

## **Royale Park Estates Limited**

### **Financial statements**

**Information for filing with the registrar**

**For the Year Ended 30 September 2019**

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**Royale Park Estates Limited**  
**Registered number:09447887**

**Balance Sheet**  
**As at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	4	11,517	15,638
Tangible assets	5	18,946,694	16,429,107
		<u>18,958,211</u>	<u>16,444,745</u>
<b>Current assets</b>			
Stocks	6	692,813	2,323,398
Debtors	7	7,330,623	4,270,229
Cash at bank and in hand		3,482	5,681
		<u>8,026,918</u>	<u>6,599,308</u>
Creditors: amounts falling due within one year	8	(9,048,036)	(6,276,068)
<b>Net current (liabilities)/assets</b>		<u>(1,021,118)</u>	<u>323,240</u>
<b>Total assets less current liabilities</b>		<u>17,937,093</u>	<u>16,767,985</u>
Creditors: amounts falling due after more than one year	9	(7,148,008)	(9,181,817)
<b>Provisions for liabilities</b>			
Deferred tax	10	(1,050,160)	(725,199)
<b>Net assets</b>		<u><u>9,738,925</u></u>	<u><u>6,860,969</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Revaluation reserve	12	5,130,412	3,306,850
Profit and loss account	12	4,608,413	3,554,019
		<u><u>9,738,925</u></u>	<u><u>6,860,969</u></u>

**Royale Park Estates Limited**  
**Registered number:09447887**

**Balance Sheet (continued)**  
**As at 30 September 2019**

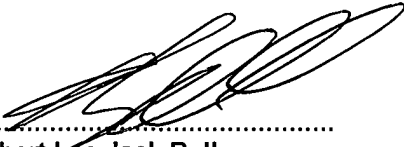
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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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: 21/8/20

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

## **Royale Park Estates Limited**

### **Notes to the Financial Statements For the Year Ended 30 September 2019**

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#### **1. General information**

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

The principal place of business is Reculver Lane, Herne Bay, Reculver, Kent.

The company's principal activity is that of operating a park 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**

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 company continues to be reliant upon the support of its parent company, fellow group subsidiaries, 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.

##### **2.3 Finance costs**

Finance costs are charged to the 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.

## Royale Park Estates Limited

### Notes to the Financial Statements For the Year Ended 30 September 2019

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## 2. Accounting policies (continued)

### 2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 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.

### 2.5 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:

Computer Software	-	20 %
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### 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.

## Royale Park Estates Limited

### Notes to the Financial Statements For the Year Ended 30 September 2019

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## 2. Accounting policies (continued)

### 2.6 Tangible fixed assets (continued)

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
Fixtures and fittings	-	20%
Park plant & equipment	-	20%
Office & computer equipment	-	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 Statement of Comprehensive Income.

### 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 the Statement of 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 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.

### 2.9 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.

### 2.10 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 Park Estates Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**2. Accounting policies (continued)**

**2.11 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 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.

There are no employees other than directors (2018 - Nil).

**4. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 October 2018	20,606
At 30 September 2019	<u>20,606</u>
<b>Amortisation</b>	
At 1 October 2018	4,968
Charge for the year	4,121
At 30 September 2019	<u>9,089</u>
<b>Net book value</b>	
At 30 September 2019	<u><u>11,517</u></u>
At 30 September 2018	<u><u>15,638</u></u>

Royale Park Estates Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2019

5. Tangible fixed assets

	Freehold property £	Park plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2018	16,400,000	911	16,606	20,391	16,437,908
Additions	371,477	-	5,460	485	377,422
Revaluations	2,148,523	-	-	-	2,148,523
At 30 September 2019	<u>18,920,000</u>	<u>911</u>	<u>22,066</u>	<u>20,876</u>	<u>18,963,853</u>
<b>Depreciation</b>					
At 1 October 2018	-	119	4,639	4,043	8,801
Charge for the year on owned assets	-	182	4,049	4,127	8,358
At 30 September 2019	<u>-</u>	<u>301</u>	<u>8,688</u>	<u>8,170</u>	<u>17,159</u>
<b>Net book value</b>					
At 30 September 2019	<u>18,920,000</u>	<u>610</u>	<u>13,378</u>	<u>12,706</u>	<u>18,946,694</u>
At 30 September 2018	<u>16,400,000</u>	<u>792</u>	<u>11,967</u>	<u>16,348</u>	<u>16,429,107</u>

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 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:

	2019 £	2018 £
Cost	<u>12,742,591</u>	<u>12,371,114</u>



**Royale Park Estates Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**6. Stock & WIP**

	2019 £	2018 £
Work in progress	250,000	720,132
Homes for resale	442,813	1,603,266
	<u>692,813</u>	<u>2,323,398</u>

**7. Debtors**

	2019 £	2018 £
Trade debtors	3,035,619	235,071
Amounts owed by group undertakings	4,016,411	3,716,453
Amounts owed by joint ventures and associated undertakings	15,781	91,016
Other debtors	221,083	189,749
Prepayments and accrued income	41,729	37,940
	<u>7,330,623</u>	<u>4,270,229</u>

**8. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Payments received on account	45,000	351,926
Trade creditors	480,547	119,630
Amounts owed to group undertakings	6,022,587	2,582,635
Amounts owed to related parties	1,837,281	2,270,934
Corporation tax	474,446	836,858
Other creditors	38,390	-
Accruals and deferred income	149,785	114,085
	<u>9,048,036</u>	<u>6,276,068</u>

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

	2019 £	2018 £
Amounts owed to group undertakings	7,148,008	9,181,817
	<u>7,148,008</u>	<u>9,181,817</u>

**Royale Park Estates Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**10. Deferred taxation**

	<b>2019 £</b>
At beginning of year	(725,199)
Charged to other comprehensive income	(324,961)
<b>At end of year</b>	<b><u>(1,050,160)</u></b>

The provision for deferred taxation is made up as follows:

	<b>2019 £</b>	<b>2018 £</b>
Tax on unrealised gain	<b><u>(1,050,160)</u></b>	<b><u>(725,199)</u></b>

**11. Share capital**

	<b>2019 £</b>	<b>2018 £</b>
<b>Allotted, called up and fully paid</b>		
100 (2018 - 100) Ordinary shares of £1.00 each	<b><u>100</u></b>	<b><u>100</u></b>

**12. Reserves**

**Revaluation reserve**

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

**Profit and loss account**

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

## Royale Park Estates Limited

### Notes to the Financial Statements For the Year Ended 30 September 2019

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#### 13. Related party transactions

##### Company Directors

As at the balance sheet date the company owed £1,837,281 (2018 - £1,850,934) to company directors.

##### Companies under common control

As at the balance sheet date the company owed £Nil (2018 - £420,000) to companies under common control and was owed £15,781 (2018 - £91,016) by companies under common control.

During the year the company made sales of £2,825,416 (2018 - £Nil) to companies under common control and as at the year end trade debtors includes £2,948,005 (2018 - £Nil) owed by companies under common control.

There is also a balance of £9,853 (2018 - £Nil) in trade debtors owed by companies under common control.

#### 14. Post balance sheet events

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 £123,548 in the provision.

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.

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.

#### 15. Controlling party

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

**Royale Park Estates Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**16. Auditors' information**

The auditors' report on the financial statements for the year ended 30 September 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.2 in the financial statements and concerns around the impact of the COVID-19 pandemic since the reporting date. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 2 | 9 | 2020 by Paul Cullen FCCA (Senior Statutory Auditor) on behalf of Price Bailey LLP.