

Mells Inn Ltd
trading as The Talbot Inn
Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2020

MELLS INN LTD
TRADING AS THE TALBOT INN

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MELLS INN LTD
TRADING AS THE TALBOT INN

(Registration number: 08206239)
 Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	231,771	243,976
Current assets			
Stocks	<u>6</u>	8,678	20,242
Debtors	<u>7</u>	49,253	48,723
Cash at bank and in hand		<u>2,202</u>	<u>70,152</u>
		60,133	139,117
Creditors: Amounts falling due within one year	<u>8</u>	<u>(282,177)</u>	<u>(273,535)</u>
Net current liabilities		<u>(222,044)</u>	<u>(134,418)</u>
Total assets less current liabilities		9,727	109,558
Provisions for liabilities			
Deferred tax liabilities		<u>(17,413)</u>	<u>(17,921)</u>
Net (liabilities)/assets		<u>(7,686)</u>	<u>91,637</u>
Capital and reserves			
Called up share capital		25	25
Profit and loss account		<u>(7,711)</u>	<u>91,612</u>
Total equity		<u>(7,686)</u>	<u>91,637</u>

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(Registration number: 08206239)
Balance Sheet as at 31 March 2020

For the financial year ending 31 March 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 and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the Board on 18 August 2020 and signed on its behalf by:

D Brod
Director

C Luxton
Director

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Beckford Arms
Fonthill Gifford
Tisbury
Salisbury
Wiltshire
SP3 6PX

The principal place of business is:

The Talbot Inn
Selwood Street
Mells
Somerset
BA11 3PN

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.

These financial statements are presented in Sterling (£).

Going concern

In March 2020, in line with government legislation, the business had to temporarily close due to the Covid-19 pandemic. During the closure the directors accessed relevant available funding and implemented appropriate cost control measures as well as adapting the business to enable the company to recommence trading on 30 July 2020. The directors remain optimistic for the future.

Additionally, at the balance sheet date the company had net 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.

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Turnover 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.

Tax

The tax expense for the period comprises current and deferred tax. 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.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation of tangible assets

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
Short leasehold property improvements	4% straight line
Furniture, fittings and equipment	25% reducing balance
Plant and machinery	20% reducing balance

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.

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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 debtor.

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 stocks comprises direct cost and, where applicable, 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.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

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.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

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Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 32 (2019 - 39).

4 Profit before tax

Arrived at after charging/(crediting):

	2020 £	2019 £
Accounting adjustments written off	-	(14,386)

Included within other operating income in 2019 is £14,386 in respect of one-off adjustments made to balance sheet items to align the opening position for the accounting period ended 31 March 2019.

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Notes to the Unaudited Financial Statements
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5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 April 2019	219,694	11,707	266,424	497,825
Additions	-	10,605	6,127	16,732
At 31 March 2020	219,694	22,312	272,551	514,557
Depreciation				
At 1 April 2019	54,935	3,141	195,773	253,849
Charge for the year	8,788	4,793	15,356	28,937
At 31 March 2020	63,723	7,934	211,129	282,786
Carrying amount				
At 31 March 2020	155,971	14,378	61,422	231,771
At 31 March 2019	164,759	8,566	70,651	243,976

6 Stocks

	2020 £	2019 £
Other stocks	8,678	20,242

7 Debtors

	Note	2020 £	2019 £
Trade debtors		(550)	400
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	32,013	4,897
Other debtors		17,790	43,426
Total current trade and other debtors		49,253	48,723

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8 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	<u>9</u>	278	-
Trade creditors		54,376	64,989
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>11</u>	154,754	87,856
Taxation and social security		35,341	58,573
Corporation tax		6,680	7,360
Other creditors		30,748	54,757
		<u>282,177</u>	<u>273,535</u>

9 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	<u>278</u>	<u>-</u>

Bank borrowings

The bank overdraft is secured by a fixed and floating charge over the property and undertakings of the company.

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10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £1,085,835 (2019 - £1,145,835). This relates to non-cancellable operating leases for the business premises and the hire of other equipment. The total commitment is due over the following periods: £60,835 (2019 - £60,835) in one year, £240,000 (2019 - £240,000) in two to five years and £785,000 (2019 - £845,000) in more than five years.

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.

11 Related party transactions

Transactions with directors

	At 1 April 2019 £	Advances to directors £	Re- payments by director £	At 31 March 2020 £
2020				
M Greenlees				
Directors loan account, repayable on demand. Interest is charged on overdrawn balances exceeding £10,000 at the official HMRC rate.	(3,216)	32,644	(28,013)	1,415

	At 1 April 2018 £	Advances to directors £	Re- payments by director £	At 31 March 2019 £
2019				
M Greenlees				
Directors loan account, repayable on demand. Interest is charged on overdrawn balances exceeding £10,000 at the official HMRC rate.	(8,164)	16,748	(11,800)	(3,216)

Summary of transactions with parent

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.

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12 Parent and ultimate parent undertaking

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.