

DELICIOUSLY ELLA LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2017

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DELICIOUSLY ELLA LTD
REGISTERED NUMBER: 08519077

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 May 2017 £
Fixed assets			
Tangible assets	5	92,740	25,955
		<u>92,740</u>	<u>25,955</u>
Current assets			
Debtors: amounts falling due within one year	6	587,793	672,898
Cash at bank and in hand	7	338,207	104,974
		<u>926,000</u>	<u>777,872</u>
Creditors: amounts falling due within one year	8	(199,971)	(253,182)
Net current assets		<u>726,029</u>	<u>524,690</u>
Total assets less current liabilities		<u>818,769</u>	<u>550,645</u>
Creditors: amounts falling due after more than one year		(68,019)	-
Provisions for liabilities			
Deferred tax	12	(18,548)	(5,148)
		<u>(18,548)</u>	<u>(5,148)</u>
Net assets		<u><u>732,202</u></u>	<u><u>545,497</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		732,201	545,496
		<u>732,202</u>	<u>545,497</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

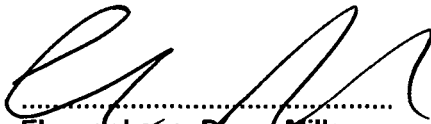
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

DELICIOUSLY ELLA LTD
REGISTERED NUMBER: 08519077

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Eleanor Laura Davan Mills
Director

Date:

26 JULY 2018

The notes on pages 3 to 13 form part of these financial statements.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

1. General information

Deliciously Ella Ltd. is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to leasehold	-	20%
Plant and machinery	-	20%
Office equipment	-	20%
Computer equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.9 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Pensions

Defined contribution pension plan

The group of companies operate a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group of companies pays fixed contributions into a separate entity. Once the contributions have been paid the group of companies has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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.

2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the period was 4 (2017 - 4).

DELICIOUSLY ELLA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

4. Taxation

	7 months ended 31 December 2017 £	12 months ended 31 May 2017 £
Corporation tax		
Current tax on profits for the year	10,924	121,738
Total current tax	10,924	121,738
Deferred tax		
Origination and reversal of timing differences	13,400	5,148
Total deferred tax	13,400	5,148
Taxation on profit on ordinary activities	24,324	126,886

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.83%). The differences are explained below:

	7 months ended 31 December 2017 £	12 months ended 31 May 2017 £
Profit on ordinary activities before tax	271,029	770,395
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.83%)	51,496	152,769
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,923	5,665
Capital allowances for period/year in excess of depreciation	(16,579)	(5,365)
Other timing differences leading to an increase (decrease) in taxation	13,400	5,148
Group relief	(27,916)	(31,331)
Total tax charge for the period/year	24,324	126,886

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

4. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. Tangible fixed assets

	Improve- ments to leasehold £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 June 2017	-	75,200	4,420	7,200	86,820
Additions	43,906	24,760	17,812	860	87,338
Disposals	-	-	-	(592)	(592)
At 31 December 2017	43,906	99,960	22,232	7,468	173,566
Depreciation					
At 1 June 2017	-	53,065	3,558	4,242	60,865
Charge for the period on owned assets	5,122	11,662	2,501	871	20,156
Disposals	-	-	-	(195)	(195)
At 31 December 2017	5,122	64,727	6,059	4,918	80,826
Net book value					
At 31 December 2017	38,784	35,233	16,173	2,550	92,740

DELICIOUSLY ELLA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

5. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	31 December 2017 £
Improvements to leasehold	38,784
	38,784

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2017 £
Land and buildings	38,784
Furniture, fittings and equipment	16,494
	55,278

6. Debtors

	31 December 2017 £	31 May 2017 £
Trade debtors	27,309	12,882
Amounts owed by group undertakings	514,201	601,075
Other debtors	41,743	41,344
Prepayments and accrued income	4,540	17,597
	587,793	672,898

DELICIOUSLY ELLA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

7. Cash and cash equivalents

	31 December 2017 £	31 May 2017 £
Cash at bank and in hand	338,207	104,974
	<u>338,207</u>	<u>104,974</u>

8. Creditors: Amounts falling due within one year

	31 December 2017 £	31 May 2017 £
Trade creditors	5,840	48,546
Corporation tax	111,605	111,605
Other taxation and social security	47,578	58,871
Obligations under finance lease and hire purchase contracts	21,234	30,550
Other creditors	3,250	2,410
Accruals and deferred income	10,464	1,200
	<u>199,971</u>	<u>253,182</u>

9. Creditors: Amounts falling due after more than one year

	31 December 2017 £	31 May 2017 £
Net obligations under finance leases and hire purchase contracts	68,019	-
	<u>68,019</u>	<u>-</u>

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 December 2017 £	31 May 2017 £
Within one year	21,235	550
Between 1-5 years	68,019	-
	<u>89,254</u>	<u>550</u>

11. Financial instruments

	31 December 2017 £	31 May 2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	338,207	104,974
	<u>338,207</u>	<u>104,974</u>

Financial assets measured at fair value through profit or loss comprise cash balances held by the company at the year end.

12. Deferred taxation

	2017 £	2017 £
At beginning of period	5,148	-
Charged to profit or loss	13,400	5,148
At end of year	<u>18,548</u>	<u>5,148</u>

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	31 December 2017 £
Accelerated capital allowances	18,548
	<u>18,548</u>

13. Pension commitments

The group of companies within which the company is owned operate a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £717 (2017 - £Nil) . Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the balance sheet date.

14. Related party transactions

During the period, total dividends of £60,000 (period ended May 2017: £222,144) were paid to M&E Mills Holdings Limited, the parent of the company.

During the period under review, the company made net repayments of £86,874 (period ended May 2017: net advances of £210,900) to The Mae Deli Limited, a subsidiary of the company. At the period end, £514,201 (period ended May 2017: £601,075) was outstanding and included in other debtors.

15. Controlling party

The ultimate controlling party throughout the period under review was E Mills and M Mills by virtue of their majority ownership of the share capital of M&E Mills Holdings Limited, the parent company which owns 100% of the share capital of Deliciously Ella Ltd.