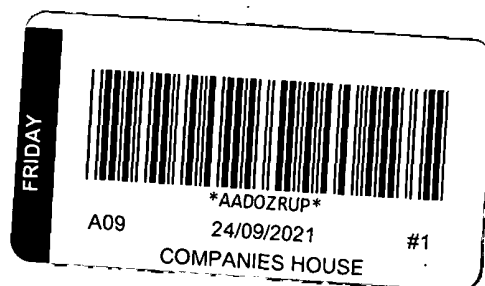


STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2021
FOR
VALE HOLIDAY PARKS LIMITED



CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	10
Other Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	17
Trading and Profit and Loss Account	29

VALE HOLIDAY PARKS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JANUARY 2021

DIRECTORS:

Mr T Scarrott
Mrs J Scarrott
Mr T H S Scarrott
Mr J W Scarrott
Mr C H Scarrott

SECRETARY:

Mrs J Scarrott

REGISTERED OFFICE:

Clarach Bay Holiday Village
Clarach Bay
Aberystwyth
Ceredigion
SY23 3DT

REGISTERED NUMBER:

04670394 (England and Wales)

SENIOR STATUTORY AUDITOR: Mr Nimesh Pau F.C.C.A.

AUDITORS:

R Pau & Co Limited
Chartered Certified Accountants
& Statutory Auditors
12-16 Station Street East
Coventry
West Midlands
CV6 5FJ

BANKERS:

HSBC Bank Plc
46 Fore Street
Trowbridge
Wiltshire
BA14 8EL

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST JANUARY 2021

The directors present their strategic report for the year ended 31st January 2021.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a Holiday Park proprietors and caravan dealers the company continues to operate caravan holiday parks with on-site facilities and to sell caravans. The company's activities are organised into the following five areas:

- o Site fees
- o Sale of caravans
- o Holiday packages
- o On-site facilities

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed. The turnover of the company by activity was as follows:

	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>
Site Fees	2,785	2,745
Sale of Caravans	3,195	4,455
Holiday Packages	1,033	983
On-site Facilities	<u>1,209</u>	<u>1,437</u>
	<u>8,222</u>	<u>9,620</u>

Most areas of the business have shown growth during the period and this has left the company in a good financial position at the end of the period, in line with our expectations.

Overall operating profit has increased to £2,084,858 (24.0%) from £1,658,894 (19.2%) and profit before tax has increased to £1,811,603 (2020 - £1,406,991). After taxation and dividends, £1,182,273 (2020 - £824,181) has been retained to be added to reserves.

Return on capital employed has increased to 4.2% (2020 - 3.8%). Return on capital employed is calculated as profit after interest and tax divided by gross capital employed, which constitutes total assets.

During the year we acquired two new holiday parks, one in Cornwall and one in Wales. These are already well established holiday parks and their acquisition demonstrates our commitment to the growth of the Vale holiday brand.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST JANUARY 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The company recognizes 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 in risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The company also manages liquidity and cash flow risk by utilising its cash flow 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.

Other risks

IT risk and cyber security

The company has various IT systems and applications, the obsolescence or failure of which could impede trading. Failure to put in place adequate preventative measures, if attacked, could lead to data loss or the inability to use the IT systems for a prolonged period. The IT strategy is focused on ensuring the long-term stability of operating systems and data security, whilst keeping pace with the changing face of consumer IT expectations. We continue to strengthen IT security to mitigate the increasing risk of cyber security threats.

People and succession

Attracting and maintaining talented team members and investing in their training and development are essential to the efficiency and sustainability of the company. Succession planning is embedded across the company and is proactively managed.

COVID-19 global pandemic

Since the year end, the UK entered a period of Lockdown from March to July 2020 and since then, restrictions have continued following the global pandemic. Although the future of UK business in general remains uncertain, the directors have taken steps to ensure the continued financial stability of the company including furloughing non-essential site staff and accepting government funding as a risk management tool. This funding has not yet been needed to be utilised. Bookings for the 2021 season and the customer base remains strong. The directors continue to monitor the situation as they develop new, and adapt current practices to ensure a Covid safe environment across all of its parks for both holidaymakers and staff alike.

ON BEHALF OF THE BOARD:



Mr T H S Scarrott - Director

1st September 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JANUARY 2021

The directors present their report with the financial statements of the company for the year ended 31st January 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of holiday park proprietors and caravan dealers.

DIVIDENDS

The total distribution of dividends for the year ended 31st January 2021 will be £300,000 (31.01.20: £300,000).

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st February 2020 to the date of this report.

The beneficial interests of the directors holding office at 31st January 2021 in the shares of the company, according to the register of directors' interests, were as follows:

	31.1.21	1.2.20
Ordinary shares of £1 each		
Mr T Scarrott	30	30
Mrs J Scarrott	25	25
Mr T H S Scarrott	15	15
Mr J W Scarrott	15	15
Mr C H Scarrott	15	15

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JANUARY 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr T H S Scarrott - Director

1st September 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALE HOLIDAY PARKS LIMITED

Opinion

We have audited the financial statements of Vale Holiday Parks Limited (the 'company') for the year ended 31st January 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st January 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALE HOLIDAY PARKS LIMITED

Matters on which we are required to report by exception

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

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

We have nothing to report 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALE HOLIDAY PARKS LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the company which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition.

Audit procedures performed included:

- o Review of the financial statement disclosures to underlying supporting documentation
- o Enquiring of management and directors concerning actual and potential litigation and claims including knowledge of any non-compliance with laws and regulations
- o In addressing the fraud risk in revenue recognition we have tested a sample of revenues recorded through agreement of booking period terms
- o In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of non-compliance with laws and regulations that are not closely related to the events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALE HOLIDAY PARKS LIMITED

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 a Report of the Auditors 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.

Mr Nimesh Pau F.C.C.A. (Senior Statutory Auditor)
for and on behalf of R Pau & Co Limited
Chartered Certified Accountants
& Statutory Auditors
12-16 Station Street East
Coventry
West Midlands
CV6 5FJ

1st September 2021

Nimesh Pau F.C.C.A.
R Pau & Co Limited

INCOME STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2021

	Notes	2021 £	£	2020 £	£
TURNOVER			8,222,097		9,620,235
Cost of sales			4,827,728		5,876,696
GROSS PROFIT			3,394,369		3,743,539
Administrative expenses			1,781,767		2,084,645
			1,612,602		1,658,894
Other operating income			472,256		-
OPERATING PROFIT	4		2,084,858		1,658,894
Income from fixed asset investments		28,971		26,338	
Interest receivable and similar income		31,318		49,330	
			60,289		75,668
			2,145,147		1,734,562
Interest payable and similar expenses	5		333,544		327,571
PROFIT BEFORE TAXATION			1,811,603		1,406,991
Tax on profit	6		329,330		282,810
PROFIT FOR THE FINANCIAL YEAR			1,482,273		1,124,181

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST JANUARY 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		1,482,273	1,124,181
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,482,273</u>	<u>1,124,181</u>

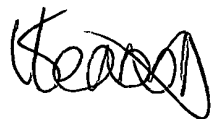
The notes form part of these financial statements

VALE HOLIDAY PARKS LIMITED (REGISTERED NUMBER: 04670394)

BALANCE SHEET
31ST JANUARY 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	8	651,778	260,072
Tangible assets	9	28,586,566	24,853,774
Investments	10	362,741	362,441
		<u>29,601,085</u>	<u>25,476,287</u>
CURRENT ASSETS			
Stocks	11	1,561,134	2,119,631
Debtors	12	2,525,282	943,923
Cash at bank and in hand		1,502,262	802,007
		<u>5,588,678</u>	<u>3,865,561</u>
CREDITORS			
Amounts falling due within one year	13	7,341,914	6,030,601
NET CURRENT LIABILITIES		<u>(1,753,236)</u>	<u>(2,165,040)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,847,849</u>	<u>23,311,247</u>
CREDITORS			
Amounts falling due after more than one year	14	13,431,930	10,077,601
NET ASSETS		<u>14,415,919</u>	<u>13,233,646</u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Retained earnings		14,415,819	13,233,546
SHAREHOLDERS' FUNDS		<u>14,415,919</u>	<u>13,233,646</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 1st September 2021 and were signed on its behalf by:



Mr T H S Scarrott - Director

The notes form part of these financial statements

VALE HOLIDAY PARKS LIMITED (REGISTERED NUMBER: 04670394)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST JANUARY 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st February 2019	100	12,409,365	12,409,465
Changes in equity			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	1,124,181	1,124,181
	<hr/>	<hr/>	<hr/>
Balance at 31st January 2020	100	13,233,546	13,233,646
	<hr/>	<hr/>	<hr/>
Changes in equity			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	1,482,273	1,482,273
	<hr/>	<hr/>	<hr/>
Balance at 31st January 2021	100	14,415,819	14,415,919
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,619,045	2,452,510
Interest paid		(303,337)	(291,096)
Interest element of hire purchase payments paid		(30,207)	(36,475)
Tax paid		(282,810)	(312,583)
Net cash from operating activities		<u>1,002,691</u>	<u>1,812,356</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(440,000)	-
Purchase of tangible fixed assets		(4,004,452)	(383,555)
Purchase of fixed asset investments		(300)	-
Sale of tangible fixed assets		96,192	-
Interest received		31,318	49,330
Dividends received		28,971	26,338
Net cash from investing activities		<u>(4,288,271)</u>	<u>(307,887)</u>
Cash flows from financing activities			
Hire purchase repayments		(181,013)	(112,051)
Amount introduced by directors		79,528	74,832
Bank loan repayments		(10,736,322)	(978,064)
Bank loan advances		15,123,642	-
Equity dividends paid		(300,000)	(300,000)
Net cash from financing activities		<u>3,985,835</u>	<u>(1,315,283)</u>
Increase in cash and cash equivalents		<u>700,255</u>	<u>189,186</u>
Cash and cash equivalents at beginning of year	2	<u>802,007</u>	<u>612,821</u>
Cash and cash equivalents at end of year	2	<u><u>1,502,262</u></u>	<u><u>802,007</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	1,811,603	1,406,991
Depreciation charges	541,963	424,603
Profit on disposal of fixed assets	(40,439)	-
Finance costs	333,544	327,571
Finance income	(60,289)	(75,668)
	<u>2,586,382</u>	<u>2,083,497</u>
Decrease/(increase) in stocks	659,544	(29,607)
(Increase)/decrease in trade and other debtors	(1,526,332)	178,477
(Decrease)/increase in trade and other creditors	(100,549)	220,143
	<u>1,619,045</u>	<u>2,452,510</u>
Cash generated from operations	<u>1,619,045</u>	<u>2,452,510</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st January 2021

	31/1/21 £	1/2/20 £
Cash and cash equivalents	<u>1,502,262</u>	<u>802,007</u>

Year ended 31st January 2020

	31/1/20 £	1/2/19 £
Cash and cash equivalents	<u>802,007</u>	<u>612,821</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/2/20 £	Cash flow £	Non-cash changes £	At 31/1/21 £
Net cash				
Cash at bank and in hand	802,007	700,255	-	1,502,262
	<u>802,007</u>	<u>700,255</u>	<u>-</u>	<u>1,502,262</u>
Debt				
Finance leases	(806,840)	181,013	(378,809)	(1,004,636)
Debts falling due within 1 year	(983,353)	(1,192,280)	-	(2,175,633)
Debts falling due after 1 year	(9,752,969)	(3,195,040)	-	(12,948,009)
	<u>(11,543,162)</u>	<u>(4,206,307)</u>	<u>(378,809)</u>	<u>(16,128,278)</u>
Total	<u>(10,741,155)</u>	<u>(3,506,052)</u>	<u>(378,809)</u>	<u>(14,626,016)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2021

1. STATUTORY INFORMATION

Vale Holiday Parks Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The nature of the company's operations and principal activities are included in the Report of the Directors.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of consolidated financial statements

The financial statements contain information about Vale Holiday Parks Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as its only subsidiary is exempt from inclusion on the grounds of materiality (Section 405) if the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the net invoiced value of caravan sales, site fees and other associated income, excluding value added tax.

Turnover from the sale of goods on site, the sale of caravans and site fees is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. For site shop sales and caravans this is usually on the date of dispatch of the goods.

For site fees, recognition occurs when the site is occupied. Fees received on booking in advance of the holiday are carried forward in creditors as deferred income.

The company operates in one principle activity being the operation of a UK based holiday centre. All operations were continuing. It includes £5.0m (2020: £5.1m) for the sale of services and £3.2m (2020: £4.5m) for the sale of goods.

Goodwill

Goodwill, being the amount paid in connection with the purchase of the following businesses:

	<u>£</u>
Kiosk (2006)	15,500
Fairground (2006)	21,000
Penlon Holiday Park Limited (2008)	39,375
Old Vicarage Holiday Park Limited (2008)	1
Cross Parks Holiday Park Limited (2008)	300,000
Liskey Hill Caravan Park (2009)	1
Parc Farm Caravan Park (2013)	150,000
Landshipping Caravan Park (2018)	1
Higher Golla Touring Park (2020)	260,000
Greenacres Fishguard (2020)	180,000
	<u><u>£965,879</u></u>

Goodwill, being the amount paid in connection with the acquisition of the above is being written off evenly over its useful economic life of 20 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, or if held under a finance lease, over the lease term, whichever is shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance method
Property improvements	- 10% on cost

Government grants

All income is from government grants. These are recognised at the fair value of the money received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Investments in subsidiaries and associates

Investments in associate undertakings are recognised at cost less impairment.

Stocks

Stocks are valued at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Judgements and key sources of estimation uncertainty

Certain judgments are made in the process of applying the above accounting policies. None of these are considered to have a significant effect on the amounts recognised in the financial statements.

Certain estimates are also made concerning the future, however, it is considered that there are no key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. EMPLOYEES AND DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

	Year Ended 31/1/21 £	Year Ended 31/1/20 £
Wages and salaries	1,093,273	1,759,956
Social security costs	95,071	132,588
Other pension costs	17,018	25,331
	<u>1,205,362</u>	<u>1,917,875</u>
 The average monthly number of employees during the year	 <u>78</u>	 <u>99</u>
 Directors' remuneration	 <u>36,730</u>	 <u>49,800</u>
 4. OPERATING PROFIT		
The operating profit is stated after charging/(crediting):		
	2021 £	2020 £
Depreciation - owned assets	419,938	384,981
Depreciation - assets on hire purchase contracts	73,731	13,328
Profit on disposal of fixed assets	(40,439)	-
Goodwill amortisation	48,294	26,294
Auditors' remuneration	6,000	6,000
	<u>419,938</u>	<u>384,981</u>
 5. INTEREST PAYABLE AND SIMILAR EXPENSES		
	2021 £	2020 £
Bank loan interest	233,209	252,163
Loan arrangement fee	30,500	-
Bank charges	10,796	15,849
Credit card charges	28,832	23,084
Hire purchase	30,207	36,475
	<u>333,544</u>	<u>327,571</u>
 6. TAXATION		
Analysis of the tax charge		
The tax charge on the profit for the year was as follows:		
	2021 £	2020 £
Current tax:		
UK corporation tax	329,330	282,810
	<u>329,330</u>	<u>282,810</u>
Tax on profit	<u>329,330</u>	<u>282,810</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>1,811,603</u>	<u>1,406,991</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	344,205	267,328
Effects of:		
Income not taxable for tax purposes	(13,189)	(5,004)
Capital allowances in excess of depreciation	(1,686)	-
Depreciation in excess of capital allowances	-	20,486
Total tax charge	<u>329,330</u>	<u>282,810</u>

7. DIVIDENDS

	2021 £	2020 £
Interim dividends	<u>300,000</u>	<u>300,000</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st February 2020	525,879
Additions	440,000
At 31st January 2021	<u>965,879</u>
AMORTISATION	
At 1st February 2020	265,807
Amortisation for year	48,294
At 31st January 2021	<u>314,101</u>
NET BOOK VALUE	
At 31st January 2021	<u>651,778</u>
At 31st January 2020	<u>260,072</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st February 2020	24,822,985	673,314	1,812,184	571,776	27,880,259
Additions	3,609,932	-	355,116	317,166	4,282,214
Disposals	-	-	(5,400)	(216,051)	(221,451)
At 31st January 2021	28,432,917	673,314	2,161,900	672,891	31,941,022
DEPRECIATION					
At 1st February 2020	446,507	647,870	1,515,419	416,689	3,026,485
Charge for year	169,939	6,361	211,894	105,475	493,669
Eliminated on disposal	-	-	-	(165,698)	(165,698)
At 31st January 2021	616,446	654,231	1,727,313	356,466	3,354,456
NET BOOK VALUE					
At 31st January 2021	27,816,471	19,083	434,587	316,425	28,586,566
At 31st January 2020	24,376,478	25,444	296,765	155,087	24,853,774

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st February 2020	184,216
Additions	277,766
Disposals	(137,308)
At 31st January 2021	324,674
DEPRECIATION	
At 1st February 2020	144,231
Charge for year	73,731
Eliminated on disposal	(114,480)
At 31st January 2021	103,482
NET BOOK VALUE	
At 31st January 2021	221,192
At 31st January 2020	39,985

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Totals £
COST			
At 1st February 2020	-	362,441	362,441
Additions	300	-	300
	<u>300</u>	<u>362,441</u>	<u>362,741</u>
At 31st January 2021	300	362,441	362,741
NET BOOK VALUE			
At 31st January 2021	<u>300</u>	<u>362,441</u>	<u>362,741</u>
At 31st January 2020	<u>-</u>	<u>362,441</u>	<u>362,441</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Trade Caravan Sales Limited

Registered office: Clarach Bay Holiday Village, Clarach, Aberystwyth, SY23 3DT

Nature of business: Dormant company

	%	
Class of shares:	holding	
Ordinary	100.00	
		2021
		£
Aggregate capital and reserves		<u>300</u>

Associated company

Heatherdale Holidays (Clarach Bay) Limited

Registered office: Clarach Bay Holiday Village, Clarach, Aberystwyth, SY23 3DT

Nature of business: Holiday park

	%
Class of shares:	holding
Ordinary	26.34

11. STOCKS

	2021 £	2020 £
Stock	1,554,064	2,111,497
Consumable stock	7,070	8,134
	<u>1,561,134</u>	<u>2,119,631</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	792,796	874,596
Amounts owing from associated companies	1,514,324	30,688
Prepayments and other debtors	163,133	38,639
Value added taxation	55,029	-
	<u>2,525,282</u>	<u>943,923</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 15)	2,175,633	983,353
Hire purchase contracts (see note 16)	520,715	482,208
Trade creditors	107,860	820,475
Corporation taxation	329,330	282,810
Taxation and social security	29,872	272,470
Other creditors	3,936,956	2,977,044
Directors' current accounts	174,947	95,419
Accrued expenses	66,601	116,822
	<u>7,341,914</u>	<u>6,030,601</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 15)	12,948,009	9,752,969
Hire purchase contracts (see note 16)	483,921	324,632
	<u>13,431,930</u>	<u>10,077,601</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loan	<u>2,175,633</u>	<u>983,353</u>
Amounts falling due between one and two years:		
Bank loan	<u>1,351,269</u>	<u>983,353</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>4,053,804</u>	<u>2,950,060</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

15. LOANS - continued

	2021 £	2020 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more 5 yrs	<u>7,542,936</u>	<u>5,819,556</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	520,715	482,208
Between one and five years	<u>483,921</u>	<u>324,632</u>
	<u>1,004,636</u>	<u>806,840</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	15,123,642	10,736,322
Hire purchase	1,004,636	806,841
	<u>16,128,278</u>	<u>11,543,163</u>

The following securities are held by the bank:-

First legal charges over freehold property known as:

- Woodland Vale Caravan Park, Narbeth, SA67 8JE
- Cross Park Holiday Centre, Broadmoor, Kilgetty, SA68 0RS
- Glynteg Caravan Park, Cross Inn, Landysul, SA44 6LW
- Grondre Caravan Park, Clynderwen
- Liskey Hill Caravan Park, Perranport, TR6 0BD
- The Old Vicarage Holiday Park, Red Roses, Whitland, SA34 0PE
- Red Roses Filling Station, Whitland, SA34 0PE
- Village Holiday Park, Cross Inn, New Quay, SA44 6LW
- Ocean Heights Leisure Park, Maen Y Groes, New Quay, SA45 9RL
- Llanarmon-Yn-Ial, Denbighshire, CH7 4QW
- New Park Caravan Park, Landshipping, Narberth, SA67 8BG
- Higher Golla Touring Park, Penahllow, Truro, TR4 9LZ
- Gilfach Holiday Village, Llwyncelyn, Aberaeron, SA46 0HN

Composite company limited multilateral guarantee given by Vale Holiday Parks Limited, Cross Park Holiday Village Limited, Grondre Holiday Park Limited, The Village Holiday Park Limited, Penlon Holiday Park Limited, The Old Vicarage Holiday Park Limited, Woodland Vale Holiday Park Limited, New Horizons Holidays Limited.

Debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and fixed floating charge over all assets and undertaking both present and future.

Hire purchase liabilities are secured on the assets to which they relate.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2021

19. RELATED PARTY DISCLOSURES

The company is jointly owned by Mr T and Mrs J Scarrott.

The company owed Mr T and Mrs J Scarrott £174,947 (2020: £95,419) at the end of the year. This loan was unsecured, interest free and repayable on demand.

During the year the following rents were paid by the directors to the company for occupying chalets held by the company:

	<u>2021</u>	<u>2020</u>
Mr T Scarrott	2,000	2,000
Mr T H S Scarrott	2,000	2,000
Mr J Scarrott	2,000	2,000
Mr C H Scarrott	2,000	2,000
	<u>£8,000</u>	<u>£8,000</u>

During the year, the company also traded and had an informal loan relationship with an associated company. Sales to that company amounted to £16,381 (2020:£6,469) and purchases from that company amounted to £68,694 (2020: £63,581). Cash advances were also made to the company amounting to £1,550,000 (2020: £nil) and a dividend due from the associated company of £28,971 (2020: £26,338) was offset against this loan. At the year-end, amounts owing from the associated company, included both within trade debtors and other debtors amount to £1,544,544 (2020: £30,688). No interest is charged on the loan account.

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2021

	2021		2020	
	£	£	£	£
Turnover				
Site fees	2,785,351		2,745,331	
Sale of caravans	3,195,012		4,455,230	
Club takings	374,776		714,810	
Kiosk and shop takings	58,893		57,893	
Holiday takings	1,032,851		982,972	
Sundry income	618,899		481,378	
Commission	132,688		166,805	
Caravan transport	23,627		15,816	
		8,222,097		9,620,235
Cost of sales				
Consumable goods	43,648		45,136	
Repairs and renewals	670,367		673,301	
Cost of caravan sales	2,146,472		2,652,866	
Gross wages and national insurance	1,639,486		1,892,544	
Wetstock and consumables	150,243		319,840	
Sub-contractors	108,142		127,089	
Artists and entertainment	16,511		113,336	
Hire of plant and equipment	25,635		18,772	
Pensions	20,863		25,331	
Depreciation of tangible fixed assets				
Plant and machinery	6,361		8,481	
		4,827,728		5,876,696
GROSS PROFIT		3,394,369		3,743,539
Other income				
Government grants	472,256		-	
Franked investment income	28,971		26,338	
Rents received	31,318		49,330	
		532,545		75,668
		3,926,914		3,819,207
Expenditure				
Insurance	75,480		55,457	
Rates and water	102,225		285,791	
Light and heat	321,614		436,734	
Rent	12,300		12,300	
Directors' salaries	54,000		49,800	
Directors' social security	1,148		627	
Directors' pension contributions	-		35	
Telephone and postage	23,127		29,317	
Printing, stationery and advertising	218,562		217,207	
Motor and travel	101,819		182,124	
Computer support and maintenance	100,375		104,691	
Cleaning and waste	113,412		136,191	
Sundry expenses	24,559		41,452	
Accountancy	21,600		18,000	
Carried forward	1,170,221	3,926,914	1,569,726	3,819,207

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TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2021

	2021		2020	
	£	£	£	£
Brought forward	1,170,221	3,926,914	1,569,726	3,819,207
Subscriptions	16,332		17,646	
Legal and professional	94,051		75,151	
Auditors' remuneration	6,000		6,000	
Amortisation of intangible fixed assets				
Goodwill	48,294		26,294	
Depreciation of tangible fixed assets				
Freehold property	169,939		145,181	
Fixtures and fittings	211,894		192,952	
Motor vehicles	105,475		51,695	
Profit on disposal of fixed assets	(40,439)		-	
		1,781,767		2,084,645
		2,145,147		1,734,562
Finance costs				
Bank loan interest	233,209		252,163	
Loan arrangement fee	30,500		-	
Bank charges	10,796		15,849	
Credit card charges	28,832		23,084	
Hire purchase	30,207		36,475	
		333,544		327,571
NET PROFIT		1,811,603		1,406,991

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