

Royale Park Home Estates Limited

Financial statements

Information for filing with the registrar

For the Year Ended 30 September 2021



Royale Park Home Estates Limited
Registered number: 04153470

Balance Sheet
As at 30 September 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	4	9,442	16,109
Tangible assets	5	26,855,883	27,668,867
		<u>26,865,325</u>	<u>27,684,976</u>
Current assets			
Stocks	6	115,000	760,095
Debtors	7	16,320,357	18,436,878
Cash at bank and in hand		3,445	106,845
		<u>16,438,802</u>	<u>19,303,818</u>
Creditors: amounts falling due within one year	8	(17,172,463)	(17,038,714)
Net current (liabilities)/assets		<u>(733,661)</u>	<u>2,265,104</u>
Total assets less current liabilities		<u>26,131,664</u>	<u>29,950,080</u>
Creditors: amounts falling due after more than one year	9	(15,059,897)	(15,068,085)
Provisions for liabilities			
Deferred tax	11	(2,600,751)	(2,202,398)
Net assets		<u><u>8,471,016</u></u>	<u><u>12,679,597</u></u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve	12	7,640,591	9,166,642
Profit and loss account	12	830,325	3,512,855
		<u><u>8,471,016</u></u>	<u><u>12,679,597</u></u>

Royale Park Home Estates Limited
Registered number:04153470

Balance Sheet (continued)
As at 30 September 2021

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14/07/2022.



Robert Lee Jack Bull
Director

The notes on pages 3 to 14 form part of these financial statements.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

1. General information

Royale Park Home Estates Limited is a Private company, limited by shares and incorporated in England and Wales under the Companies Act 2006.

The principal place of business is Wickham Court, Southwick Rd, North Boarhunt, Wickham, Hampshire, PO17 6JN.

The company's principal activity is operating park home sites.

The accounts are presented in GBP, the functional currency, and are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year, the Company has been further affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic including further 'lockdown' periods. The impact of the restrictions includes restricting the ability to generate income and delays in converting new home sales to completions. Despite the restrictions, expected cashflows have been delayed into future periods.

During the year, financial support has been provided by the parent and other Group entities and where possible the Company has utilised the Coronavirus Job Retention Scheme and Rates Grants.

The directors have prepared cash flow forecasts which demonstrate that the cash reserves of the Company will be sufficient for it to be meet its debts as they fall due and therefore are able to continue as a going concern.

Post year end, the Company, as part of the Group headed by Royale Parks Limited, has entered into the process to refinance the Group's main financing facility including an additional facility to fund Development, to further grow the business and generate increased sales. This further supports the use of the Going Concern assumption.

In the shorter term the Company continues to be reliant upon the intended support of its related companies and the directors.

The financial statements do not contain any adjustments that would be required if the Company were not able to continue as a going concern.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Pitch Fees, Management charges, Utility recharges and Other income

Fees are recognised on an accruals basis in the period to which they relate.

Sale of Homes

Sales of homes are recognised when the risks and rewards of ownership are transferred to the customer, usually on occupation when the written statement is signed or the legal exchange takes place.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	5 %
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2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Hire fleet	-	10%
Park plant & equipment	-	20%
Motor vehicles	-	20%
Office & computer equipment	-	20%
Fixtures and fittings	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 Stock & WIP

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

3. Employees

The Company has no employees (2020 - *NIL*) other than the directors, who did not receive any remuneration (2020 - *£NIL*).

The directors are executives of the holding company, Royale Parks Limited, and are also directors of other group entities. The directors were remunerated through Royale Parks Limited during the period, but it is not practicable to allocate this between their services as executives of Royale Parks Limited and their services as directors of the fellow subsidiaries.

4. Intangible assets

	Goodwill £
Cost	
At 1 October 2020 & 30 September 2021	48,334
Amortisation	
At 1 October 2020	32,225
Charge for the year	6,667
At 30 September 2021	38,892
Net book value	
At 30 September 2021	9,442
At 30 September 2020	16,109

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

5. Tangible fixed assets

	Freehold property £	Hire fleet £	Plant and machinery £
Cost or valuation			
At 1 October 2020 (as previously stated)	21,610,116	192,250	3,860
Prior Year Adjustment	5,809,500	-	-
At 1 October 2020 (as restated)	27,419,616	192,250	3,860
Additions	427,610	-	-
Disposals	-	(116,000)	-
Revaluations	(1,122,226)	-	-
At 30 September 2021	26,725,000	76,250	3,860
Depreciation			
At 1 October 2020	-	103,911	954
Charge for the year	-	14,102	744
Disposals	-	(75,505)	-
At 30 September 2021	-	42,508	1,698
Net book value			
At 30 September 2021	26,725,000	33,742	2,162
At 30 September 2020 (as restated)	27,419,616	88,339	2,906

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

5. Tangible fixed assets (continued)

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 October 2020 (as previously stated)	797	101,524	266,397	22,174,944
Prior Year Adjustment	-	-	-	5,809,500
At 1 October 2020 (as restated)	797	101,524	266,397	27,984,444
Additions	-	-	-	427,610
Disposals	-	-	-	(116,000)
Revaluations	-	-	-	(1,122,226)
At 30 September 2021	797	101,524	266,397	27,173,828
Depreciation				
At 1 October 2020	683	81,621	128,408	315,577
Charge for the year	114	10,158	52,755	77,873
Disposals	-	-	-	(75,505)
At 30 September 2021	797	91,779	181,163	317,945
Net book value				
At 30 September 2021	-	9,745	85,234	26,855,883
At 30 September 2020 (as restated)	114	19,903	137,989	27,668,867

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	26,725,000	27,419,616
Short leasehold	33,742	88,339
	<u>26,758,742</u>	<u>27,507,955</u>

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

5. Tangible fixed assets (continued)

The borrowings in the parent entity, Royale Parks Limited are secured by way of a fixed charge over the assets of the group, this includes those held by this company.

The freehold property was valued in September 2021 by an independent 3rd party on a market value basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Cost	<u>16,440,882</u>	<u>16,013,272</u>

6. Stock & WIP

	2021 £	2020 £
Work in progress	60,000	75,000
Homes for resale	55,000	685,095
	<u>115,000</u>	<u>760,095</u>

7. Debtors

	2021 £	2020 £
Trade debtors	1,891,303	2,530,331
Amounts owed by group undertakings	13,517,224	15,115,021
Amounts owed by related parties	676,037	525,353
Other debtors	128,191	112,837
Prepayments and accrued income	107,602	153,336
	<u>16,320,357</u>	<u>18,436,878</u>

Royale Park Home Estates Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	12,394,083	9,349,246
Amounts owed to group undertakings	1,789,963	4,577,571
Amounts owed to related parties	2,567,887	2,773,076
Corporation tax	226,050	220,931
Obligations under finance lease and hire purchase contracts	128,188	63,759
Other creditors	28,149	2,013
Accruals and deferred income	38,143	52,118
	<u>17,172,463</u>	<u>17,038,714</u>

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	349,255	357,443
Amounts owed to group undertakings	14,710,642	14,710,642
	<u>15,059,897</u>	<u>15,068,085</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	128,188	63,759
Between 1-5 years	349,255	357,443
	<u>477,443</u>	<u>421,202</u>

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

11. Deferred taxation

	2021 £
At beginning of year	(2,202,398)
Charged to profit or loss	5,472
Charged to other comprehensive income	(403,825)
At end of year	(2,600,751)

The provision for deferred taxation is made up as follows:

	2021 £	As restated 2020 £
Accelerated capital allowances	(29,720)	(35,192)
Tax on unrealised gain	(2,571,031)	(2,167,206)
	(2,600,751)	(2,202,398)

12. Reserves

Revaluation reserve

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value in which case it is charged to the Statement of Comprehensive Income.

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Royale Park Home Estates Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

13. Prior year adjustment

Revaluation accounting policy

A prior year adjustment has been made as a result of updating the revaluation accounting policy to show a more accurate representation of the market value of the freehold property to the Company as the developer.

The updated valuation method reflects the net present value of future cashflows from the site, including development potential based on existing license permissions. Previously a deduction was being applied to represent the discount a lender would take to sell the property in the event they took ownership, this was deemed to be akin to a break-up basis valuation and therefore not suitable for the business trading as a going concern.

This has resulted in an increased freehold property valuation and therefore a valuation uplift of £5,809,500, a deferred tax increase of £1,103,805 and increased revaluation reserve of £4,705,695.

14. Related party transactions

Company Directors

As at the balance sheet date the company owed £547,039 (2020 - £707,152) to company directors.

Close family members

As at the balance sheet date the company was owed £100,000 (2020 - £100,000) by a close family member.

Companies under common control

As at the balance sheet date the company owed £2,567,887 (2020 - £2,065,924) to companies under common control and was owed £676,037 (2020 - £425,353) by companies under common control.

During the year the company made sales of £78,919 (2020 - £204,444) to companies under common control and at the year end trade debtors includes £1,804,608 (2020 - £2,416,832) owed by companies under common control.

As at the year end trade creditors includes £4,437,770 (2020 - £4,102,821) owed to companies under common control.

15. Controlling party

The company is a subsidiary of Royale Parks Limited, the immediate and ultimate parent company, incorporated in England and Wales. The directors consider that no one party controls the Group.

The smallest and largest group to provide consolidated accounts which include the results of the company is that headed by the ultimate parent, with registered office Royale House, 1550 Parkway, Whiteley, Fareham, Hampshire, PO15 7AG. These consolidated accounts are publicly available from Companies House.

Royale Park Home Estates Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

16. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2021 was unqualified.

The audit report was signed on *14/7/22* by Jayson Lawson (Senior Statutory Auditor) on behalf of Ensors Accountants LLP.