

CLASSIC COTTAGES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	4	597,606	915,619
Tangible assets	5	300,837	278,375
Investments		122,899	122,899
		<u>1,021,342</u>	<u>1,316,893</u>
CURRENT ASSETS			
Debtors	7	639,199	691,957
Current asset investments	8	230,212	161,955
Cash at bank and in hand		3,043,049	2,768,887
		<u>3,912,460</u>	<u>3,622,799</u>
Creditors: amounts falling due within one year	9	(4,068,988)	(3,714,849)
		<u>(156,528)</u>	<u>(92,050)</u>
NET CURRENT LIABILITIES			
		<u>864,814</u>	<u>1,224,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year		-	(337,378)
Provisions for liabilities		(11,728)	-
		<u>853,086</u>	<u>887,465</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital		10,000	10,000
Profit and loss account		843,086	877,465
		<u>853,086</u>	<u>887,465</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 on 21 December 2020.

Mr S A Skitt
Director

The notes on pages 2 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

The company is a private limited liability company incorporated in England (Company no: 01966317). The registered office is Unit 14 Hayle Business Park, Hayle, Cornwall, TR27 5JR.

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 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's accounting policies.

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

2.2 ASSOCIATES AND JOINT VENTURES

Associates and Joint Ventures are held at cost less impairment.

2.3 GOING CONCERN

Subsequent to the balance sheet date, in March 2020, the UK has been significantly impacted by the Covid-19 pandemic. The impact on many businesses and sectors across the UK, Europe and the globe have been unprecedented, and at the date of these financial statements, the outcome of the outbreak still remains uncertain however the company is sufficiently prepared for further lockdowns.

Cash reserves within the company have remained positive throughout the pandemic and occupancy for 2021 is strong. This has resulted in the directors' conclusion that the long-term impact on the company should be minimal. Therefore, the directors anticipate that the company will continue to operate within its available resources and be able to tolerate a reasonable level of unforeseen circumstance for a period of at least 12 months from the date of these financial statements. The financial statements have therefore been prepared on a going concern basis.

2.4 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 judgment 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 2019

2. ACCOUNTING POLICIES (continued)

2.5 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.

Amortisation is provided on the following bases:

Goodwill	-	% 5 years
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2.6 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 profit or loss.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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 profit or loss 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.

2.14 INTEREST INCOME

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

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 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.

2.16 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 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 69 (2018: 65).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 January 2019	1,590,072
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At 31 December 2019	1,590,072
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AMORTISATION	
At 1 January 2019	674,453
Charge for the year on owned assets	318,013
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At 31 December 2019	992,466
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NET BOOK VALUE	
At 31 December 2019	597,606
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At 31 December 2018	915,619
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. TANGIBLE FIXED ASSETS

	improve-ments to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 January 2019	82,740	9,200	304,504	93,488	143,245	633,177
Additions	3,079	-	89,619	2,499	25,084	120,281
Disposals	-	(1,307)	(39,295)	(28,087)	(40,102)	(108,791)
At 31 December 2019	85,819	7,893	354,828	67,900	128,227	644,667
DEPRECIATION						
At 1 January 2019	47,681	7,503	127,401	62,395	109,822	354,802
Charge for the year on owned assets	10,345	661	57,200	9,145	15,383	92,734
Disposals	-	(1,307)	(35,702)	(28,087)	(38,610)	(103,706)
At 31 December 2019	58,026	6,857	148,899	43,453	86,595	343,830
NET BOOK VALUE						
At 31 December 2019	27,793	1,036	205,929	24,447	41,632	300,837
At 31 December 2018	35,059	1,697	177,103	31,093	33,423	278,375

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

	2019 £	2018 £
Long leasehold	27,793	35,059
	<u>27,793</u>	<u>35,059</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. FIXED ASSET INVESTMENTS

	Unlisted investments £	Investment in joint ventures £	Total £
COST			
At 1 January 2019	77,899	45,000	122,899
At 31 December 2019	<u>77,899</u>	<u>45,000</u>	<u>122,899</u>

7. DEBTORS

	2019 £	2018 £
Amounts owed by group undertakings	404,947	382,771
Other debtors	3,674	3,345
Prepayments and accrued income	230,578	197,049
Deferred taxation	-	108,792
	<u>639,199</u>	<u>691,957</u>

8. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Profit share in joint venture	230,212	161,955
	<u>230,212</u>	<u>161,955</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	65,865	62,405
Amounts owed to group undertakings	610,486	672,899
Corporation tax	58,848	104,408
Other taxation and social security	104,594	143,082
Other creditors	757,495	438,937
Accruals and deferred income	2,471,700	2,293,118
	<u>4,068,988</u>	<u>3,714,849</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other creditors	-	337,378
	<u>-</u>	<u>337,378</u>

11. DEFERRED TAXATION

	2019 £
At beginning of year	108,792
Charged to profit or loss	(120,520)
AT END OF YEAR	<u>(11,728)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(11,728)	108,792
	<u>(11,728)</u>	<u>108,792</u>

12. PROVISIONS

AT 31 DECEMBER 2019

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	24,325	28,700
Later than 1 year and not later than 5 years	23,767	48,092
	<u>48,092</u>	<u>76,792</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. RELATED PARTY TRANSACTIONS

During the year, Mr S A Skitt, a director, purchased a car from the company for £4,800.

15. 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 combined 66% voting rights in Worval Holdings Limited.

16. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 22 December 2020 by Robert Davey FCA (Senior Statutory Auditor) on behalf of Bishop Fleming LLP.

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.