

**CLASSIC COTTAGES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**CLASSIC COTTAGES LIMITED**  
**REGISTERED NUMBER:01966317**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**


	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	4	293,814	367,268
Tangible assets	5	145,034	159,437
Investments		50,000	50,000
		<u>488,848</u>	<u>576,705</u>
<b>Current assets</b>			
Debtors		229,861	189,966
Current asset investments	8	132,734	99,905
Cash at bank and in hand		3,114,370	2,230,370
		<u>3,476,965</u>	<u>2,520,241</u>
Creditors: amounts falling due within one year	9	(2,720,851)	(2,198,043)
<b>Net current assets</b>		<u>756,114</u>	<u>322,198</u>
<b>Total assets less current liabilities</b>		<u>1,244,962</u>	<u>898,903</u>
Provisions for liabilities		(49,595)	(133,676)
<b>Net assets</b>		<u>1,195,367</u>	<u>765,227</u>
<b>Capital and reserves</b>			
Called up share capital		10,000	10,000
Profit and loss account		1,185,367	755,227
		<u>1,195,367</u>	<u>765,227</u>

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:

  
**Mr S C Tregoning**  
 Director

Date:

The notes on pages 2 to 9 form part of these financial statements.

## **CLASSIC COTTAGES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1. General information**

The company is a private limited liability company incorporated in England (Company no: 01966317). The registered office is Leslie House, Lady Street, Helston, Cornwall, TR13 8NA.

#### **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 members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 12 for an explanation of the transition.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £1.

The following principal accounting policies have been applied:

##### **2.2 ASSOCIATES AND JOINT VENTURES**

Associates and Joint Ventures are held at cost less impairment.

##### **2.3 REVENUE**

The company recognises revenue from holidays lettings in the period in which the lettings are taking place, deferring income from deposits received in prior periods until the relevant period commences. It is the judgement of management that this policy most accurately represents the point at which the company's obligations are discharged and revenue can be recognised.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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2. Accounting policies (continued)

2.4 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

OTHER 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.

The estimated useful lives range as follows:

Goodwill	- 5 years
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2.5 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.

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:

Long-term leasehold property	- 20%
Plant and machinery	- 20% or 10%
Motor vehicles	- 25% or 20%
Fixtures and fittings	- 25%, 20%, 3% or 2%
Computer equipment	- 25%

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.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

## **CLASSIC COTTAGES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **2. Accounting policies (continued)**

##### **2.7 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.

##### **2.8 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.

##### **2.9 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instruments 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.

##### **2.10 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.

##### **2.11 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.

##### **2.12 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 Statement of Financial Position. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**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 Statement of Financial Position 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 Statement of Financial Position.

**2.15 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 reporting 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 Statement of Financial Position 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 reporting date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 44 (2015: 46).

**CLASSIC COTTAGES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**4. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2016	<b>367,268</b>
At 31 December 2016	<b>367,268</b>
<b>Amortisation</b>	
Charge for the year	<b>73,454</b>
At 31 December 2016	<b>73,454</b>
<b>Net book value</b>	
At 31 December 2016	<b>293,814</b>
At 31 December 2015	<b>367,268</b>

**CLASSIC COTTAGES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. Tangible fixed assets**

	Improve- ments to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	38,291	8,367	166,558	79,220	102,495	394,931
Additions	-	833	41,003	2,574	5,079	49,489
Disposals	-	-	(19,833)	-	-	(19,833)
At 31 December 2016	38,291	9,200	187,728	81,794	107,574	424,587
<b>Depreciation</b>						
At 1 January 2016	10,401	4,728	75,570	59,839	84,956	235,494
Charge for the year on owned assets	13,403	1,075	26,503	4,994	7,339	53,314
Disposals	-	-	(9,255)	-	-	(9,255)
At 31 December 2016	23,804	5,803	92,818	64,833	92,295	279,553
<b>Net book value</b>						
At 31 December 2016	14,487	3,397	94,910	16,961	15,279	145,034
At 31 December 2015	27,890	3,639	90,988	19,381	17,539	159,437

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

	2016 £	2015 £
Long leasehold	14,487	27,890
	<u>14,487</u>	<u>27,890</u>



**CLASSIC COTTAGES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Fixed asset investments**

	Unlisted investments £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	5,000	45,000	50,000
At 31 December 2016	5,000	45,000	50,000
<b>Net book value</b>			
At 31 December 2016	5,000	45,000	50,000
At 31 December 2015	5,000	45,000	50,000

**7. Debtors**

	2016 £	2015 £
Trade debtors	24,376	5,838
Other debtors	19,617	12,073
Prepayments and accrued income	185,868	172,055
	<u>229,861</u>	<u>189,966</u>

**8. Current asset investments**

	2016 £	2015 £
Profit share in joint venture	132,734	99,905
	<u>132,734</u>	<u>99,905</u>

# CLASSIC COTTAGES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 9. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	84,667	53,447
Corporation tax	197,462	137,140
Other taxation and social security	61,974	48,760
Other creditors	420,684	313,878
Accruals and deferred income	1,956,064	1,644,818
	<u>2,720,851</u>	<u>2,198,043</u>

### 10. Provisions

	Deferred Consider- ation £
At 1 January 2016	120,000
Utilised in year	(80,000)
At 31 December 2016	<u>40,000</u>

### 11. Controlling party

The controlling party is Worval Holdings Limited, the parent company.

The ultimate controlling parties are Mr S C and Mrs S A Tregoning, by virtue of their 66% voting rights in Worval Holdings Limited.

### 12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

### 13. Auditors' information

These financial statements have been audited by Bishop Fleming Chartered Accountants & Statutory Auditors, with an unqualified audit opinion being issued. The audit report was signed by Robert Davey FCA as Senior Statutory Auditor.

In accordance with the provisions applicable to companies subject to the small companies' regime and s444 the Companies Act 2006, this audit report has not been filed.