

MELLS INN LTD
Unaudited Financial Statements
For the financial year ended 31 March 2022
Pages for filing with the registrar

MELLS INN LTD
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

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MELLS INN LTD
BALANCE SHEET
As at 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	3	212,294	208,054
		212,294	208,054
Current assets			
Stocks	4	7,793	7,007
Debtors	5	88,154	60,169
Cash at bank and in hand		108,481	39,649
		204,428	106,825
Creditors			
Amounts falling due within one year	6	(279,550)	(235,180)
Net current liabilities		(75,122)	(128,355)
Total assets less current liabilities		137,172	79,699
Provision for liabilities	7	(19,030)	(15,805)
Net assets		118,142	63,894
Capital and reserves			
Called-up share capital		25	25
Profit and loss account		118,117	63,869
Total shareholder's funds		118,142	63,894

For the financial year ending 31 March 2022 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 financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Mells Inn Ltd (registered number: 08206239) were approved and authorised for issue by the Director on 27 October 2022. They were signed on its behalf by:

D R Brod
Director

C V Luxton
Director

MELLS INN LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Mells Inn Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is The Beckford Arms, Fonthill Gifford, Tisbury, SP3 6PX, United Kingdom. The principal place of business is The Talbot Inn, Selwood Street, Mells, Somerset, BA11 3PN.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

At the balance sheet date the company had net current liabilities. The company is reliant upon the support of its fellow subsidiaries and parent company who have agreed that their loans to the company will not be repaid unless the company has sufficient funds to meet all other liabilities. In view of the above, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Deposits and revenue received in advance of the period to which they relate are held within other creditors on the balance sheet.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

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Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	4 years straight line
Plant and machinery	20 % reducing balance
Fixtures and fittings	25 % reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. The cost of stocks comprises direct cost and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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Trade and other debtors

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

Cash and cash equivalents

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

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. 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.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in other operating income over the period in which the related costs are recognised, and timing differences are presented as other debtors or deferred income within the balance sheet. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	31	29

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3. Tangible assets

	Leasehold improve- ments	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 01 April 2021	219,694	273,746	22,312	515,752
Additions	0	3,890	25,603	29,493
At 31 March 2022	219,694	277,636	47,915	545,245
Accumulated depreciation				
At 01 April 2021	72,511	223,657	11,530	307,698
Charge for the financial year	8,788	10,718	5,747	25,253
At 31 March 2022	81,299	234,375	17,277	332,951
Net book value				
At 31 March 2022	138,395	43,261	30,638	212,294
At 31 March 2021	147,183	50,089	10,782	208,054

4. Stocks

	2022	2021
	£	£
Stocks	7,793	7,007

5. Debtors

	2022	2021
	£	£
Trade debtors	0	110
Amounts owed by Group undertakings	64,705	50,881
Other debtors	23,449	9,178
	88,154	60,169

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6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	63,614	5,919
Amounts owed to Group undertakings	78,836	143,183
Corporation tax	43,287	1,697
Other taxation and social security	33,887	30,221
Other creditors	59,926	54,160
	279,550	235,180

7. Provision for liabilities

	2022	2021
	£	£
Deferred tax	19,030	15,805

8. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
- within one year	60,000	60,000
- between one and five years	240,000	240,000
- after five years	665,000	725,000
	965,000	1,025,000

The company has provided a guarantee for its parent company's bank borrowings in the form of a legal charge registered over the company, which contains fixed and floating charges over the property and all undertaking of the company.

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9. Related party transactions

Transactions with the entity's directors

M Greenlees

Advances

The Directors loan account is repayable on demand and interest is charged on overdrawn balances exceeding £10,000 at the official HMRC rates.

At 1 April 2021, the balance owed to the director was £2,097. During the year, £5,668 was advanced to the director, and £3,571 was repaid by the director. At 31 March 2022, the balance owed by the director was £nil.

At 1 April 2020, the balance owed by the director was £1,414. During the year, £55,419 was advanced to the director, and £58,930 was repaid by the director. At 31 March 2021, the balance owed to the director was £2,097.

Other related party transactions

The company has taken advantage of the exemptions provided from disclosing transactions with its parent and other wholly owned group companies on the grounds that it is a wholly owned subsidiary.

10. Government Grants

During the year other operating income of £29,643 (2021 - £263,768) was received in respect of the Coronavirus Job Retention Scheme. In addition, £29,000 (2021 - £39,548) was received in respect of other Coronavirus support grants. The amount of grants recognised in the financial statements was £58,643 (2021 - £303,316).

11. Ultimate controlling party

The company's immediate parent is Beckford Group Ltd, incorporated in England and Wales. Its registered office address is The Beckford Arms, Fonthill Gifford, Tisbury, Salisbury, Wiltshire, SP3 6PX.

These financial statements are available upon request from Companies House, Cardiff.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.