

DELICIOUSLY ELLA LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



DELICIOUSLY ELLA LTD
REGISTERED NUMBER: 08519077

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	139,120	92,740
		<u>139,120</u>	<u>92,740</u>
Current assets			
Debtors: amounts falling due within one year	6	693,887	587,793
Cash at bank and in hand	7	44,713	338,207
		<u>738,600</u>	<u>926,000</u>
Creditors: amounts falling due within one year	8	(66,270)	(199,972)
Net current assets		<u>672,330</u>	<u>726,028</u>
Total assets less current liabilities		<u>811,450</u>	<u>818,768</u>
Creditors: amounts falling due after more than one year	9	(46,828)	(68,019)
Provisions for liabilities			
Deferred tax		(26,433)	(18,548)
		<u>(26,433)</u>	<u>(18,548)</u>
Net assets		<u><u>738,189</u></u>	<u><u>732,201</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		738,188	732,200
		<u><u>738,189</u></u>	<u><u>732,201</u></u>

DELICIOUSLY ELLA LTD
REGISTERED NUMBER: 08519077

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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 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: 29 MAY 2019

The notes on pages 3 to 12 form part of these financial statements.

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 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'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 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 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 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.

2.7 Pensions

Defined contribution pension plan

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 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.

2.8 Current and deferred taxation

The tax expense for the year 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.

2.9 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 YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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 YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.14 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.

2.15 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 (2017 - 4).

4. Taxation

	31 December 2018 £	7 months ended 31 December 2017 £
Corporation tax		
Current tax on profits for the year	60	10,924
Total current tax	60	10,924
Deferred tax		
Origination and reversal of timing differences	7,885	13,401
Total deferred tax	7,885	13,401
Taxation on profit on ordinary activities	7,945	24,325

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19%) as set out below:

	31 December 2018 £	7 months ended 31 December 2017 £
Profit on ordinary activities before tax	<u>143,933</u>	<u>271,029</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	27,347	51,496
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,507	3,923
Capital allowances for year/period in excess of depreciation	(82)	(16,579)
Adjustments to tax charge in respect of prior periods	60	-
Other timing differences leading to an increase (decrease) in taxation	7,885	13,401
Group relief	(36,772)	(27,916)
Total tax charge for the year/period	<u>7,945</u>	<u>24,325</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DELICIOUSLY ELLA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Tangible fixed assets

	Improve- ments to leasehold £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	43,906	99,960	22,231	7,469	173,566
Additions	-	95,000	-	433	95,433
Disposals	-	(99,960)	-	-	(99,960)
At 31 December 2018	43,906	95,000	22,231	7,902	169,039
Depreciation					
At 1 January 2018	5,122	64,727	6,059	4,918	80,826
Charge for the year on owned assets	8,781	9,975	3,721	1,318	23,795
Disposals	-	(74,702)	-	-	(74,702)
At 31 December 2018	13,903	-	9,780	6,236	29,919
Net book value					
At 31 December 2018	30,003	95,000	12,451	1,666	139,120

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Tangible fixed assets (continued)

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

	2018 £
Improvements to leasehold	30,002
	<u>30,002</u>

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

	2018 £
Land and buildings	30,002
Furniture, fittings and equipment	12,759
	<u>42,761</u>

6. Debtors

	2018 £	2017 £
Trade debtors	39,671	27,309
Amounts owed by group undertakings	608,163	514,201
Other debtors	41,408	41,743
Prepayments and accrued income	4,645	4,540
	<u>693,887</u>	<u>587,793</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	44,713	338,207
	<u>44,713</u>	<u>338,207</u>

DELICIOUSLY ELLA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	30,973	5,840
Amounts owed to group undertakings	1	-
Corporation tax	-	111,605
Other taxation and social security	5,351	47,578
Obligations under finance lease and hire purchase contracts	21,191	21,234
Other creditors	626	3,251
Accruals and deferred income	8,128	10,464
	<u>66,270</u>	<u>199,972</u>

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	46,828	68,019
	<u>46,828</u>	<u>68,019</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	21,191	21,235
Between 1-5 years	46,740	68,019
	<u>67,931</u>	<u>89,254</u>

DELICIOUSLY ELLA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>44,713</u>	<u>338,207</u>

12. 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 £3,715 (2017 - £717). Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the balance sheet date.

13. Related party transactions

During the period, total dividends of £130,000 (2017: £60,000) were paid to M&E Mills Holdings Limited, the parent of the company.

During the period under review, the company made net advances of £93,962 (2017: £86,874) to The Mae Deli Limited, a subsidiary of the company. At the period end, £608,163 (2017: £514,201) was outstanding and included in other debtors.

14. 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.