,865

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

<b>10 Stocks</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	199,528	215,300
Finished goods and goods for resale	13,712	41,603
	<u>213,240</u>	<u>256,903</u>
<b>11 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	867,026	1,454,379
Other debtors	118,154	97,227
Prepayments and accrued income	160,514	181,179
	<u>1,145,694</u>	<u>1,732,785</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	205,535	245,764
Net obligations under hire purchase contracts	32,692	51,662
Trade creditors	482,227	653,902
Corporation tax	(13,762)	110,783
Other taxes and social security costs	121,073	78,650
Accruals and deferred income	595,187	200,763
	<u>1,422,952</u>	<u>1,341,524</u>

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

13 Creditors: amounts falling due after more than one year	2020 £	2019 £
Bank loans	167,836	266,727
Net obligations under hire purchase contracts	26,960	57,747
	<u>194,796</u>	<u>324,474</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	373,371	512,491
	<u>373,371</u>	<u>512,491</u>
Included in current liabilities	(205,535)	(245,764)
	<u>167,836</u>	<u>266,727</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	280,000	266,727
	<u>280,000</u>	<u>266,727</u>
<b>Net obligations under hire purchase contracts</b>		
	<u>(32,692)</u>	<u>(51,662)</u>
Included in liabilities falling due within one year	(32,692)	(51,662)
	<u>(32,692)</u>	<u>(51,662)</u>

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2019	202,121
Profit and loss account	(47,259)
	<u>154,862</u>
Balance at 31 October 2020	<u>154,862</u>

The deferred tax liability is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	<u>154,862</u>	<u>202,121</u>

### 15 Pension and other post-retirement benefit commitments Defined contribution

	2020 £	2019 £
Contributions payable by the company for the year	<u>104,333</u>	<u>72,592</u>

### 16 Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of 10p each	<u>2,000</u>	<u>2,000</u>

# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 17 Financial commitments

At 31 October 2020 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2021:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Operating leases which expire:				
Within one year	977,000	823,343	-	15,331
Between two and five years	3,908,000	3,293,372	-	-
In over five years	1,159,000	2,136,000	-	-
	<u>6,044,000</u>	<u>6,252,715</u>	<u>-</u>	<u>15,331</u>

### 18 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	290,796	289,806
Company pension contributions to defined contribution schemes	40,000	10,000
	<u>330,796</u>	<u>299,806</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	286,296	285,306
Company pension contributions to defined contribution schemes	40,000	10,000



# MILLERS BESPOKE BAKERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 19 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2020 Number	2019 Number
Production	33	40
Distribution	42	45
Office	8	10
Management	3	3
	<u>86</u>	<u>98</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	2,814,554	2,974,233
Social security costs	258,107	278,493
Other pension costs	104,333	72,592
	<u>3,176,994</u>	<u>3,325,318</u>