

**DELICIOUSLY ELLA LTD**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**DELICIOUSLY ELLA LTD**  
**REGISTERED NUMBER: 08519077**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets		320,183	108,426
Tangible assets	6	28,494	35,241
		<u>348,677</u>	<u>143,667</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	476,787	713,340
Cash at bank and in hand	8	660,209	142,969
		<u>1,136,996</u>	<u>856,309</u>
Creditors: amounts falling due within one year	9	(482,080)	(80,189)
<b>Net current assets</b>		<u>654,916</u>	<u>776,120</u>
<b>Total assets less current liabilities</b>		<u>1,003,593</u>	<u>919,787</u>
Creditors: amounts falling due after more than one year	10	(13,816)	(25,867)
<b>Provisions for liabilities</b>			
Deferred tax	12	(87,170)	(27,297)
		<u>(87,170)</u>	<u>(27,297)</u>
<b>Net assets</b>		<u><u>902,607</u></u>	<u><u>866,623</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		902,606	866,622
		<u><u>902,607</u></u>	<u><u>866,623</u></u>

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**DELICIOUSLY ELLA LTD**  
**REGISTERED NUMBER: 08519077**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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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 year in question in accordance with section 476 of the 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.

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: 3 May 2021

The notes on pages 3 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 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 profit or loss 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 profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.3 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.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss 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.

**2.8 Pensions**

**Defined contribution pension plan**

The Company contributes to 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 payment obligations.

The contributions are recognised as an expense in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

**2.10 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.11 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.11 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 profit or loss.

**2.12 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.

**2.13 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.

**2.14 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.

**2.15 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 profit or loss 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.16 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 ordinary shares.

**2.17 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

**4. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	56,340	380
<b>Total current tax</b>	<u>56,340</u>	<u>380</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	59,873	864
<b>Total deferred tax</b>	<u>59,873</u>	<u>864</u>
<b>Taxation on profit on ordinary activities</b>	<u>116,213</u>	<u>1,244</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>643,548</u>	<u>239,678</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	122,274	45,539
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,239	6,043
Capital allowances for year in excess of depreciation	(1,472)	(1,063)
Other timing differences leading to an increase (decrease) in taxation	59,873	864
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(24,893)	-
Group relief	(50,808)	(50,139)
<b>Total tax charge for the year</b>	<u>116,213</u>	<u>1,244</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 January 2020	125,761
Additions - internal	256,418
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At 31 December 2020	382,179
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<b>Amortisation</b>	
At 1 January 2020	17,335
Charge for the year on owned assets	44,661
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At 31 December 2020	61,996
	<hr/>
<b>Net book value</b>	
At 31 December 2020	<u>320,183</u>
<i>At 31 December 2019</i>	<u><u>108,426</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Tangible fixed assets

	Improve-ments to leasehold £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	43,906	-	22,450	12,416	78,772
Additions	-	7,696	50	-	7,746
At 31 December 2020	43,906	7,696	22,500	12,416	86,518
<b>Depreciation</b>					
At 1 January 2020	22,685	-	13,518	7,329	43,532
Charge for the year on owned assets	9,063	710	3,631	1,088	14,492
At 31 December 2020	31,748	710	17,149	8,417	58,024
<b>Net book value</b>					
At 31 December 2020	12,158	6,986	5,351	3,999	28,494

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Tangible fixed assets (continued)

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

	2020 £
Improvements to leasehold	12,159
	<u>12,159</u>

7. Debtors

	2020 £	2019 £
Trade debtors	10,303	53,199
Amounts owed by group undertakings	234,539	456,728
Other debtors	221,177	44,249
Prepayments and accrued income	10,768	159,164
	<u>476,787</u>	<u>713,340</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	660,209	142,969
	<u>660,209</u>	<u>142,969</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	75,451	19,948
Amounts owed to group undertakings	1	1
Corporation tax	56,309	-
Obligations under finance lease and hire purchase contracts	13,925	22,030
Other creditors	530	16
Accruals and deferred income	335,864	38,194
	<u>482,080</u>	<u>80,189</u>

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	13,816	25,867
	<u>13,816</u>	<u>25,867</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	13,925	22,030
Between 1-5 years	13,816	25,867
	<u>27,741</u>	<u>47,897</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Deferred taxation

	2020 £	2019 £
At beginning of period	27,297	26,433
Charged to profit or loss	59,873	864
<b>At end of year</b>	<b>87,170</b>	<b>27,297</b>

The provision for deferred taxation is made up as follows:

	2020 £
Accelerated capital allowances	87,170
	<b>87,170</b>

13. Pension commitments

The group of companies within which the company is owned contribute to 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 £11,894 (2019 - £5,769).

14. Related party transactions

The company have taken advantage of the exemption under FRS102 section 33 paragraph 1a and therefore have not reported the related party transactions or balances of companies within the group.

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 Limited and The Mae Deli Limited.





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