

Company Registration No. 3934509 (England and Wales)

**THORNEY BAY PARK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**Richard Anthony**  
**Chartered Accountants and Registered Auditors**

# THORNEY BAY PARK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ms H E King Mr J O'Dell
<b>Secretary</b>	Ms H E King
<b>Company number</b>	3934509
<b>Registered office</b>	2nd Floor Gadd House Arcadia Avenue England London N3 2JU
<b>Auditor</b>	Richard Anthony 2nd Floor Gadd House Arcadia Avenue England London N3 2JU

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# THORNEY BAY PARK LIMITED

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# THORNEY BAY PARK LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors present their strategic report for the year ended 30 September 2020.

### **Fair review of the business**

The company is a subsidiary of Pemican Limited.

The financial position of the company at the period end was considered satisfactory by the directors. Despite the fall in sales revenue the company returned a better gross profit margin, but this led to a loss before taxation of £816,924 (2019 - £275,458 profit) due to higher rent and repair costs coupled with the loss of the management fee with regard to caravan rentals.

### **Principal risks and uncertainties**

The directors consider that the principal risk associated with the company's activities is the exposure that any company would have when undertaking such a major site development project. However, due to the strong internal processes that have been set up, both at company level and group level, the directors feel that any risk is spread between this company and its trading partners. These processes have been backed up by the progress made, both during this accounting period and in the following period.

The directors also consider that there are no major uncertainties that need to be addressed here, again, based on the continued success of the project following the balance sheet date.

### **Development and performance**

The directors have considered the value of the land held for site rental and development. With the expansion of the site development activities, the directors feel that the intrinsic value of the land has risen dramatically due to the high standard of properties available and the anticipated upgrading of the site amenities.

### **Key performance indicators**

The directors monitor a number of what they believe to be key performance indicators. These include the site development costs, both as an overall project and on a plot by plot basis. Achieving the best results from the onward sale of properties taken as part exchange. Maintaining the rental income both from properties owned and ground rents from those plots that have already been sold. Monitoring any comments or feedback provided by the residents and tenants regarding the site's amenities.

### **Numerically, the key performance indicators are as follows:**

Overall gross profit/(loss)	20.44%	2019 - 19.80%
Net profit/(loss)	(3.97)%	2019 - 0.98%
Property gross profit	4.64%	2019 - 10.52%

On behalf of the board

Ms H E King

**Director**

24 June 2021

# THORNEY BAY PARK LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors present their annual report and financial statements for the year ended 30 September 2020.

### Principal activities

The principal activities of the company continued to be that of renting out recreational vehicle parks, trailer parks and camping grounds and that of site development and the sale of holiday homes.

### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms H E King  
Mr J O'Dell

### Post reporting date events

At the date of signing the accounts, the UK economy is severely impacted by the effects of the spread of COVID-19, and the measures taken by the government to prevent the continued spread of the virus. The company, in line with businesses in many industries, has been harmfully impacted by these measures. Despite the effects of the measures, the company remains in a strong position due to its strong capital base and sustained demand within the residential property market. For these reasons, the directors are confident that the company can remain viable throughout the period, and will emerge with a stronger financial profile when the crisis subsides.

### Auditor

In accordance with the company's articles, a resolution proposing that Richard Anthony be reappointed as auditor of the company will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have 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.

On behalf of the board

Ms H E King  
**Director**

24 June 2021

# **THORNEY BAY PARK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2020***

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The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

# THORNEY BAY PARK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THORNEY BAY PARK LIMITED

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#### **Disclaimer of opinion on financial statements**

We were engaged to audit the financial statements of Thorney Bay Park Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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).

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### **Basis for Disclaimer of Opinion**

We were unable to form an opinion as to whether the fixed assets as at the balance sheet date were fairly valued. Land and buildings with a carrying amount of £59,811,832 were revalued at 30 September 2018 by the directors at their estimation of the current market development value. Although the valuation was based on market evidence of transaction prices on arm's length terms, we were unable to independently corroborate the balance sheet value and there were no alternative audit procedures we could undertake.

#### **Material uncertainty related to going concern**

We draw attention to Note 1.2 in the financial statements, which indicates that at 30 September 2020 the company's current liabilities exceeded current assets by £4,446,418 (2019 - £3,728,508) which may cause doubt on the company's ability to continue as a going concern.

#### **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**

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of our 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# THORNEY BAY PARK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THORNEY BAY PARK LIMITED

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

Notwithstanding our disclaimer of opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors report.

Arising from the limitation of our work referred to in the Basis for Disclaimer of Opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

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



# **THORNEY BAY PARK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF THORNEY BAY PARK LIMITED**

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#### **Use of our report**

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.

**Anthony Simons BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Richard Anthony**

24 June 2021

**Chartered Accountants**  
**Statutory Auditor**

2nd Floor Gadd House  
Arcadia Avenue  
England  
London  
N3 2JU

# THORNEY BAY PARK LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	20,634,819	28,144,829
Cost of sales		(16,416,684)	(22,573,261)
<b>Gross profit</b>		<u>4,218,135</u>	<u>5,571,568</u>
Administrative expenses		(5,034,112)	(4,503,324)
Other operating income		134,878	250,000
<b>Operating (loss)/profit</b>	<b>4</b>	<u>(681,099)</u>	<u>1,318,244</u>
Interest receivable and similar income	<b>6</b>	98,949	80,743
Interest payable and similar expenses	<b>7</b>	(237,880)	(1,123,529)
<b>(Loss)/profit before taxation</b>		<u>(820,030)</u>	<u>275,458</u>
Tax on (loss)/profit	<b>8</b>	-	(12,186)
<b>(Loss)/profit for the financial year</b>		<u><u>(820,030)</u></u>	<u><u>263,272</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# THORNEY BAY PARK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	2020	2019
	£	£
(Loss)/profit for the year	(820,030)	263,272
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(820,030)</u>	<u>263,272</u>

# THORNEY BAY PARK LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9	60,052,758		60,124,990	
<b>Current assets</b>					
Stocks	10	2,980,259		5,623,386	
Debtors	11	11,023,637		12,037,532	
Cash at bank and in hand		747,767		609,803	
		<u>14,751,663</u>		<u>18,270,721</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(19,198,081)</u>		<u>(21,999,229)</u>	
<b>Net current liabilities</b>			(4,446,418)		(3,728,508)
<b>Total assets less current liabilities</b>			<u>55,606,340</u>		<u>56,396,482</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(312,549)		(282,661)
<b>Provisions for liabilities</b>					
Deferred tax liability	16	<u>10,593,381</u>	(10,593,381)	<u>10,593,381</u>	(10,593,381)
<b>Net assets</b>			<u><u>44,700,410</u></u>		<u><u>45,520,440</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		2,000		2,000
Revaluation reserve	19		45,161,256		45,161,256
Profit and loss reserves	20		<u>(462,846)</u>		<u>357,184</u>
<b>Total equity</b>			<u><u>44,700,410</u></u>		<u><u>45,520,440</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 June 2021 and are signed on its behalf by:

Ms H E King  
Director

Company Registration No. 3934509

# THORNEY BAY PARK LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 October 2018</b>	2,000	45,161,256	93,912	45,257,168
<b>Year ended 30 September 2019:</b>				
Profit and total comprehensive income for the year	-	-	263,272	263,272
<b>Balance at 30 September 2019</b>	2,000	45,161,256	357,184	45,520,440
<b>Year ended 30 September 2020:</b>				
Loss and total comprehensive income for the year	-	-	(820,030)	(820,030)
<b>Balance at 30 September 2020</b>	2,000	45,161,256	(462,846)	44,700,410

# THORNEY BAY PARK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	432,655		2,152,125	
Interest paid		(237,880)		(1,123,529)	
Income taxes (paid)/refunded		(49,271)		11,368	
<b>Net cash inflow from operating activities</b>		145,504		1,039,964	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(119,502)		(99,982)	
Interest received		98,949		80,743	
<b>Net cash used in investing activities</b>		(20,553)		(19,239)	
<b>Financing activities</b>					
Movement in bank loans		50,000		(515,786)	
Payment of finance leases obligations		(36,987)		(24,854)	
<b>Net cash generated from/(used in) financing activities</b>		13,013		(540,640)	
<b>Net increase in cash and cash equivalents</b>		137,964		480,085	
Cash and cash equivalents at beginning of year		609,803		129,718	
<b>Cash and cash equivalents at end of year</b>		747,767		609,803	

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Thorney Bay Park Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor Gadd House, Arcadia Avenue, England, London, N3 2JU.

#### **1.1 Accounting convention**

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") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future supported by current year pre tax loss of £820,030 (2019 - £275,458 profit) which has resulted in negative retained reserves of £462,846 (2019 - £357,184 positive reserves).

However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern with the company having net current liabilities of £4,446,418 (2019 - £3,728,508).

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The company has various streams of income including the sale of park homes and, where appropriate, their corresponding part exchanged properties; rental income from homes sited on company and rented ground including both ground rent and property rent and income from park amenities and services.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Regarding sales of holiday homes, these are recognised upon the exchange of ownership indicated by the raising of a sales invoice following completion.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold buildings	4% straight line
Leasehold improvements	10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	20% straight line
Motor vehicles	20% reducing balance

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks include the properties taken as part exchange on the sale of park homes that have yet to be re-sold prior to the end of the accounting period as well as work in progress on the site development for further new park homes to be constructed.

The work in progress includes the preparation of each specific site as well as the installation of the park home itself. The valuation method is based on the materials and labour spent on the site development after taking into account those sites completed and sold as well as the stage of progress achieved on those sites that have yet to be finished.

Further, there is also the stock of consumable items used in the park amenities and services.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.



# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The company received a sum of £63,791 during the accounting period under the government Coronavirus Job Retention Scheme.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Park home sales	16,567,498	23,801,836
Sales of part exchange properties	235,000	775,080
Rental income	2,879,394	2,288,206
Service licenses	297,136	362,991
Bar sales	274,191	483,180
Other income	381,600	433,536
	<u>20,634,819</u>	<u>28,144,829</u>
	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	98,949	80,743
Grants received	63,791	-
	<u>162,740</u>	<u>80,743</u>

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(63,791)	-
Fees payable to the company's auditor for the audit of the company's financial statements	20,180	-
Depreciation of owned tangible fixed assets	191,734	124,814
Depreciation of tangible fixed assets held under finance leases	-	43,020
Operating lease charges	480,000	315,000
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Directors	2	2
Administration	14	13
Maintenance	47	47
	<u>          </u>	<u>          </u>
Total	63	62
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,652,730	1,581,912
Social security costs	143,557	115,458
Pension costs	19,518	16,669
	<u>          </u>	<u>          </u>
	1,815,805	1,714,039
	<u>          </u>	<u>          </u>

### 6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	98,949	80,743
	<u>          </u>	<u>          </u>

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 7 Interest payable and similar expenses

	2020	2019
	£	£
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	173,895	1,061,029
Other interest	63,985	62,500
	<u>237,880</u>	<u>1,123,529</u>

### 8 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	23,554
Tax relating to prior year adjustments recognised in profit or loss	-	(11,368)
	<u>-</u>	<u>12,186</u>

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
(Loss)/profit before taxation	<u>(820,030)</u>	<u>275,458</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(155,806)	52,337
Tax effect of expenses that are not deductible in determining taxable profit	13,420	14,932
Unutilised tax losses carried forward	146,096	-
Adjustments in respect of prior years	-	(11,368)
Group relief	-	(18,134)
Permanent capital allowances in excess of depreciation	(40,140)	(8,370)
Depreciation on assets not qualifying for tax allowances	36,430	-
Utilisation of carry forward losses	-	(17,211)
	<u>-</u>	<u>12,186</u>

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Tangible fixed assets	Freehold buildings		Leasehold improvements		Plant and equipment		Fixtures and fittings		Computers		Motor vehicles		Total
	£		£		£		£		£		£		£
<b>Cost or valuation</b>													
At 1 October 2019	60,000,000		5,107,978		3,349,929		258,043		8,679		241,426		68,966,055
Additions	-		-		78,786		25,306		15,410		-		119,502
At 30 September 2020	60,000,000		5,107,978		3,428,715		283,349		24,089		241,426		69,085,557
<b>Depreciation and impairment</b>													
At 1 October 2019	94,084		5,107,978		3,179,248		253,667		2,002		204,086		8,841,065
Depreciation charged in the year	94,084		-		71,555		7,077		4,818		14,200		191,734
At 30 September 2020	188,168		5,107,978		3,250,803		260,744		6,820		218,286		9,032,799
<b>Carrying amount</b>													
At 30 September 2020	59,811,832		-		177,912		22,605		17,269		23,140		60,052,758
At 30 September 2019	59,905,916		-		170,681		4,376		6,677		37,340		60,124,990

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 9 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2020 £	2019 £
Freehold	59,811,832	59,905,916

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and equipment	111,356	135,670

Land and buildings with a carrying amount of £59,811,832 were revalued at 30 September 2018 by the directors at their estimation of the current market development value. The valuation was based on market evidence of transaction prices on an arm's length terms for similar properties.

The revaluation surplus is disclosed in note 19.

Land and buildings have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell the land to another entity.

### 10 Stocks

	2020 £	2019 £
Work in progress	2,957,790	5,590,997
Finished goods and goods for resale	22,469	32,389
	2,980,259	5,623,386

### 11 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	472,083	822,676
Corporation tax recoverable	1,326,575	1,269,316
Other debtors	9,206,161	9,923,199
Prepayments and accrued income	18,818	22,341
	11,023,637	12,037,532



# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 12 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	14	3,333	-
Obligations under finance leases	15	38,512	36,987
Payments received on account		178,443	145,787
Trade creditors		6,512,380	7,753,777
Amounts owed to group undertakings		1,670,823	2,002,515
Corporation tax		82,398	74,410
Other taxation and social security		34,141	39,471
Other creditors		10,430,833	11,646,939
Accruals and deferred income		247,218	299,343
		<u>19,198,081</u>	<u>21,999,229</u>

The above obligations under finance leases are secured on the assets to which they relate.

### 13 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	14	46,667	-
Obligations under finance leases	15	72,844	111,356
Other creditors		193,038	171,305
		<u>312,549</u>	<u>282,661</u>

The above obligations under finance leases are secured on the assets to which they relate.

### 14 Loans and overdrafts

	2020 £	2019 £
Bank loans	<u>50,000</u>	<u>-</u>
Payable within one year	3,333	-
Payable after one year	<u>46,667</u>	<u>-</u>

The above loan carries interest at 2.5% p.a., is repayable in full 72 months following drawdown with an initial 12 repayment holiday with the interest for this initial 12 months being paid by the UK Government. This loan is not secured against any assets of the company.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 15 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	38,512	36,987
In two to five years	72,844	111,356
	<u>111,356</u>	<u>148,343</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Revaluations	<u>10,593,381</u>	<u>10,593,381</u>

There were no deferred tax movements in the year.

### 17 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>19,518</u>	<u>16,669</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	1,000	1,000	1,000	1,000
Ordinary B shares of £1 each	1,000	1,000	1,000	1,000
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 19 Revaluation reserve

	2020 £	2019 £
At the beginning and end of the year	45,161,256	45,161,256

### 20 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	357,184	93,912
(Loss)/profit for the year	(820,030)	263,272
At the end of the year	(462,846)	357,184

### 21 Contingent Liabilities

HMRC are currently conducting an enquiry into the affairs of the company, the outcome of which is unknown. The directors do not believe it appropriate to make any further provision for tax over and above those provisions already disclosed in the financial statements.

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	18,899	28,828
Between two and five years	17,410	50,466
	36,309	79,294

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	72,004	54,374

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 23 Related party transactions

(Continued)

Consultancy and commissions were paid to Mr J G King amounting to £1,857,134 (2019 - £2,598,415 ). Mr J G King is a related party by virtue of being a major shareholder in the parent company, Pemican Limited.

Management fees charged to Kings Leisure Limited were £13,552 (2019 - £250,000) for managing the rental customers with a maintenance charge of £12,992 (2019 - £Nil) also being charged.

Management fees were charged by the following related companies for managing the part exchange and the eventual sale of the properties taken in part exchange. The value of these charges were:

Thorney Bay Developments Limited	£Nil	2019 - £420,000
TB Developments Limited	£Nil	2019 - £384,000
Sandy Bay Resorts Limited	£164,000	2019 - £408,000
Sandy Bay Developments Limited	£2,324,000	2019 - £2,592,000

As at the balance sheet date, the following amounts were owed by the company:

Pemican Limited	£1,670,823	2019 - £2,002,515
Kings Leisure Limited	£8,642,871	2019 - £9,658,046
Kings Aviation Limited	£8,201	2019 - £Nil
Kings Executive Pension Scheme	£976,282	2019 - £1,070,388
Sandy Bay Developments Limited	£Nil	2019 - £146,148
Steve's Radio Cars Limited	£38,375	2019 - £Nil
J G King	£Nil	2019 - £501,989
S Wilson	£40,000	2019 - £40,000

with the following amounts owed to the company:

Kings Aviation Limited	£Nil	2019 - £143,866
Steve's Radio Cars Limited	£Nil	2019 - £15,128
Sandy Bay Developments Limited	£3,717,484	2019 - £2,184,139
Thorney Bay Developments Limited	£14,542	2019 - £222,429
T B Developments Limited	£9,400	2019 - £616,261
Sandy Bay Resorts Limited	£191,552	2019 - £1,150,294
S C Maroon	£425,292	2019 - £674,689
H W King	£244,076	2019 - £233,538
C B King	£354,210	2019 - £254,965
J G King	£1,965,311	2019 - £1,965,311
G I King	£60,146	2019 - £58,679
S P King	£804,202	2019 - £784,588
L King	£13,987	2019 - £13,395

The above companies are related by virtue of common directorships and shareholdings, with the individuals being related by virtue of directors within the group or related thereto.

All of the above balances are unsecured, interest free and repayable on demand, with the exception of balances charged the beneficial loan interest rate on the outstanding amounts.

### 24 Directors' transactions

As at the balance sheet date, the following amount was owed to H E King, a director of the company:

H E King	£72,602	2019 - £59,013
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The balance is unsecured, does not carry interest and is repayable on demand.

# THORNEY BAY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 25 Ultimate controlling party

The directors consider that Pemican Limited, a company incorporated in England and Wales, to be the parent company.

The directors consider that the ultimate controlling party consists of members of the King family by virtue of their shareholdings in Pemican Limited.

### 26 Cash generated from operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(820,030)	263,272
<b>Adjustments for:</b>		
Taxation charged	-	12,186
Finance costs	237,880	1,123,529
Investment income	(98,949)	(80,743)
Depreciation and impairment of tangible fixed assets	191,734	167,834
<b>Movements in working capital:</b>		
Decrease in stocks	2,643,127	567,594
Decrease/(increase) in debtors	1,071,154	(3,186,014)
(Decrease)/increase in creditors	(2,792,261)	3,284,467
<b>Cash generated from operations</b>	<b>432,655</b>	<b>2,152,125</b>

### 27 Analysis of changes in net funds

	1 October 2019 £	Cash flows £	30 September 2020 £
Cash at bank and in hand	609,803	137,964	747,767
Borrowings excluding overdrafts	-	(50,000)	(50,000)
Obligations under finance leases	(148,343)	36,987	(111,356)
	<b>461,460</b>	<b>124,951</b>	<b>586,411</b>

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.