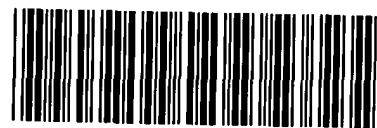


THE HIDEAWAYS CLUB (UK) LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



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THE HIDEAWAYS CLUB (UK) LTD

COMPANY INFORMATION

Director	D Franco-Montoya
Registered number	05887176
Registered office	4 School House 50 Brook Green Hammersmith London W6 7BJ
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Registered Auditors 25 Moorgate London EC2R 6AY
Bankers	HBOS 14-16 Cockspur Street London SW1Y 5BL
Solicitors	Fladgate LLP 16 Great Queen Street London WC2B 5DG

THE HIDEAWAYS CLUB (UK) LTD

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**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents her report and the financial statements for the year ended 31 December 2017.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director

The director who served during the year was:

D Franco-Montoya

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- she has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

THE HIDEAWAYS CLUB (UK) LTD

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

27 June 2018

and signed on its behalf.


D Franco-Montoya
Director

27 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HIDEAWAYS CLUB (UK) LTD

Opinion

We have audited the financial statements of The Hideaways Club (UK) Ltd (the 'Company') for the year ended 31 December 2017 which comprise the Statement of comprehensive income, the Balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to the disclosures made in note 1.2 of the financial statements, which identifies that, at 31 December 2017 the continuing ability of the Company to meet its financial obligations is dependent on its parent Company, The Hideaways Club Limited, continuing to be a going concern. However, The Hideaways Club Limited reports a net liability position of £2,612,887 at 31 December 2017.

As stated in note 1.2, these conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HIDEAWAYS CLUB (UK) LTD
(CONTINUED)

Other information

The other information comprises the information included in the Director's report and financial statements, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of director remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of the director

As explained more fully in the Director's responsibilities statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

THE HIDEAWAYS CLUB (UK) LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HIDEAWAYS CLUB (UK) LTD
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nexia Smith & Williamson

Andrew Bond (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 03/07/2018

THE HIDEAWAYS CLUB (UK) LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		1,584,398	1,276,552
Gross profit		1,584,398	1,276,552
Administrative expenses		(1,512,729)	(1,248,066)
Operating profit		71,669	28,486
Tax on profit	3	(14,398)	(9,064)
Profit for the financial year		57,271	19,422

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 15 form part of these financial statements.


THE HIDEAWAYS CLUB (UK) LTD
REGISTERED NUMBER: 05887176

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	60,327	60,088
Tangible assets	5	1,575	5,354
		<u>61,902</u>	<u>65,442</u>
Current assets			
Debtors	6	257,129	131,154
Cash at bank and in hand		40,608	148,091
		<u>297,737</u>	<u>279,245</u>
Creditors: amounts falling due within one year	7	(97,353)	(94,627)
Net current assets		<u>200,384</u>	<u>184,618</u>
Total assets less current liabilities		<u>262,286</u>	<u>250,060</u>
Provisions for liabilities			
Other provisions	9	-	(45,045)
		<u>-</u>	<u>(45,045)</u>
Net assets		<u><u>262,286</u></u>	<u><u>205,015</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		262,284	205,013
		<u><u>262,286</u></u>	<u><u>205,015</u></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 were approved and authorised for issue by the board and were signed on its behalf on

 27/06/2018
D. Franco-Montoya
 Director

The notes on pages 8 to 15 form part of these financial statements.

THE HIDEAWAYS CLUB (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

The Hideaways Club (UK) Ltd is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 4 School House, 50 Brook Green, Hammersmith, London, W6 7BJ. Its registered number is 05887176.

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.

1.2 Going concern

The company has only one customer, its parent company, The Hideaways Club Limited. It is dependent on the ongoing trading business with the parent to remain a going concern. The company expects that trading will continue.

However, the auditors of the parent company included the following emphasis of matter paragraph in their report on the financial statements of the parent company for the period ending 31 December 2017;

"Emphasis of matter - Going Concern

Without qualifying our opinion, we would like to draw your attention to the following:

Note 18 to the financial statements on Going Concern which states that the financial statements have been prepared on a going concern basis despite the net deficit in shareholders' funds of £2,612,887 following the shareholders' confirmation of their willingness to provide the Company with financial support to enable it to settle its liabilities as they fall due, for a period of at least 12 months from the date of signing to these financial statements."

The director of The Hideaways Club (UK) Limited has satisfied herself that the parent company has adequate support from its shareholders to enable it to continue as a going concern.

Based on this and the confirmation of continuing support from the The Hideaways Club Limited, the director has a reasonable expectation that the company will be able to continue to be prepared on a going concern basis.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

The company derives its income solely from providing services to The Hideaways Club Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.4 Intangible assets

Expenditure on software development has been capitalised in accordance with FRS 102 development expenditure and is only deferred if:

Amortisation is provided on the following bases:

Website development expenditure- 33 % straight line

1.5 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:

Plant & machinery	- 33% straight line
Computer software	- 33% straight line

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 Comprehensive Income.

1.6 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 and loans from and to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.6 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.8 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 Comprehensive Income 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.

1.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

2. Employees

The average monthly number of employees, including the director, during the year was as follows:

	2017 No.	2016 No.
Average number of employees	16	14

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	<u>14,398</u>	<u>9,064</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>71,669</u>	<u>28,486</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	13,794	5,697
Effects of:		
Expenses not deductible for tax purposes	165	35
Capital allowances for year in excess of depreciation	203	211
Adjustments to tax charge in respect of prior periods	-	2,940
Other differences leading to an increase in the tax charge	236	181
Total tax charge for the year	<u>14,398</u>	<u>9,064</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Intangible assets

	Website Development £
Cost	
At 1 January 2017	122,599
Additions	54,779
At 31 December 2017	177,378
Amortisation	
At 1 January 2017	62,511
Charge for the year	54,540
At 31 December 2017	117,051
Net book value	
At 31 December 2017	60,327
At 31 December 2016	60,088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Tangible fixed assets

	Plant & machinery £	Computer software £	Total £
Cost or valuation			
At 1 January 2017	128,752	142,626	271,378
At 31 December 2017	128,752	142,626	271,378
Depreciation			
At 1 January 2017	123,399	142,625	266,024
Charge for the year on owned assets	3,778	1	3,779
At 31 December 2017	127,177	142,626	269,803
Net book value			
At 31 December 2017	1,575	-	1,575
At 31 December 2016	5,353	1	5,354

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	156,501	36,830
Other debtors	100,628	94,324
	257,129	131,154

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,858	1,457
Corporation tax	14,398	6,124
Other taxation and social security	22,100	19,599
Accruals and deferred income	56,997	67,447
	<u>97,353</u>	<u>94,627</u>

8. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	204,910	75,140
Cash and cash equivalents	40,608	148,091
	<u>245,518</u>	<u>223,231</u>
Financial liabilities		
Financial liabilities measured at amortised cost	50,881	78,904
	<u>50,881</u>	<u>78,904</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

THE HIDEAWAYS CLUB (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Provisions

	Legal dispute £
At 1 January 2017	45,045
Utilised in year	(45,045)
	<hr/>
At 31 December 2017	-
	<hr/> <hr/>

This provision related to legal fees and estimated amounts payable in relation to an employment tribunal.

The case was settled in the year.

10. Operating lease commitments

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	31,322	93,968
Between 2- 5 years	-	31,322
	<hr/>	<hr/>
	31,322	125,290
	<hr/> <hr/>	<hr/> <hr/>

11. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company and controlling party is The Hideaways Club Limited. Its registered address is PO Box 199 57/63 Line Wall Road, Gibraltar.