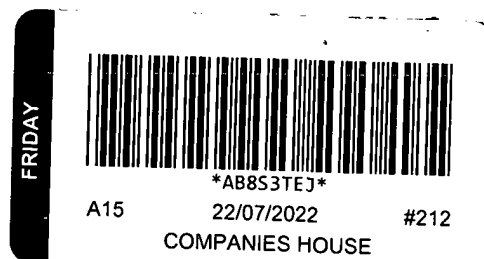


Royale Parks (Reculver) Limited

Financial statements

Information for filing with the registrar

For the Year Ended 30 September 2021



Royale Parks (Reculver) Limited
Registered number:06409875

Balance Sheet
As at 30 September 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	4	14,418,274	14,314,771
Current assets			
Stocks	5	72,844	72,844
Debtors	6	122,278	134,756
Cash at bank and in hand		12,919	10,862
		<u>208,041</u>	<u>218,462</u>
Creditors: amounts falling due within one year	7	(3,274,902)	(3,379,520)
Net current liabilities		<u>(3,066,861)</u>	<u>(3,161,058)</u>
Total assets less current liabilities		<u>11,351,413</u>	<u>11,153,713</u>
Creditors: amounts falling due after more than one year	8	(240,149)	(249,668)
Provisions for liabilities			
Deferred tax	10	(2,506,832)	(1,906,368)
Net assets		<u><u>8,604,432</u></u>	<u><u>8,997,677</u></u>
Capital and reserves			
Called up share capital		100	100
Share premium account	11	289,002	289,002
Revaluation reserve	11	7,520,496	8,122,136
Profit and loss account	11	794,834	586,439
		<u><u>8,604,432</u></u>	<u><u>8,997,677</u></u>

Royale Parks (Reculver) Limited
Registered number:06409875

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 by:



Robert Lee Jack Bull
Director

Date: 14/07/2022

The notes on pages 3 to 11 form part of these financial statements.

Royale Parks (Reculver) Limited

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

1. General information

Royale Parks (Reculver) 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 Waterways, Herne Bay, Reculver Lane, Reculver, Kent, CT6 6ST.

The company's principal activity is operating a holiday home site.

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 the closure of the holiday park, 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 Parks (Reculver) 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, Hire fleet income, AST income, Sales commission, Utility recharges and Other income

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 park home agreement is signed or the legal exchange takes place.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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 Parks (Reculver) Limited

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

2. Accounting policies (continued)

2.6 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:

Park plant & equipment	-	20%
Motor vehicles	-	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.

2.7 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.

2.8 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.

2.9 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.

Royale Parks (Reculver) Limited

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

2. Accounting policies (continued)

2.10 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.

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.

Royale Parks (Reculver) Limited

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

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2020 (as previously stated)	11,268,178	21,617	5,272	4,569	11,299,636
Prior Year Adjustment	3,045,000	-	-	-	3,045,000
At 1 October 2020 (as restated)	14,313,178	21,617	5,272	4,569	14,344,636
Additions	104,717	-	-	-	104,717
At 30 September 2021	14,417,895	21,617	5,272	4,569	14,449,353
Depreciation					
At 1 October 2020	-	20,140	5,156	4,569	29,865
Charge for the year	-	1,098	116	-	1,214
At 30 September 2021	-	21,238	5,272	4,569	31,079
Net book value					
At 30 September 2021	14,417,895	379	-	-	14,418,274
At 30 September 2020 (as restated)	14,313,178	1,477	116	-	14,314,771

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	4,390,566	4,285,850

Royale Parks (Reculver) Limited

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

5. Stocks

	2021 £	2020 £
Used homes	72,844	72,844

6. Debtors

	2021 £	2020 £
Trade debtors	94,364	34,484
Amounts owed by group undertakings	6,710	90,128
Other debtors	5,400	29
Prepayments and accrued income	15,804	10,115
	<u>122,278</u>	<u>134,756</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	9,547	1,597
Trade creditors	15,063	47,045
Amounts owed to group undertakings	1,148,126	1,248,679
Amounts owed to related parties	1,800,096	1,799,866
Corporation tax	121,839	119,207
Other taxation and social security	-	4,310
Other creditors	1,282	102,185
Accruals and deferred income	178,949	56,631
	<u>3,274,902</u>	<u>3,379,520</u>

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

	2021 £	2020 £
Bank loans	38,885	48,404
Amounts owed to group undertakings	201,264	201,264
	<u>240,149</u>	<u>249,668</u>

Royale Parks (Reculver) Limited

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

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	9,547	1,597
Amounts falling due 1-2 years		
Bank loans	9,788	9,617
Amounts falling due 2-5 years		
Bank loans	29,097	30,098
Amounts falling due after more than 5 years		
Bank loans	-	8,689
	<u>48,432</u>	<u>50,001</u>

The bank loan is a bounce back loan and has an effective interest rate of 2.13%. This is repaid over a term of 6 years.

10. Deferred taxation

	2021 £
At beginning of year (as restated)	(1,906,368)
Charged to profit or loss	1,176
Charged to other comprehensive income	(601,640)
At end of year	<u><u>(2,506,832)</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	As restated 2020 £
Accelerated capital allowances	-	(1,176)
Tax on unrealised gain	(2,506,832)	(1,905,192)

Royale Parks (Reculver) Limited

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

11. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

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.

12. Prior year adjustment

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 £3,045,000, a deferred tax increase of £578,550 and increased revaluation reserve of £2,466,450.

13. Related party transactions

Company Directors

As at the balance sheet date the company owed £1,799,866 (2020 - £1,799,866) to directors.

Companies under common control

As at the year end trade creditors includes £230 (2020 - £2,203) owed to companies under common control.

14. 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 Parks (Reculver) Limited

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

15. 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.