Registered number: 09330072

Royale Parks Limited

Annual Report and Financial Statements

For the Year Ended 30 September 2019

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Royale Parks Limited

Company Information

Directors	Robert Bull Stephen Gary Meredith Robert Lee Jack Bull Jason Mark Williams
Registered number	09330072
Registered office	Royale House Southwick Road North Boarhunt Fareham PO17 6JN
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ

Royale Parks Limited

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Group Strategic Report
For the Year Ended 30 September 2019

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 30 September 2019.

Business review

The principal activity of the Group during the year was that of developing and maintaining residential and leisure estates.

The year under review is the first since the Group underwent major restructuring and refinancing in September 2018. This restructuring enabled the Royale Group to grow from just 6 companies to the 30 company Group as it now exists.

The first year has seen £60m of Turnover across the Group and resulted in EBITDA of £24.4m. This has been driven by strong home sales throughout the year, and subsequently a growing core income stream. This has been driven by opening more developments, coupled with the launch of a new marketing campaign including prime-time TV spots and brand ambassador, Jane McDonald. The number of active developments grew from four at the start of the year to nine by 30 September 2019.

Management constantly review the cost base of the Group and are able to make informed business decisions as and when required.

While the impact of COVID-19 has resulted in a small period of reduced home completions the sales pipeline continued to grow during this time following the decision by the directors to maintain marketing during the lockdown period. As COVID-19 restrictions were lifted in June 2020 the business has benefitted from a healthy sales pipeline for conversion in the second half of 2020. Other revenue streams were not materially impacted by the crisis. Looking further ahead, the directors expect further growth in the coming years due to the significant investments that continue to be made in the development of the parks. This year such development has resulted in a £41m increase in the value of Freehold Property in the Group.

The Group continues to have a good relationship with its lenders and have been granted repayment holidays to coincide with the drop in home sales due to the COVID-19 lockdown.

There are no expected changes to the structure of the Group in the near future.

Principal risks and uncertainties

The principal risks and uncertainties that the Group faces are as follows:

- Economic risk
  As a result of uncertainties in the economic environment there is a risk that COVID-19 will continue to negatively impact the housing market. As this risk is due to uncertainty there is little that can be done to address this risk. Management continue to monitor this.

- Interest Rate Risk
  The company monitors closely the loans outstanding which incur interest at fixed rates. At the moment the company is comfortable with the interest rate and level of exposure in respect of its debt.

We constantly monitor our competitors and continually implement improvements to ensure the company remains at the forefront of its field.

Key performance indicators

Sales of residential homes along with their associated profit margins are the key performance indicator for the Group. Performance against annual sales targets is closely monitored and measured by management. The sale of homes remains the highest risk income stream due to the unpredictability of the home sales market. Management manage this risk through the part exchange offering, providing some certainty around the timing of cash receipts and revenue.

EBITDA (defined as earnings before interest, tax depreciation and amortisation), is considered the key financial measure that currently drives employee performance bonus payments and is the principal focus of management.

Key non-financial indicators are the overall safety audit scores, employee turnover, lead generation and customer experience. All of these address operational risk and ensure a positive customer experience.

Future developments

Investment in all of the groups locations has continued in the year with the second phases being installed at Royale Heights and Solent Grange. Ongoing works are underway to strengthen all income streams with a further hire fleet development to be considered at Frensham Court.

The long-term aim of management is to continually invest into the locations both for new sales outlets and increasing revenue streams. This is possible through the continued support of the principal funder, ICG-Longbow.

The Group acquired two further locations in the year both in the South of England. The Group continues to review other opportunities and look at strategic disposals as and when the opportunities occur.

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

Date: 21/8/20

Directors' Report
For the Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £334,930 *(2018 - loss £634,549)*.

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

Directors

The directors who served during the year were:

Robert Bull
Stephen Gary Meredith
Robert Lee Jack Bull
Jason Mark Williams

Matters covered in the strategic report

The principal activity of the company, the principal risks and uncertainties and likely future developments of the Group are detailed in the strategic report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

The COVID-19 pandemic has had a profound impact on the UK economy and in particular the UK lockdown has reduced the Group's ability to sell homes as the market slowed almost to a halt.

However, the Group continues to receive turnover in the form of pitch fees for existing residents and has made use of available government schemes to reduce the financial burden during these unprecedented times.

The impact of COVID-19 does not constitute an adjusting post balance sheet event and as such the directors have not made any adjustments to the 30 September 2019 financial statements to reflect the potential impact on the Group.

Furthermore the Directors have reviewed the property valuations as at 30 September 2019 and do not believe there has been any subsequent impairment at the reporting date.

Auditors

Price Bailey were appointed as auditors during the period. The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21/08/20 and signed on its behalf.

Robert Lee Jack Bull
Director

Qualified Opinion

We have audited the financial statements of Royale Parks Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2019 and of the Group's 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 qualified opinion

We were not appointed as auditor of the group until after 30 September 2018 and thus did not observe the counting of physical inventories at all of the sites at the end of that year. We were unable to satisfy ourselves by alternative means concerning some of the inventory quantities totalling £3,154,139 held at 30 September 2018 in the consolidated balance sheet by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount at 30 September 2018 was necessary or whether there was any consequential effect on the cost of sales for the year ended 30 September 2019. In addition, were any adjustment to the inventory balance to be required, the strategic report would also need to be amended.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 qualified opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements and concerns around the impact of the COVID-19 pandemic since the reporting date. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matters

The financial statements for the period ended 30 September 2018 were unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning opening inventories in the consolidated balance sheet of £3,154,139. We have concluded that where the other information refers to opening stocks it may be materially misstated for the same reason.

Qualified opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matters described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Arising solely from the limitation on the scope of our work relating to inventories referred to above:

- we have not received all the information and explanations we require for 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 in relation to which 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 parent Company 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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 an Auditors' Report 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.

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 Auditors' Report.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ
Date: 27 August 2020

Royale Parks Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2019

	Note	Year ended 30 September 2019 £	*As restated Period ended 30 September 2018 £*
Turnover	4	60,283,334	*10,679,188*
Cost of sales		(24,991,860)	*(6,570,119)*
Gross profit		35,291,474	*4,109,069*
Administrative expenses		(13,502,001)	*(2,807,954)*
Exceptional loss on revaluation of property		(1,200,158)	*-*
Operating profit	5	20,589,315	*1,301,115*
Interest receivable and similar income		2,823	*2,021*
Interest payable and expenses	9	(18,378,636)	*(1,934,103)*
Other finance costs		-	*(35,708)*
Profit/(loss) before taxation		2,213,502	*(666,675)*
Tax on profit/(loss)	10	(1,878,572)	*32,126*
Profit/(loss) for the financial year		334,930	*(634,549)*
Unrealised surplus on revaluation of tangible fixed assets		32,262,608	*14,421,274*
Deferred tax on unrealised gain on revaluation of fixed assets		(4,668,553)	*(2,802,433)*
Other comprehensive income for the year		27,594,055	*11,618,841*
Total comprehensive income for the year		27,928,985	*10,984,292*

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited
Registered number:09330072

Consolidated Balance Sheet
As at 30 September 2019

	Note		2019 £		*As restated 2018 £*
Fixed assets					
Intangible assets	11		**66,113,434**		*67,815,317*
Tangible assets	12		**268,097,683**		*229,165,098*
			334,211,117		*296,980,415*
Current assets					
Stocks	14	**9,762,020**		*11,770,692*	
Debtors: amounts falling due within one year	15	**40,489,887**		*6,076,222*	
Cash at bank and in hand		**267,196**		*733,620*	
		50,519,103		*18,580,534*	
Creditors: amounts falling due within one year	16	**(58,887,450)**		*(30,848,073)*	
Net current liabilities			**(8,368,347)**		*(12,267,539)*
Total assets less current liabilities			**325,842,770**		*284,712,876*
Creditors: amounts falling due after more than one year	17		**(209,641,706)**		*(201,582,365)*
Provisions for liabilities					
Deferred taxation	20		**(18,041,160)**		*(12,899,592)*
Net assets			**98,159,904**		*70,230,919*

Royale Parks Limited
Registered number:09330072

Consolidated Balance Sheet (continued)
As at 30 September 2019

	Note	2019 £	*2018* *£*
Capital and reserves			
Called up share capital	21	**5,005,383**	*5,005,383*
Share premium account	22	**39,298,263**	*39,298,263*
Revaluation reserve	22	**42,415,544**	*14,821,489*
Capital contribution reserve	22	**7,098,227**	*7,098,227*
Profit and loss account	22	**4,342,487**	*4,007,557*
		98,159,904	*70,230,919*

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: 21/8/20

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited
Registered number:09330072

Company Balance Sheet
As at 30 September 2019

	Note		2019 £		As restated 2018 £
Fixed assets					
Investments	13		**116,668,648**		*115,001,791*
Current assets					
Debtors: amounts falling due after more than one year	15	**138,992,194**		-	
Debtors: amounts falling due within one year	15	**34,485,744**		*146,159,781*	
Cash at bank and in hand		**10,187**		*495,922*	
		173,488,125		*146,655,703*	
Creditors: amounts falling due within one year	16	**(26,056,031)**		*(9,207,036)*	
Net current assets			**147,432,094**		*137,448,667*
Total assets less current liabilities			**264,100,742**		*252,450,458*
Creditors: amounts falling due after more than one year	17		**(209,641,706)**		*(201,582,365)*
Net assets			**54,459,036**		*50,868,093*
Capital and reserves					
Called up share capital	21		**5,005,383**		*5,005,383*
Share premium account	22		**39,298,263**		*39,298,263*
Capital contribution reserve	22		**7,098,227**		*7,098,227*
Profit and loss account	22		**3,057,163**		*(533,780)*
			54,459,036		*50,868,093*

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit of the company for the year was £3,137,756 (2018 - loss £535,573)

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: 21/8/20

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited

Consolidated Statement of Changes in Equity
For the Year Ended 30 September 2019

	Called up share capital	Share premium account	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2018 (as previously stated)	5,005,383	39,298,263	-	14,821,489	4,010,794	63,135,929
Prior year adjustment	-	-	7,098,227	-	(3,237)	7,094,990
At 1 October 2018 (as restated)	5,005,383	39,298,263	7,098,227	14,821,489	4,007,557	70,230,919
Profit for the year	-	-	-	-	334,930	334,930
Surplus on revaluation of freehold property	-	-	-	32,262,608	-	32,262,608
Deferred tax charge on revaluation	-	-	-	(4,668,553)	-	(4,668,553)
Total comprehensive income for the year	-	-	-	27,594,055	334,930	27,928,985
At 30 September 2019	5,005,383	39,298,263	7,098,227	42,415,544	4,342,487	98,159,904

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited

Consolidated Statement of Changes in Equity
For the Period Ended 30 September 2018

	Called up share capital	Share premium account	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 December 2017	5,005,100	-	-	3,202,648	4,642,106	12,849,854
Loss for the period	-	-	-	-	(634,549)	(634,549)
Surplus on revaluation of freehold property	-	-	-	14,421,274	-	14,421,274
Deferred tax on revaluation of property	-	-	-	(2,802,433)	-	(2,802,433)
Gain on discount of loan notes	-	-	7,098,227	-	-	7,098,227
Total comprehensive income for the period	-	-	7,098,227	11,618,841	(634,549)	18,082,519
Shares issued during the period	283	39,298,263	-	-	-	39,298,546
At 30 September 2018 (as restated)	5,005,383	39,298,263	7,098,227	14,821,489	4,007,557	70,230,919

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited

Company Statement of Changes in Equity
For the Year Ended 30 September 2019

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2018 (as previously stated)	5,005,383	39,298,263	-	(533,780)	43,769,866
Prior year adjustment	-	-	7,098,227	-	7,098,227
At 1 October 2018 (as restated)	5,005,383	39,298,263	7,098,227	(533,780)	50,868,093
Comprehensive income for the period					
Profit for the year	-	-	-	3,590,943	3,590,943
At 30 September 2019	5,005,383	39,298,263	7,098,227	3,057,163	54,459,036

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited

Company Statement of Changes in Equity
For the Period Ended 30 September 2018

	Called up share capital	Share premium account	Capital contribution reserve	Restated Profit and loss account	Total equity
	£	£	£	£	£
At 29 December 2017	5,005,100	-	-	1,793	5,006,893
Comprehensive income for the period					
Loss for the period	-	-	-	(535,573)	(535,573)
Gain on discount of loan notes	-	-	7,098,227	-	7,098,227
Contributions by and distributions to owners					
Shares issued during the period	283	39,298,263	-	-	39,298,546
At 30 September 2018	5,005,383	39,298,263	7,098,227	(533,780)	50,868,093

The notes on pages 18 to 42 form part of these financial statements.

Royale Parks Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 September 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit/(loss) for the financial year	334,930	(634,549)
Adjustments for:		
Exceptional loss on revaluation of property	1,200,158	-
Amortisation of intangible assets	3,422,434	930,786
Depreciation of tangible assets	278,877	(149,469)
Loss on disposal of tangible assets	-	(24,202)
Interest payable	18,124,628	1,934,103
Interest receivable	(2,823)	(2,021)
Taxation charge	1,878,572	22,313
Decrease in stocks	2,008,672	3,384,769
(Increase)/decrease in debtors	(34,413,565)	7,967,884
Increase/(decrease) in creditors	14,537,834	(5,178,763)
Impairment of goodwill	298,000	-
Taxation paid	(1,551,839)	(88,711)
Net cash generated from operating activities	6,115,878	8,162,140
Cash flows from investing activities		
Purchase of intangible fixed assets	(84,733)	-
Purchase of tangible fixed assets	(7,862,507)	(3,765,831)
Sale of tangible fixed assets	642,141	1,838,634
Purchase of subsidiaries	(1,964,654)	(38,052,130)
Interest received	2,823	2,021
Net cash from investing activities	(9,266,930)	(39,977,306)

Consolidated Statement of Cash Flows (continued)
For the Year Ended 30 September 2019

	2019 £	2018 £
Cash flows from financing activities		
New secured loans	12,875,381	186,669,000
Repayment of loans	-	(22,203,000)
Other new loans	8,824	1,448,422
Repayment of other loans	(1,448,422)	(141,265,612)
Loans due/(repaid) to directors	5,512,608	8,716,941
Interest paid	(14,263,792)	(922,510)
Net cash used in financing activities	2,684,599	32,443,241
Net (decrease)/increase in cash and cash equivalents	(466,453)	628,075
Cash and cash equivalents at beginning of year	733,620	105,545
Cash and cash equivalents at the end of year	267,167	733,620
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	267,196	733,620
Bank overdrafts	(29)	-
	267,167	733,620

The notes on pages 18 to 42 form part of these financial statements.

1. General information

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

The address of the registered office is Royale House, Southwick Road, North Boarhunt, Fareham, PO17 6JN.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *Company*;
- Disclosures in respect of the parent *Company*'s financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the Company as a whole.

The functional and presentational currency for the Group and Company is Pounds sterling. The financial statements have been rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

Following the year end the Company has been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic. The result of this is that the Company's ability to complete on sales have been affected.

This has resulted in a delay of cashflows which have been partially offset by financial support from the Group lenders in deferring interest payments, use of the Coronavirus Job Retention Scheme, deferral of liabilities, Rates Grants and general reduction in spending.

The directors have prepared cash flow forecasts which demonstrate that the cash reserves of the group will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted. However, there is a level of uncertainty about how long some of the restrictions will last and the level of sales demand once the restrictions have ended which could affect this assessment.

The group continues to be reliant upon the support of its related companies, the directors and group lenders.

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

2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Pitch Fees, Intro Fees, and Management Fees
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, being the earlier of on occupation when the park home agreement is signed or the legal completion takes place.

2.5 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.10 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 the Group's share 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 Consolidated 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 %	straight line
Computer Software	-	20 %	straight line

2.11 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:

Freehold property	-		Not depreciated, carried at valuation
Hire fleet	-	10%	
Park plant & equipment	-	20%	
Motor vehicles	-	20%	
Office 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 the Other Comprehensive Income.

2. Accounting policies (continued)

2.12 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried 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 and Loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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 includes 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.

2.15 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.

2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected furture financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Determine whether the carrying value of freehold property accurately reflects the fair value of the property. The directors rely on the calculations provided by third party property valuers which are prepared on generally accepted valuation methods.

Other key sources of estimation uncertainty:

- Tangible fixed assets
  Tangible fixed assets, other than freehold properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assest and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Home sales	**43,808,098**	*9,318,595*
Intro fees	**11,000,000**	-
Pitch fees	**2,425,078**	*739,894*
Management fees	**1,733,756**	*382,613*
Other income	**1,316,402**	*238,086*
	60,283,334	*10,679,188*

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	Year ended 30 September 2019 £	*As restated Period ended 30 September 2018 £*
Tangible fixed assets - depreciation	**278,877**	*37,210*
Intangible fixed assets - amortisation	**3,408,214**	*931,068*
Defined contribution pension cost	**58,736**	*13,362*
Exchange differences	**739**	-

6. Auditors' remuneration

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**4,500**	-
Fees payable to the Group's auditor and its associates in respect of:		
Audit of subsidiary company financial statements	**77,000**	-
Taxation compliance services	**8,000**	-
All other services	**24,834**	-
	109,834	-

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group Year ended 30 September 2019 £	*Group Period ended 30 September 2018 £*	**Company Year ended 30 September 2019 £**	*Company Period ended 30 September 2018 £*
Wages and salaries	**3,549,355**	*687,037*	**600,641**	*50,000*
Social security costs	**307,861**	*74,003*	**78,647**	*4,821*
Cost of defined contribution scheme	**58,736**	*13,362*	**-**	*-*
	3,915,952	*774,402*	**679,288**	*54,821*

During the year the average monthly number of employees, including the directors, in the Group was 93 (2018 - 41).

During the year the average monthly number of employees, including the directors, in the Company was 3 (2018 - 3).

8. Directors' remuneration

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Directors' emoluments	**679,288**	*50,000*

The highest paid director received remuneration of £226,429 *(2018 - £16,667)*.

9. Interest payable and similar expenses

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Bank interest payable	16,669,337	*1,083,918*
Early redemption charges	-	*476,661*
Asset finance charges	478,404	*373,524*
Other loan interest payable	1,230,895	-
	18,378,636	*1,934,103*

10. Taxation

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Corporation tax		
Current tax on profits for the year	1,435,624	*10,628*
Adjustments in respect of previous periods	(30,067)	-
Deferred tax		
Origination and reversal of timing differences	473,015	*(42,754)*
Taxation on profit/(loss) on ordinary activities	1,878,572	*(32,126)*

10. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than *(2018 - higher than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	Year ended 30 September 2019 £	*Period ended 30 September 2018 £*
Profit/(loss) on ordinary activities before tax	**2,213,502**	*(666,675)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**420,565**	*(126,668)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**646,294**	*175,794*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**451,850**	*(35,635)*
Capital allowances for year/period in excess of depreciation	**265,273**	*(45,617)*
Utilisation of tax losses	**(321,214)**	-
Adjustments to tax charge in respect of prior periods	**(30,067)**	-
Change in deferred tax rates	**445,871**	-
Total tax charge for the year/period	**1,878,572**	*(32,126)*

Factors that may affect future tax charges

In the Spring 2020 Budget the government announced that the previously enacted reductions in corporation tax rates to 17% for 2020/21 and 2021/22 will not now go ahead and the rate for both years will remain at 19%. The change to the 2020/21 tax rate was substantively enacted on 17 March 2020 when a resolution under the Provisional Collection of Taxes Act was passed. The change to the 2021/22 tax rate will form part of the Finance Bill and will be substantively enacted when this is passed by the House of Commons later in the year.

If this change had been enacted prior to the balance sheet date it would have resulted in an increase of £2,130,631 in the provision.

11. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 October 2018 (as previously stated)	15,638	72,923,464	72,939,102
Prior Year Adjustment	-	(3,638,305)	(3,638,305)
At 1 October 2018 (as restated)	15,638	69,285,159	69,300,797
Additions	84,733	1,933,819	2,018,552
At 30 September 2019	100,371	71,218,978	71,319,349
Amortisation			
At 1 October 2018 (as previously stated)	-	1,500,640	1,500,640
Prior Year Adjustment	-	(15,160)	(15,160)
At 1 October 2018 (as restated)	-	1,485,480	1,485,480
Charge for the year	15,461	3,408,214	3,423,675
Impairment charge	-	296,760	296,760
At 30 September 2019	15,461	5,190,454	5,205,915
Net book value			
At 30 September 2019	84,910	66,028,524	66,113,434
At 30 September 2018 (as restated)	*15,638*	*67,799,679*	*67,815,317*

12. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation							
At 1 October 2018 (as previously stated)	227,735,072	2,751,517	79,824	5,108	230,903	287,897	231,090,321
Prior Year Adjustment	-	(1,765,100)	-	-	-	-	(1,765,100)
At 1 October 2018 (as restated)	227,735,072	986,417	79,824	5,108	230,903	287,897	229,325,221
Additions	7,376,532	365,000	2,810	4,800	47,902	65,463	7,862,507
Acquisition of subsidiary	928,643	-	-	-	-	-	928,643
Disposals	(592,141)	(50,000)	-	-	-	-	(642,141)
Revaluations	31,062,453	-	-	-	-	-	31,062,453
At 30 September 2019	266,510,559	1,301,417	82,634	9,908	278,805	353,360	268,536,683
Depreciation							
At 1 October 2018	-	72,930	3,507	2,951	58,860	21,875	160,123
Charge for the year on owned assets	-	144,775	21,564	1,874	50,430	67,545	286,188
Disposals	-	(7,311)	-	-	-	-	(7,311)
At 30 September 2019	-	210,394	25,071	4,825	109,290	89,420	439,000

12. Tangible fixed assets (continued)

Net book value

At 30 September 2019	**266,510,559**	**1,091,023**	**57,563**	**5,083**	**169,515**	**263,940**	**268,097,683**
At 30 September 2018 (as restated)	*227,735,072*	*913,487*	*76,317*	*2,157*	*172,043*	*266,022*	*229,165,098*

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

	2019 £	2018 £
Freehold	**266,510,559**	*227,735,072*
Short leasehold	**1,091,023**	*913,487*
	267,601,582	*228,648,559*

12. Tangible fixed assets (continued)

The freehold property was valued in July 2019 by an independent 3rd party.

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

	Group 2019 £	*Group 2018 £*
Cost	**226,891,065**	*212,640,198*

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2018	**115,001,791**
Additions	**1,964,857**
At 30 September 2019	**116,966,648**
Impairment	
Charge for the period	**298,000**
At 30 September 2019	**298,000**

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Beacon Hill Caravan Park Limited	Park home operator	Ordinary	100%
Bordon Park Limited	Park home operator	Ordinary	100%
Christchurch Marina Park Limited	Park home operator	Ordinary	100%
Frensham Country Park Limited	Park home operator	Ordinary	100%
Milford on Sea Park Limited	Park home operator	Ordinary	100%
North Boarhunt 1 Limited	Park home operator	Ordinary	100%
Plum Tree Country Park Limited	Park home operator	Ordinary	100%
Redhill Residential Park Limited	Park home operator	Ordinary	100%
Royale Group Management Company Limited	Park home operator	Ordinary	100%
Royale Park Estates Limited	Park home operator	Ordinary	100%
Royale Park Home Estates Limited	Park home operator	Ordinary	100%
Royale Park Homes Limited	Park home operator	Ordinary	100%
Royale Parks (Cheshire) Limited	Park home operator	Ordinary	100%
Royale Parks (Christchurch) Limited	Park home operator	Ordinary	100%
Royale Parks (Devon) Limited	Park home operator	Ordinary	100%
Royale Parks (Dolton) Limited	Park home operator	Ordinary	100%
Royale Parks (Dorset) Limited	Park home operator	Ordinary	100%
Royale Parks (Reculver) Limited	Park home operator	Ordinary	100%
Sherwood Court (Newark) Limited	Park home operator	Ordinary	100%
St Annes Court (Dorset) Limited	Park home operator	Ordinary	100%
IOW View Caravan Park Limited	Park home operator	Ordinary	100%
Stroud Heights Caravan Parks Limited	Park home operator	Ordinary	100%
IOW Caravan Park 1 Limited	Dormant	Ordinary	100%
Nottingham Caravan Park 1 Limited	Dormant	Ordinary	100%
Royale Estates Limited	Dormant	Ordinary	100%
Royale Finance Limited	Dormant	Ordinary	100%
Stroud Caravan Park Limited	Dormant	Ordinary	100%

All subsidiaries have the same registered office as the parent, Royale Parks Limited.

14. Stock & WIP

	Group 2019 £	*Group 2018 £*
Work in progress	**4,338,882**	*4,331,706*
Homes for resale	**5,423,138**	*7,438,986*
	9,762,020	*11,770,692*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £21,708,321 *(2018 - £4,939,495)*.

15. Debtors

	Group 2019 £	*Group 2018 £*	Company 2019 £	*Company 2018 £*
Due in more than one year				
Amounts owed by group undertakings	-	-	138,992,194	-
	-	-	138,992,194	-

	Group 2019 £	*Group 2018 £*	Company 2019 £	*Company 2018 £*
Due in less than one year				
Trade debtors	35,367,128	*678,047*	23,786,660	-
Amounts owed by group undertakings	-	-	10,506,697	*146,076,790*
Amounts owed by joint ventures and associated undertakings	2,933,448	*362,932*	17,860	*1,591*
Other debtors	1,100,714	*3,981,316*	97,158	*81,400*
Called up share capital not paid	1,212	*1,000*	-	-
Prepayments and accrued income	1,087,385	*1,052,927*	77,369	-
	40,489,887	*6,076,222*	34,485,744	*146,159,781*

16. Creditors: Amounts falling due within one year

	Group 2019 £	*Group Restated 2018 £*	Company 2019 £	*Company Restated 2018 £*
Bank overdrafts	29	-	25	-
Bank loans	8,479,179	-	8,479,179	-
Other loans	8,824	*1,448,422*	-	*1,448,422*
Payments received on account	1,301,850	*775,507*	-	-
Trade creditors	19,814,079	*7,120,945*	4,344,328	*11,255*
Amounts owed to related parties	23,181,749	*16,901,983*	9,877,030	*6,430,961*
Corporation tax	1,977,197	*1,925,782*	1,134,820	*448*
Other taxation and social security	2,343,455	*265,067*	2,201,974	*26,601*
Other creditors	169,224	*83,632*	9,474	*9,414*
Accruals and deferred income	1,611,864	*2,326,735*	9,201	*1,279,935*
	58,887,450	*30,848,073*	26,056,031	*9,207,036*

Trade Creditors includes £6.47m of liabilities (2018 - £1.94m) which are secured over the homes to which they relate.

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

	Group 2019 £	*Group Restated 2018 £*	Company 2019 £	*Company Restated 2018 £*
Bank loans	**194,544,381**	*187,680,592*	**194,544,381**	*187,680,592*
Other loans	**15,097,325**	*13,901,773*	**15,097,325**	*13,901,773*
	209,641,706	*201,582,365*	**209,641,706**	*201,582,365*

The bank loan is secured by way of a fixed charge over the assets of the Group. The other loan is not secured.

The bank loan is repaid at a rate of £5m per year starting on the first anniversary with the balance due at the end of the 5 year term, now within 4 years of the balance sheet date, the loan accrues interest at a rate of 8.6%.

The other loan relates to interest free 5 year loan notes repayable at the end of the term, shown initially at fair value and subsequently shown at amortised cost, in line with the policy for such liabilities.

18. Loans

	Group 2019 £	*Group As restated 2018 £*	Company 2019 £	*Company As restated 2018 £*
Amounts falling due within one year				
Bank loans	**8,479,179**	-	**8,479,179**	-
Other loans	**8,824**	*1,448,422*	-	*1,448,422*
	8,488,003	*1,448,422*	**8,479,179**	*1,448,422*
Amounts falling due 1-2 years				
Bank loans	**5,000,000**	*5,000,000*	**5,000,000**	*5,000,000*
Amounts falling due 2-5 years				
Bank loans	**189,544,381**	*182,680,592*	**189,544,381**	*182,680,592*
Other loans	**15,097,325**	*13,901,773*	**15,097,325**	*13,901,773*
	218,129,709	*203,030,787*	**218,120,885**	*203,030,787*

19. Financial instruments

	Group 2019 £	*Group 2018 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**267,196**	*733,620*
Financial assets measured at amortised cost	**39,120,790**	*1,424,973*
	39,387,986	*2,158,593*
Financial liabilities		
Financial liabilities measured at amortised cost	**(264,208,500)**	*(189,129,014)*

Financial assets comprise trade and other debtors, amounts owed by group undertakings and related parties, measured at amortised cost and cash and cash equivalents measured at fair value.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings and related parties, payments on account, bank loans, bank overdrafts, other loans and accruals.

20. Deferred taxation

Group

	2019 £
At beginning of period	**(12,899,591)**
Charged to profit or loss	**(473,015)**
Charged to other comprehensive income	**(4,668,553)**
Arising on business combinations	**-**
At end of period	**(18,041,159)**

The provision for deferred taxation is made up as follows:

	Group 2019 £	*Group As restated 2018 £*
Accelerated capital allowances	**(61,864)**	*(34,472)*
Tax losses carried forward	**(12,720)**	*574,752*
Tax on unrealised gain	**(17,966,575)**	*(13,439,872)*
	(18,041,159)	*(12,899,592)*

21. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
38,171 Ordinary A shares of £0.01 each	382	382
5,005,000 Ordinary B shares of £1.00 each	5,005,000	5,005,000
1 Ordinary C share of £1.00	1	1
	5,005,383	5,005,383

Ordinary A shares
Ordinary A shares have full voting rights until such a time as a C Share Notice has been executed. Dividends to be distributed amongst the holders of A shares pro rata. On a sale, liquidation or winding up of the company, the right to repayment of the par value and any premium paid or credited on such A share together with the right to participate in surplus assets of the company after payment of all creditors and return of par value of the C shares. A shares are not redeemable.

Ordinary B shares
Ordinary B shares are non-voting. B shares have no right to dividends. In the event that there are surplus assets of the company in excess of £100,000,000 on a sale, liquidation or winding up of the company, the holder of the B share is entitled to a sum equal to the difference between £100,000,000 and £105,005,000 pro rata. B shares are non-redeemable.

Ordinary C shares
Ordinary C shares have no voting rights until such a time as a C Share Notice has been executed following which the holder of the C share will have full voting rights. C shares have no right to dividends. On winding up, a C share has the right to repayment of its par value. C shares are non-redeemable.

22. 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 profit and loss.

Profit and loss account

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

Capital contribution reserve

The capital contribution reserve represents an additional contribution to the company from the parent by way of interest free loan notes.

23. Business combinations

On 29 October 2018 Royale Parks Limited acquired the entire share capital of both Stroud Heights Caravan Park Limited and IoW View Caravan Park Limited.

Acquisition of Stroud Heights Caravan Park Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	348,643	-	348,643
	348,643	-	348,643
Current assets			
Cash at bank and in hand	206	-	206
Total assets	348,849	-	348,849
Creditors			
Due within one year	(317,911)	-	(317,911)
Total identifiable net assets	30,938	-	30,938
Goodwill			763,058
Total purchase consideration			793,996

Consideration

	£
Cash	700,052
Directly attributable costs	93,944
Total purchase consideration	793,996

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	700,052
Directly attributable costs	93,944
Net cash outflow on acquisition	793,996

23. Business combinations (continued)

The results of Stroud Heights Caravan Park Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	-
Loss for the period	(8,115)

Acquisition of IoW View Caravan Park Limited

	Book value £	Fair value £
Fixed assets		
Tangible	580,000	*580,000*
	580,000	*580,000*
Current assets		
Debtors	100	*100*
Total assets	580,100	*580,100*
Creditors		
Due within one year	(580,000)	*(580,000)*
Total identifiable net assets	100	*100*

	2019 £
Goodwill	1,170,761
Total purchase consideration	1,170,761

23. Business Combinations (continued)

	2019 £
Consideration	
Cash	1,032,326
Directly attributable costs	138,535
Total purchase consideration	1,170,861

Cash outflow on acquisition

	2019 £
Purchase consideration settled in cash, as above	1,032,326
Directly attributable costs	138,535
Net cash outflow on acquisition	1,170,861

The results for IOW View Caravan Park Limited since its acquisition are as follows:

	2019 £
Turnover	17,075
Loss for the period	(7,465)

24. Prior period adjustment

Discounted Loan Notes
In the prior period the company recognised £21m interest free 5 year loan notes at their nominal value, a prior period adjustment is required to initially recognise this liability at discounted present value.

This has resulted in a reduction of the Other Loans liability of £7.1m (the discount) and a Capital Contribution Reserve of £7.1m (the unrealised benefit the company has received from the interest free loan notes).

Capital contribution reserve
In the prior period the capital contribution reserve in a subsidiary was not eliminated on consolidation, resulting in increased goodwill and subsequently amortisation of that Goodwill.

A prior period adjustment is required to reduce goodwill in the consolidated Group by £3.6m, remove the capital contribution reserve of the same amount and reduce goodwill amortisation in the period by £15k.

Site acquisition cost
In a subsidiary in the prior period, part of the site acquisition cost was recognised in Hire Fleet assets in error, as a result, in the consolidated Group accounts, the property revaluation in 2018, and deferred tax thereon, has been inflated. Due to these costs being in Hire Fleet the group received tax writing down allowance at 18%, which would not have been given if the cost was correctly in Property. This has therefore shown reduced goodwill due to the subsidiary having inflated net assets at acquisition.

A prior period adjustment is required in the consolidated Group accounts to remove the Hire Fleet acquired on business combinations of £1,604k, reduce deferred tax liability on unrealised gains by £318k, reduce deferred tax asset on carried forward losses by £54k and increase the goodwill on acquisition by £1,340k. The increased goodwill on acquisition will then give rise to an increased goodwill amortisation charge to 30 September 2018 of £6k.

Site acquisition costs paid by director
In a subsidiary a portion of the park acquisition costs paid by a director were omitted from the initial acquisition journals in 2017, in the consolidated Group accounts this means the Net Assets of the subsidiary were overstated at acquisition.

A prior period adjustment is required to increase Goodwill at acquisition by £3,075k, increase amounts owed by directors by £3,750k and decrease deferred tax on unrealised gains by £675k. The increased Goodwill then gives rise to additional amortisation of goodwill of £13k.

Bank loan

A prior period adjustment is required to correct the ageing of the bank loan £182m from due in 1-2 years to due in 2-5 years.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £58,736 (2018 - £13,362). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

26. Related party transactions

Company Directors

At the balance sheet date the Group owed £14,288,721 (2018 - £11,376,113) to the Directors of the company.

At the balance sheet date the company owed £3,974,795 (2018 - £1,325,029) to the Directors of the company.

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Their total remuneration has been disclosed in the Directors' remuneration note (note 8) in these accounts.

Companies under common control

The below balances are related parties due to the significant influence Robert Lee Jack Bull holds in these companies. The transactions in the year result from home sales and intro fees and were made on an arms length basis.

At the balance sheet date the Group was owed £2,934,460 (2018 - £363,932) by companies under common control and owed £8,893,030 (2018 - £26,525,870) to companies under common control.

During the year the Group made sales of £30,505,306 (2018 - £1,127,753) to companies under common control and as at the year end trade debtors includes £35,295,679 (2018 - £Nil) owed by companies under common control.

During the year the group received introducer fees from the following related parties:

Time GB (TB) Limited - £1,500,000
Time Cornwall Limited - £2,500,000
Time GB (Devon) Limited - £500,000
Dorset Caravan Park 4 Limited - £750,000
Time GB Properties Limited - £5,000,000
Devon View Court Limited - £750,000

All introducer fees are recognised on completion of transactions. Mr R J L Bull has ultimate control of the above entities.

During the year the group made home sales to Time GB Group Limited totalling £8,630,000 and Time GB Holdings of £2,070,000. Mr R J L Bull has ultimate control of the above entities.

During the year the Group made purchases of £Nil (2018 - £676,343) and as at the year end trade creditors includes £4,033,041 (2018 - £Nil) owed to companies under common control.

At the balance sheet date the company was owed £17,860 (2018 - £1,591) by companies under common control and owed £5,902,235 (2018 - £26,105,932) to companies under common control.

During the year the company made sales of £11,120,000 (2018 - £Nil) to companies under common control and as at the year end trade debtors includes £23,786,660 (2018 - £Nil) owed by companies under common control. As at the year end trade creditors includes £2,577,958 (2018 - £Nil) owed to companies under common control.

27. Post balance sheet events

Subsequent to the reporting date, the COVID-19 pandemic has become global. The directors considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the company.

No other matter or circumstance has arisen since 30 September 2019 that has significantly affected, or may significantly affect the company's operations.

28. Controlling party

The Directors consider that no one party controls the Group.