

The Sidmouth Inn Limited

Filleted Unaudited Financial Statements
for the Year Ended 31 January 2022

Thompson Jenner LLP
Chartered Accountants
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

The Sidmouth Inn Limited
(Registration number: 07891275)

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The Sidmouth Inn Limited
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Company Information

Directors	Mr M Seward Mrs J Watson Mr T Seward
Registered office	The Esplanade Sidmouth Devon EX10 8AR
Accountants	Thompson Jenner LLP Chartered Accountants 28 Alexandra Terrace Exmouth Devon EX8 1BD

The Sidmouth Inn Limited
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Balance Sheet as at 31 January 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>5</u>	1,080,979	1,085,500
Current assets			
Stocks	<u>6</u>	12,279	4,300
Debtors	<u>7</u>	545,273	383,324
Cash at bank and in hand		303,004	150,468
		860,556	538,092
Creditors: Amounts falling due within one year	<u>8</u>	(148,126)	(87,425)
Net current assets		712,430	450,667
Total assets less current liabilities		1,793,409	1,536,167
Creditors: Amounts falling due after more than one year	<u>8</u>	(50,000)	(65,010)
Provisions for liabilities		(46,301)	(40,652)
Net assets		1,697,108	1,430,505
Capital and reserves			
Called up share capital		100	100
Share premium reserve		121,820	121,820
Profit and loss account		1,575,188	1,308,585
Total equity		1,697,108	1,430,505

For the financial year ending 31 January 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 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

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Balance Sheet as at 31 January 2022

Approved and authorised by the Board on 18 October 2022 and signed on its behalf by:

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Mr M Seward

Director

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

1 General information

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

The address of its registered office is:

The Esplanade
Sidmouth
Devon
EX10 8AR

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.

The directors have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements.

In addition, the Directors do not consider it to cast any significant doubt upon the company's ability to continue to trade as a going concern.

The directors have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cash flow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key customer and supplier activity.

The directors have implemented a robust system of procedures and controls in order to deal with any associated risks.

Revenue 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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

Government grants

The Coronavirus Job Retention Scheme grant has been credited to other income so as to match the grant to the underlying eligible furloughed staff expenditure to which it relates.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 income 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 income tax is recognised on temporary 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 income 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.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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
Freehold property	2% straight line basis
Furniture, fixtures and fittings	20% reducing balance basis
Motor vehicles	25% straight line basis

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 2 years

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

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.

Trade 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 receivables.

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 finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and 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.

Trade creditors

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

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 32 (2021 - 26).

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2021	7,500	7,500
At 31 January 2022	7,500	7,500
Amortisation		
At 1 February 2021	7,500	7,500
At 31 January 2022	7,500	7,500
Carrying amount		
At 31 January 2022	-	-

5 Tangible assets

	Freehold property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2021	1,136,800	282,906	33,710	1,453,416
Additions	5,329	48,955	-	54,284
At 31 January 2022	1,142,129	331,861	33,710	1,507,700
Depreciation				
At 1 February 2021	177,777	166,659	23,480	367,916
Charge for the year	22,843	28,044	7,918	58,805
At 31 January 2022	200,620	194,703	31,398	426,721
Carrying amount				
At 31 January 2022	941,509	137,158	2,312	1,080,979
At 31 January 2021	959,023	116,247	10,230	1,085,500

6 Stocks

	2022 £	2021 £
Other stocks	12,279	4,300

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

7 Debtors

	Note	2022 £	2021 £
Amounts owed by connected company		510,909	375,372
Other debtors		34,364	7,952
		<u>545,273</u>	<u>383,324</u>
Total current trade and other debtors		<u>545,273</u>	<u>383,324</u>

8 Creditors

	Note	2022 £	2021 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	19,686	17,663
Trade creditors		25,026	4,340
Taxation and social security		67,065	44,121
Other creditors		36,349	21,301
		<u>148,126</u>	<u>87,425</u>
Due after one year			
Loans and borrowings	<u>9</u>	<u>50,000</u>	<u>65,010</u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

9 Loans and borrowings

	2022	2021
	£	£
Current loans and borrowings		
Bank borrowings	15,000	12,500
Hire purchase contracts	2,510	2,500
Other borrowings	2,176	2,663
	<u>19,686</u>	<u>17,663</u>

Bank borrowings are secured by a fixed and floating charge over all assets of the company.
Hire purchase contracts are secured on the individual assets financed.

	2022	2021
	£	£
Non-current loans and borrowings		
Bank borrowings	50,000	62,500
Hire purchase contracts	-	2,510
	<u>50,000</u>	<u>65,010</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £3,537,306 (2021 - £3,800,700). The company has acted as a guarantor on a bank loan provided to Sidmouth Hotels Holdings Limited. The guarantee is secured by a fixed and floating charge over all the present and future assets of the company. The amount expected to be paid is nil (2021 - £nil).

11 Parent and ultimate parent undertaking

The company's immediate parent is The Sidmouth Inn Holdings Limited, incorporated in the United Kingdom.
The address of The Sidmouth Inn Holdings Limited is:
The Esplanade, Sidmouth, Devon, EX10 8AT

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.