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**PALMHALL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



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**PALMHALL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J E Bentall J P Dunford D F King
<b>Company secretary</b>	D F King
<b>Registered number</b>	01557614
<b>Registered office</b>	1 Park Lane Hemel Hempstead Hertfordshire HP2 4YL
<b>Independent auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Slaughter and May One Bunhill Row London EC1Y 8YY

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**PALMHALL LIMITED**

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**PALMHALL LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their strategic report for the year ended 31 December 2016.

**Principal activity and review of the business**

The company trades as a caravan park operator and caravan vendor.

The company's key financial and other performance indicators during the year were as follows:

	<b>2016</b>	<b>2015</b>	<b>Change</b>
	<b>£000</b>	<b>£000</b>	<b>%</b>
Turnover	12,816	11,266	13.8
Profit on ordinary activities before taxation	1,262	1,516	(16.8)
Profit after tax	910	1,274	(28.6)
Shareholders' funds	1,534	2,124	(27.8)

Turnover increased by 13.8% compared with the previous year, mainly because of an increase in caravan sales, site fees and retail activities. Profit on ordinary activities before taxation decreased from £1,516,000 in 2015 to £1,262,000 in 2016 because of an increase in certain administrative expenses.

Shareholders' funds decreased from £2,124,000 to £1,534,000 because of the profit realised for the year of £910,000 less dividends paid of £1,500,000.

In the future, the directors expect the business to show growth.

**Principal risks and uncertainties**

The company recognises a variety of financial and market based risks, including exposure to fluctuating interest risks, changing economic conditions, technological and industry based risks, the competitive environment and regulatory changes. These, either singularly or collectively, may affect revenue, cost structure or the value of assets within the business, and are all difficult to quantify.

The main financial risks arising from the company's business are liquidity and cash flow risk and credit risk, and policies with respect to these risks are described below. There is no currency exposure as all material transactions and financial instruments are in sterling.

- **Liquidity and cash flow risk**

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The company aims to mitigate liquidity and cash flow risk by managing its cash generation. The company also manages liquidity and cash flow risk by utilising its cash resources.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

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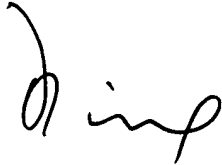
PALMHALL LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016

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This report was approved by the board and signed on its behalf.



D F King  
Secretary

Date: 27 APRIL 2017

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## **PALMHALL LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are 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 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.

#### **Directors**

The directors who served during the year were:

J E Bentall  
J P Dunford  
D F King

#### **Dividends**

The company paid a dividend of £1,500,000 in the year (2015 - £503,000).

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director 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 auditors are aware of that information.

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PALMHALL LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016

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This report was approved by the board and signed on its behalf.



D F King  
Secretary

Date: 27 APRIL 2017

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PALMHALL LIMITED

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We have audited the financial statements of Palmhall Limited for the year ended 31 December 2016, set out on pages 7 to 17. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

### Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its results 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.

### Opinion on other matter 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' report.



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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PALMHALL LIMITED (CONTINUED)**

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**Matters on which we are required to report by exception**

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst + Young L.L.P.*

Cameron Cartmell (Senior Statutory Auditor)

for and on behalf of  
**Ernst & Young LLP**

1 More London Place  
London  
SE1 2AF

Date: *27/4/17*

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**PALMHALL LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Note	2016 £000	2015 £000
Turnover	2	12,816	11,266
Cost of sales		(5,306)	(4,192)
<b>Gross profit</b>		<b>7,510</b>	<b>7,074</b>
Administrative expenses		(6,248)	(5,558)
<b>Operating profit</b>	3	<b>1,262</b>	<b>1,516</b>
Tax on profit	5	(352)	(242)
<b>Profit for the year</b>		<b>910</b>	<b>1,274</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

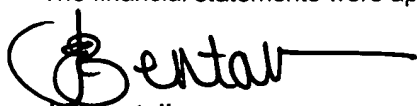
The notes on pages 10 to 17 form part of these financial statements.

**PALMHALL LIMITED**  
**REGISTERED NUMBER:01557614**

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

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	6	12,230	11,625
		<u>12,230</u>	<u>11,625</u>
<b>Current assets</b>			
Stocks		393	287
Debtors	7	1,551	1,464
Cash at bank and in hand		2	2
		<u>1,946</u>	<u>1,753</u>
Creditors: amounts falling due within one year	8	(8,942)	(7,778)
<b>Net current liabilities</b>		<u>(6,996)</u>	<u>(6,025)</u>
<b>Total assets less current liabilities</b>		<u>5,234</u>	<u>5,600</u>
<b>Provisions for liabilities</b>			
Deferred tax	9	(753)	(628)
Accruals and deferred income		(2,947)	(2,848)
<b>Net assets</b>		<u><u>1,534</u></u>	<u><u>2,124</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	534	534
Profit and loss account		1,000	1,590
<b>Shareholders' funds</b>		<u><u>1,534</u></u>	<u><u>2,124</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J E Bentall  
Director

Date: 27 APRIL 2017

The notes on pages 10 to 17 form part of these financial statements.

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**PALMHALL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2016	534	1,590	2,124
Profit for the year	-	910	910
Dividends	-	(1,500)	(1,500)
<b>At 31 December 2016</b>	<b>534</b>	<b>1,000</b>	<b>1,534</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2015	534	819	1,353
Profit for the year	-	1,274	1,274
Dividends	-	(503)	(503)
<b>At 31 December 2015</b>	<b>534</b>	<b>1,590</b>	<b>2,124</b>

The notes on pages 10 to 17 form part of these financial statements.

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## **PALMHALL LIMITED**

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

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#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

Palmhall Limited is a limited company incorporated in England. The registered office is 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 accounting policies.

The following principal accounting policies have been applied:

##### **1.2 Going concern**

The financial statements are prepared under the going concern basis. The directors believe this is appropriate as the company's ultimate parent undertaking, Bourne Leisure Holdings Limited, has given an undertaking to provide such support as is necessary in the foreseeable future to enable the company to meet its liabilities as they fall due.

##### **1.3 Cash flow statement**

The company has taken advantage of the exemption conferred by FRS 102 from presenting a cash flow statement as it is a wholly owned subsidiary of a UK parent undertaking.

##### **1.4 Related party transactions**

The company has taken advantage of the exemption allowed by FRS 102 and has not disclosed any related party transactions with entities of the group.

##### **1.5 Deferred income**

Income invoiced or cash received for site fees, holidays and other goods and services relating to future periods is included within deferred income.

##### **1.6 Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of VAT.

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**PALMHALL LIMITED**

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

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**1. Accounting policies (continued)**

**1.7 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	–	Between 20 years and 50 years
Long life plant and machinery	–	10 years
Vehicles	–	4 years
Plant and equipment	–	6 years
Computer equipment	–	3 years

No depreciation is provided on freehold land.

Caravans for hire are depreciated by equal annual amounts to their estimated value at the date on which they are due for replacement.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**1.8 Stocks**

Stocks of caravans and other goods for resale are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs on disposal.

**1.9 Deferred taxation**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability / (asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised; and

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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**PALMHALL LIMITED**

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

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**1. Accounting policies (continued)**

**1.10 Pensions**

Pension contributions are made to defined contribution schemes for certain directors and employees. These contributions are charged to the profit and loss account as they are incurred.

**2. Turnover**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, net of discounts, rebates and value added tax.

Revenue comprises:

**Holiday sales**

Revenue received for holiday sales is initially deferred and subsequently recognised when the holiday commences.

**Caravan sales and owner services**

Sales of caravans are recognised when risks and rewards have been transferred to the purchaser.

Owner services include site fees which are paid annually. The fees are deferred and released across the period to which they relate.

**3. Operating profit**

The operating profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>678</b>	<b>663</b>
Auditor's remuneration	<b>4</b>	<b>4</b>

The directors of the company were also directors of other undertakings within the Bourne Leisure Holdings Limited group. The directors' remuneration for the year is disclosed in the accounts of Bourne Leisure Holdings Limited. The directors do not believe it is practicable to apportion this amount between their qualifying services as directors of the company and their qualifying services as directors of other undertakings within the Bourne Leisure Holdings Limited group.

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PALMHALL LIMITED

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

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4. Staff Costs

	2016 £000	2015 £000
Wages and salaries	2,095	1,864
Social security costs	156	137
Other pension costs	16	13
	<u>2,267</u>	<u>2,014</u>

The average monthly number of employees, excluding the directors, during the year was as follows:

	2016 No.	2015 No.
Average number of employees	<u>139</u>	<u>124</u>

5. Taxation

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on profits for the year	248	323
Adjustments in respect of previous periods	(21)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	125	(81)
<b>Taxation on profit on ordinary activities</b>	<u>352</u>	<u>242</u>



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PALMHALL LIMITED

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

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5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are reconciled below:

	2016	2015
	%	%
UK corporation tax rate	20.0	20.3
Permanent differences – disallowed expenses	2.6	0.1
(Accelerated) / Decelerated capital allowances	(1.1)	1.8
Rollover relief on disposal of fixed assets	(1.9)	(0.9)
Others	(1.7)	-
Deferred tax	10.0	(5.3)
Effective tax rate	27.9	16.0

Factors that may affect future tax charges

The corporation tax rate is due to reduce to 19% from 1 April 2017. The Finance Bill reduced the main rate of corporation tax to 17% from 1 April 2020.

PALMHALL LIMITED

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

**6. Tangible fixed assets**

	Freehold land and buildings £000	Caravans, plant and equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2016	11,952	2,730	14,682
Additions	1,085	378	1,463
Disposals	(218)	(348)	(566)
At 31 December 2016	<u>12,819</u>	<u>2,760</u>	<u>15,579</u>
<b>Depreciation</b>			
At 1 January 2016	1,848	1,209	3,057
Charge for the period on owned assets	377	301	678
Disposals	(218)	(168)	(386)
At 31 December 2016	<u>2,007</u>	<u>1,342</u>	<u>3,349</u>
<b>Net book value</b>			
At 31 December 2016	<u>10,812</u>	<u>1,418</u>	<u>12,230</u>
At 31 December 2015	<u>10,104</u>	<u>1,521</u>	<u>11,625</u>

**7. Debtors**

	2016 £000	2015 £000
Trade debtors	1,476	1,387
Other debtors and prepayments	75	77
	<u>1,551</u>	<u>1,464</u>

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PALMHALL LIMITED

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

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8. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	8,494	7,307
Corporation tax	120	189
Other creditors	101	114
Accruals	227	168
	<u>8,942</u>	<u>7,778</u>

9. Deferred taxation

	2016 £000	2015 £000
At beginning of year	628	709
Charged/(credited) to profit or loss	125	(81)
At end of year	<u>753</u>	<u>628</u>

The deferred tax provided at 18% (2014 - 20%) is made up as follows:

	2016 £000	2015 £000
Accelerated capital allowances	682	551
Rollover and holdover gains	71	77
	<u>753</u>	<u>628</u>

The Summer Budget 2015 included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Bill 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 17% as at 31 December 2016.

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**PALMHALL LIMITED**

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

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**10. Share capital**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Allotted, called up and fully paid</b>		
533,816 Ordinary Shares shares of £1 each	<b>534</b>	<b>534</b>

**11. Capital commitments**

	<b>2016 £000</b>	<b>2015 £000</b>
Amounts contracted but not incurred at year end	<b>413</b>	<b>266</b>

**12. Pension commitments**

The group operates a defined contribution pension scheme for certain directors and employees and in addition has made available to all employees a stakeholder defined contributions scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

**13. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is Colaingrove Limited, a company incorporated in Great Britain.

The company's ultimate parent undertaking and controlling party is Bourne Leisure Holdings Limited, a company registered in England and Wales.

Copies of the group financial statements, which include this company, are available from 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.