

Norfolk Hideaways Limited

Report and Financial Statements

Year ended

31 December 2018



Company Number 07593730

NORFOLK HIDEAWAYS LIMITED

Annual report and financial statements for the year ended 31 December 2018

Contents

Page:

2	Report of the directors
3	Directors' responsibilities
4	Report of the independent auditor
6	Statement of comprehensive income
7	Statement of financial position
8	Statement of changes in equity
9	Accounting policies
12	Notes forming part of the financial statements

Directors

GD Baber (Chairman)
JC Boyce
RG Boyce
S Bullen
H Millin
RSJ Seager

Registered office

Big Blue Sky Building, Warham Road, Wells Next The Sea, Norfolk, NR23 1QA

Company number

07593730

Auditor

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

NORFOLK HIDEAWAYS LIMITED

Report of the directors for the year ended 31 December 2018

The directors present their report together with the financial statements for the year ended 31 December 2018.

Principal activities

The company's principal activity during the year was that of the letting of holiday property.

Directors

The directors of the company during the year were:

GD Baber
JC Boyce
RG Boyce
RSJ Seager

In addition, S Bullen and H Millin were appointed as directors on 1 January 2019.

Directors' indemnity insurance

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

Statement of disclosure to auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption.

On behalf of the Board



GD Baber
Chairman

21 May 2019

NORFOLK HIDEAWAYS LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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. The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

NORFOLK HIDEAWAYS LIMITED

Independent auditor's report to the member of Norfolk Hideaways Limited

Opinion

We have audited the financial statements of Norfolk Hideaways Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

NORFOLK HIDEAWAYS LIMITED

Independent auditor's report to the member of Norfolk Hideaways Limited

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member, 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

23 May 2019

NORFOLK HIDEAWAYS LIMITED

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		1,793,062	1,246,964
Cost of sales		(320,735)	(150,478)
Gross profit		1,472,327	1,096,486
Administrative expenses		(1,296,620)	(932,211)
Operating profit		175,707	164,275
Interest receivable		1,525	52
Interest payable		(2,725)	(339)
Profit on ordinary activities before taxation	2	174,507	163,988
Taxation on profit on ordinary activities	3	(34,917)	(32,977)
Profit on ordinary activities after taxation and total comprehensive income for the financial year		139,590	131,011

The notes on pages 9 to 16 form part of these financial statements.

NORFOLK HIDEAWAYS LIMITED
Statement of financial position at 31 December 2018
Company No 07593730

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	5	126,814		69,119	
Investments	6	5,000		5,000	
		<u>131,814</u>		<u>74,119</u>	
Current assets					
Debtors	7	243,775	138,751		
Cash at bank and in hand		761,195	534,569		
		<u>1,004,970</u>	<u>673,320</u>		
Creditors: amounts falling due within one year	8	<u>(593,724)</u>	<u>(350,970)</u>		
Net current assets		<u>411,246</u>		<u>322,350</u>	
Total assets less current liabilities		<u>543,060</u>		<u>396,469</u>	
Creditors: amounts falling due after one year	9	(4,275)			-
Provisions for liabilities					
Deferred taxation	10	(6,253)		(3,527)	
Net assets		<u>532,532</u>		<u>392,942</u>	
Capital and reserves					
Called up share capital	11	2		2	
Profit and loss account		532,530		392,940	
Total equity		<u>532,532</u>		<u>392,942</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 6 to 16 were approved by the Board and authorised for issue on 21 May 2019 and are signed on its behalf by:



G D Baber
Director

The notes on pages 9 to 16 form part of these financial statements.

NORFOLK HIDEAWAYS LIMITED**Statement of changes in equity for the year ended 31 December 2018**

	Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2017	2	261,929	261,931
Profit and total comprehensive income for the year	-	131,011	131,011
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	2	392,940	392,942
Profit and total comprehensive income for the year	-	139,590	139,590
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	2	532,530	532,532

NORFOLK HIDEAWAYS LIMITED

Accounting policies for the year ended 31 December 2018

General information

Norfolk Hideaways Limited ("the Company") is a private company limited by shares incorporated in England and Wales.

The registered office address of the Company is Big Blue Sky Building, Warham Road, Wells Next The Sea, Norfolk, NR23 1QA.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

Turnover

Turnover represents rental commissions receivable, excluding value added tax. The company recognises commission in the statement of comprehensive income when the deposit is received.

Where the company acts as agent, turnover includes only the commission element of the rental arrangements.

Deposits are received on a non-refundable basis and are therefore treated as income on receipt.

Intangible assets

On 30 September 2011 goodwill of £330,000 was recognised on the transfer of the trade and assets of Norfolk Hideaways to the company and was originally amortised over 10 years. In the period ended 31 December 2016 the directors concluded that the useful economic life of that goodwill was 5 years and consequently additional amortisation was charged in that period of £156,750 to bring the net book value to £Nil.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:-

Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% reducing balance
Equipment	-	15% reducing balance

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

NORFOLK HIDEAWAYS LIMITED

Accounting policies for the year ended 31 December 2018 (Continued)

Fixed asset investments

Investments are initially measured at cost, including directly attributable transaction costs and subsequently measured at cost less any accumulated impairment losses.

Investments are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the financial year. Taxable profit differs from the profit on ordinary activities because it excludes items of income or expense that are taxable or deductible in other years. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and the profit on ordinary activities that arise from the inclusion of income and expenses in tax assessments in different years from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("lease purchase and hire purchase"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Annual rentals on operating leases are charged to profit or loss on a straight line basis over the lease term.

Rent free years or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The company's holiday year ends at the reporting date.

Employees are not entitled to carry forward any unused holiday entitlement at the reporting date, unless there are exceptional circumstances.

NORFOLK HIDEAWAYS LIMITED

Accounting policies for the year ended 31 December 2018 (Continued)

Retirement benefits

Contributions are made into the individual personal pension plans of certain employees. The contributions are charged to profit or loss in the year in which they become payable.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

NORFOLK HIDEAWAYS LIMITED**Notes forming part of the financial statements for the year ended 31 December 2018****1 Employees**

	2018	2017
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	541,254	411,011
Social security costs	41,919	35,787
Pension costs	5,512	2,129
	588,685	448,927

The average number of employees of the company during the year, including directors, was as follows:

	2018	2017
	Number	Number
Administration	28	20

The 4 (2017: 4) directors, who are considered to be the key management personnel, received no remuneration during the year or in the previous period.

2 Profit on ordinary activities before taxation

	2018	2017
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible assets	21,650	16,959
Depreciation of tangible assets held under hire purchase agreements	1,579	-
Operating lease rentals - land and buildings	48,171	41,778

NORFOLK HIDEAWAYS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018 (Continued)

3 Taxation

	2018 £	2017 £
<i>Current tax:</i>		
UK corporation tax on profit/loss for year	32,191	32,887
Adjustments in respect of previous periods	-	3
	<u>32,191</u>	<u>32,890</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	2,726	87
	<u>34,917</u>	<u>32,977</u>
Taxation on profit/loss on ordinary activities		

The tax assessed for the year is different to that calculated at the applicable standard rate of corporation tax in the UK. The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	174,507	163,988
Tax on profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	33,156	31,568
Effects of:		
Expenses not deductible for tax purposes	1,142	720
Adjustments in respect of previous periods	-	3
Tax rate and other differences	619	686
	<u>34,917</u>	<u>32,977</u>
Taxation on profit/loss on ordinary activities		

4 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At 1 January 2018 and 31 December 2018	330,000
<i>Amortisation</i>	
At 1 January 2018 and 31 December 2018	330,000
<i>Net book value</i>	
At 31 December 2018	-
At 31 December 2017	-

NORFOLK HIDEAWAYS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018 (Continued)

5 Tangible fixed assets

	Equipment £	Motor vehicles £	Fixtures & fittings £	Total £
<i>Cost</i>				
At 1 January 2018	41,113	28,190	53,767	123,070
Additions	13,775	18,279	48,870	80,924
At 31 December 2018	54,888	46,469	102,637	203,994
<i>Depreciation</i>				
At 1 January 2018	15,088	19,380	19,483	53,951
Charge for the year	5,429	9,713	8,087	23,229
At 31 December 2018	20,517	29,093	27,570	77,180
<i>Net book value</i>				
At 31 December 2018	34,371	17,376	75,067	126,814
At 31 December 2017	26,025	8,810	34,284	69,119

6 Fixed asset investments

	Unlisted investments £
<i>Cost</i>	
At 1 January 2018 and 31 December 2018	5,000
<i>Net book value</i>	
At 1 January 2018 and 31 December 2018	5,000

7 Debtors

	2018 £	2017 £
Trade debtors	2,252	7,594
Amounts owed by group undertakings	126,125	117,693
Corporation tax	27,783	-
Other debtors and prepayments	87,615	13,464
	243,775	138,751

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	-	1,807
Obligations under finance lease and hire purchase contracts (note 9)	2,838	-
Trade creditors	199,458	154,650
Amounts owed to group undertakings	281,342	61,327
Corporation tax	-	31,179
Other taxation and social security	72,955	75,497
Other creditors and accruals	37,131	26,510
	593,724	350,970

NORFOLK HIDEAWAYS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018 (Continued)

9 Creditors: amounts falling due after one year

	2018 £	2017 £
Obligations under finance lease and hire purchase contracts – due within two to five years	<u>4,275</u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are secured by the underlying assets.

10 Deferred taxation

	2018 £	2017 £
Balance at 1 January 2018	3,527	3,440
Movement in the year	<u>2,726</u>	<u>87</u>
Balance at 31 December 2018	<u>6,253</u>	<u>3,527</u>

The deferred tax provision consists entirely of accelerated capital allowances.

11 Share capital

	2018 Number	Allotted, called up and fully paid 2017 Number	2018 £	2017 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Within 1 year	44,077	35,318
2-5 years	120,000	77,996
>5 years	<u>152,170</u>	<u>40,022</u>
	<u>316,247</u>	<u>153,336</u>

13 Pensions

The company makes payments into individual personal pension plans on behalf of certain employees. The assets of these pension plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds. The charge for the year was £5,512 (2017 - £2,129); £Nil contributions were outstanding at the year end (2017 - £nil).

NORFOLK HIDEAWAYS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018 (Continued)

14 Ultimate parent company

The ultimate parent company is Quality Holidays Assured Limited, a company incorporated in the Isle of Man, which is the parent of the largest, and smallest group, of which the company is a member.

The address of the parent's registered office is:

Bank Chambers
15-19, Athol Street
Douglas
Isle of Man
IM1 1LB

15 Contingent liabilities

A deed of accession was made on 5 September 2017 supplemental to an omnibus guarantee and set-off arrangement registered on 25 September 2014 in favour of Lloyds Bank plc (the bank), encompassing the company, its parent company Quality Holidays Assured Limited and fellow subsidiary companies Conker Interiors Limited, HPB Loans Limited, Lantern & Larks Limited, Newmarketing Campaign Limited, Rural Retreats Holidays Limited, Signature Holidays Limited and Stately Holiday Cottages Limited.

Each company guarantees payment of liabilities due to the bank by any or all of these companies. The arrangement also permits the bank to combine or consolidate all or any of the companies' accounts held with the bank with all or any of the companies' liabilities due to the bank and to set-off or transfer any credit balance held, in or towards satisfaction of any such liabilities. At 31 December 2018 total liabilities due to the bank by the companies were £3,820,187 (2017: £5,263,535).

16 Regulatory information

As stated within the accounting policies, where the group acts as agent, turnover includes only the commission element of the travel arrangements.

The gross value and cost of all travel arrangements for the year was as follows:

	2018 £	2017 £
Value	7,190,012	5,028,574
Cost	(5,396,950)	(3,781,610)
	<u>1,793,062</u>	<u>1,246,964</u>