

Financial Statements
for the Year Ended 31 December 2021
for
BROOM HOLIDAYS LIMITED

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for the year ended 31 December 2021

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BROOM HOLIDAYS LIMITED
Company Information
for the year ended 31 December 2021

Directors:	M R Scott S A Thorne A J Howell
Registered office:	The Yacht Station Riverside Brundall Norwich Norfolk NR13 5PX
Registered number:	08117295 (England and Wales)
Auditors:	Haines Watts Essex LLP Juniper House Warley Hill Business Park The Drive Brentwood Essex CM13 3BE

Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	4		3,069,202		2,537,547
Current assets					
Cash at bank		-		3,493	
Creditors					
Amounts falling due within one year	5	4,001		2,582,633	
Net current liabilities			(4,001)		(2,579,140)
Total assets less current liabilities			<u>3,065,201</u>		<u>(41,593)</u>
Capital and reserves					
Called up share capital	7		50,000		50,000
Revaluation reserve	8		704,663		-
Retained earnings	8		2,310,538		(91,593)
Shareholders' funds			<u>3,065,201</u>		<u>(41,593)</u>

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 9 August 2022 and were signed on its behalf by:

M R Scott - Director

1. **Statutory information**

Broom Holidays Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 08117295 and registered office address is Yacht Station, Riverside, Brundall, Norwich, Norfolk, NR13 5PX.

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 as modified by the revaluation of certain assets.

Going concern

The company meets its day to day working capital requirements through bank loans and support from fellow group undertakings. Based upon the ongoing support of group companies, the directors are confident that the company has sufficient resources and facilities to meet its liabilities as they fall due and have accordingly prepared the financial statements on the going concern basis.

The directors reviewed and considered relevant information, including the annual budgets and forecasts of the company in making their assessment. In particular, in response to the COVID-19 pandemic, the directors have taken into account the impact on their business of COVID-19, alongside the measures that they have taken to mitigate the future impact. To date, management have acted swiftly and decisively in enacting cost saving measures and obtaining suitable government support, leaving the business well positioned to continue its planned turnaround throughout FY21. Demand in FY20, following the COVID-19 enforced lockdown was strong with utilisation rates reaching record levels. Based on these assessments, given the measures that have been undertaken to mitigate the current adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is also estimation uncertainty in calculating deferred tax liability due to temporary timing differences. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates and the physical condition of the assets.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Changes in accounting policies

As at the year end the fixed asset accounting policy for Hire Fleet was voluntarily changed from the cost model to the revaluation model. The directors consider that this change in policy provides more reliable and relevant information as it reflects the current market value of the hire fleet.

This change in accounting policy has increased fixed assets by £704,663 due to the revaluation of hire fleet to fair value at year end.

The company has taken the exemption from retrospective application of a policy to revalue assets in accordance with FRS102.

2. Accounting policies - continued**Turnover**

Revenue in respect of boat hire is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. This is normally at the start of the holiday. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes.

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.

Tangible fixed assets under the revaluation model are stated at fair value less subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation gains and losses are reported in other comprehensive income and accumulated in equity.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% straight line - cost model
Hire fleet	- 5% straight line - revaluation model
Equipment	- 33% straight line - cost model
Motor vehicles	- 25% straight line - cost model
Website	- 25% straight line - cost model

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 31 December 2021

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.

3. Employees and directors

The average number of employees during the year was NIL (2020 - NIL).

4. Tangible fixed assets

	Freehold property £	Hire fleet & equipment £	Motor vehicles £	Website £	Totals £
Cost or valuation					
At 1 January 2021	8,700	3,357,974	10,500	5,743	3,382,917
Disposals	-	(2,566)	-	-	(2,566)
Revaluations	-	(291,608)	-	-	(291,608)
At 31 December 2021	8,700	3,063,800	10,500	5,743	3,088,743
Depreciation					
At 1 January 2021	3,079	828,736	8,976	4,579	845,370
Charge for year	937	167,535	1,524	446	170,442
Revaluation adjustments	-	(996,271)	-	-	(996,271)
At 31 December 2021	4,016	-	10,500	5,025	19,541
Net book value					
At 31 December 2021	4,684	3,063,800	-	718	3,069,202
At 31 December 2020	5,621	2,529,238	1,524	1,164	2,537,547

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Hire fleet & equipment £	Motor vehicles £	Website £	Totals £
Valuation in 2021	-	(291,608)	-	-	(291,608)
Cost	8,700	3,355,408	10,500	5,743	3,380,351
	8,700	3,063,800	10,500	5,743	3,088,743

5. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts (see note 6)	-	38,936
Amounts owed to group undertakings	-	2,530,131
Taxation and social security	-	7,037
Other creditors	4,001	6,529
	<u>4,001</u>	<u>2,582,633</u>

Notes to the Financial Statements - continued
for the year ended 31 December 20216. **Loans**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans	-	38,936

7. **Called up share capital****Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2021 £	2020 £
50,000	Ordinary	£1	50,000	50,000

8. **Reserves**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2021	(91,593)	-	(91,593)
Profit for the year	2,402,131		2,402,131
Hire fleet revaluation	-	704,663	704,663
At 31 December 2021	2,310,538	704,663	3,015,201

9. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Ian Gorsuch (Senior Statutory Auditor)
for and on behalf of Haines Watts Essex LLP

10. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. **Ultimate controlling party**

The ultimate controlling party is M Scott.

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.