

**Financial Statements for the Year Ended 30 June 2020**

**for**

**Mermaid Inn Limited**

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for the Year Ended 30 June 2020**

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**Company Information  
for the Year Ended 30 June 2020**

**DIRECTORS:**

Mrs J W Blincow  
Mr E Campbell - Salmon  
Mr A P Adlington  
Mrs GE Kite

**SECRETARY:**

Mrs GE Kite

**REGISTERED OFFICE:**

Mermaid Street  
RYE  
East Sussex  
TN31 7EU

**REGISTERED NUMBER:**

02816575 (England and Wales)

**AUDITORS:**

McCabe Ford Williams  
Statutory Auditors and  
Chartered Accountants  
Bank Chambers  
61 High Street  
Cranbrook  
Kent  
TN17 3EG

**Balance Sheet**  
**30 June 2020**

	Notes	30.6.20 £	£	30.6.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		1,111,667		1,144,858
<b>CURRENT ASSETS</b>					
Stocks		30,013		44,213	
Debtors	5	10,020		85,876	
Cash at bank and in hand		<u>4,780</u>		<u>22,603</u>	
		44,813		152,692	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>354,779</u>		<u>469,299</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(309,966)</u>		<u>(316,607)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			801,701		828,251
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		(226,749)		(205,870)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(48,937)</u>		<u>(53,327)</u>
<b>NET ASSETS</b>			<u>526,015</u>		<u>569,054</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			400		400
Retained earnings			<u>525,615</u>		<u>568,654</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>526,015</u>		<u>569,054</u>

**Balance Sheet - continued**  
**30 June 2020**

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2021 and were signed on its behalf by:

Mrs J W Blincow - Director

Mrs GE Kite - Director

**Notes to the Financial Statements  
for the Year Ended 30 June 2020**

**1. STATUTORY INFORMATION**

Mermaid Inn Limited 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.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The company has negotiated continuing provision of an overdraft facility with its bankers and anticipates that the facility will be extended to provide funds to meet its shortterm cash requirements. It also has a loan with its bankers and is complying with the loan terms. During the year, the company has also taken out a Bounce Back loan to help to meet its financial obligations during the Covid 19 pandemic.

The company has prepared cashflow forecasts for the year to 30 June 2021 rolled forward until March 2022 which indicate that the company will be a going concern for the foreseeable future, so the accounts have been prepared on a going concern basis. However, with the Covid-19 pandemic, there is significant uncertainty relating to the underlying assumptions but the impact cannot be quantified at this stage. However, based on the current cash position, on the expectations of when they are likely to reopen and the level of enquiries to date, the directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future.

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the income statement. The useful lives and residual values of the company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology. Historically, changes in useful lives and residual values have not resulted in material changes to the company's depreciation charge.

**Turnover**

Turnover represents net invoiced sales of goods and services (being room income, restaurant and bar sales and other usual supplies made by a hotel, restaurant and bar), excluding value added tax and trade discounts. Turnover is recognised once the performance of the service has been concluded or goods have been delivered.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 1% on cost
Land	- not provided
Fixtures and fittings	- 20% on cost and 10% on cost

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020**

**2. ACCOUNTING POLICIES - continued**

**Government grants**

**Coronavirus Job Retention Scheme (CJRS)**

The company has furloughed staff during the Covid-19 pandemic and made claims for government furlough grants. The grants are recognised on an accruals basis, matched in the period against the staff costs that they relate to, and recorded as grant income in the accounts.

**Business rates relief**

The company met the criteria for business rates relief for businesses within the hospitality sector due to Covid-19 and has benefited from a rates holiday for the 2020-21 rates year. The effect of this relief is to reduce the rates cost reflected through the profit & loss account with the relief spread over the period it relates to on an accruals basis.

**Coronavirus Bounce Back Loan Scheme**

The company has received a Coronavirus Bounce Back Loan. Under the terms of the loan, the government guarantees 100% of the loan and there are no fees or interest to pay for the first 12 months. After 12 months, the interest rate will be 2.5% per annum and the loan will be repayable by equal monthly instalments over 5 years. In the accounts, the initial interest paid by the government has been recognised as grant income and spread evenly over the first 12 months of the loan term.

**Deferral of VAT payments due to coronavirus**

The company has taken advantage of the government scheme whereby any VAT payments arising between 20 March and 30 June 2020 can be deferred and paid in full on or before 31 March 2021 or spread over a longer period of time. The deferred VAT liability is recognised within current liabilities.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Hire purchase and leasing**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to a profit or loss on a straight line basis over the period of the lease.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 48 (2019 - 47) .

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020

4. TANGIBLE FIXED ASSETS

	Freehold property £	Land £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 July 2019	714,446	320,000	1,882,229	2,916,675
Additions	-	-	62,552	62,552
Disposals	(47,642)	-	(251,392)	(299,034)
At 30 June 2020	<u>666,804</u>	<u>320,000</u>	<u>1,693,389</u>	<u>2,680,193</u>
<b>DEPRECIATION</b>				
At 1 July 2019	189,619	-	1,582,198	1,771,817
Charge for year	6,600	-	89,143	95,743
Eliminated on disposal	(47,642)	-	(251,392)	(299,034)
At 30 June 2020	<u>148,577</u>	<u>-</u>	<u>1,419,949</u>	<u>1,568,526</u>
<b>NET BOOK VALUE</b>				
At 30 June 2020	<u>518,227</u>	<u>320,000</u>	<u>273,440</u>	<u>1,111,667</u>
At 30 June 2019	<u>524,827</u>	<u>320,000</u>	<u>300,031</u>	<u>1,144,858</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £
<b>COST</b>	
At 1 July 2019	79,634
Transfer to ownership	(35,000)
At 30 June 2020	<u>44,634</u>
<b>DEPRECIATION</b>	
At 1 July 2019	70,708
Charge for year	8,926
Transfer to ownership	(35,000)
At 30 June 2020	<u>44,634</u>
<b>NET BOOK VALUE</b>	
At 30 June 2020	<u>-</u>
At 30 June 2019	<u>8,926</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.20	30.6.19
	£	£
Trade debtors	-	31,147
Other debtors	10,020	54,729
	<u>10,020</u>	<u>85,876</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.20	30.6.19
	£	£
Bank loans and overdrafts	24,132	20,413
Hire purchase contracts	9,581	16,673
Trade creditors	33,119	151,539
Taxation and social security	137,392	162,808
Other creditors	150,555	117,866
	<u>354,779</u>	<u>469,299</u>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.6.20	30.6.19
	£	£
Bank loans	226,749	200,185
Hire purchase contracts	-	5,685
	<u>226,749</u>	<u>205,870</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>8,773</u>	<u>108,284</u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020**

**8. SECURED DEBTS**

The following secured debts are included within creditors:

	30.6.20	30.6.19
	£	£
Bank overdraft	1,285	-
Bank loan	199,595	220,598
	<u>200,880</u>	<u>220,598</u>

The bank overdraft and loans are secured against the freehold properties owned by the company and by a fixed and floating charge over all other assets of the company. The Bounce Back Loan of £50,000 is unsecured.

**9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

David Boobyer FCA (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams

**10. OTHER FINANCIAL COMMITMENTS**

Outstanding commitments under non-cancellable operating leases for equipment total £Nil (2019: £3,483) for leases expiring in the next year.

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2020**

**11. POST BALANCE SHEET EVENTS**

During the year and since the year end, the Covid-19 pandemic has continued to impact the business. Local restrictions and a subsequent nationwide lockdown have meant that the business was unable to open from March to July 2020 and subsequent lockdowns have meant that the business closed early in November 2020 and has been unable to open for all but a few weeks in December 2020 and continues to remain closed in accordance with Government guidance. This is considered to be a non-adjusting post Balance Sheet event.

The lockdown earlier in 2020 meant that the company had to cease its operations for more than three months and with the latest restrictions, it is hoped that the company will be in a position to partially reopen in May 2021 and then completely reopen in late June 2021. Even when the business can start to open, public confidence might impact on the level of trade for the foreseeable future. However, the directors are confident with their business model, its reputation and the fact that people may be reluctant or unable to travel abroad should ensure that there is a good bounce back once restrictions are eased. This confidence is backed by the pent up public demand and turnover figures which were generated after the first lockdown in the summer of 2020.

The company has furloughed staff where appropriate since the start of the pandemic. A Bounce Back Loan of £50,000 has also been received to support cash flow requirements. The company has also taken advantage of the VAT deferral scheme to delay paying its March 2020 VAT liability until 2021 as well as paying PAYE and corporation tax by instalments. It has also qualified for rates relief from March 2020. There has also been a reduction in VAT from 20% to 5% on a significant proportion of the company's income.

Based on cashflow forecasts for the foreseeable future with the expectation that the business will be able to reopen fully at the end of June, the directors consider that the company will be in a position to meet its financial obligations as they fall due. As a result, the accounts have been prepared on a going concern basis and no adjustments have been made to the accounts at this stage arising from the impact of Covid-19. However, the impact of the pandemic continues to evolve at a fast pace and, therefore, it is not practicable to quantify the potential financial impact on the company at this time.

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.