REGISTERED NUMBER: SC088900 (Scotland)

PETTYCUR BAY HOLIDAY PARK LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

PETTYCUR BAY HOLIDAY PARK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2023

DIRECTORS:	T Wallace M Wallace A J Wallace T J Wallace
SECRETARY:	M Wallace
REGISTERED OFFICE:	Pettycur Bay Holiday Park Burntisland Road Kinghorn Fife KY3 9YE
REGISTERED NUMBER:	SC088900 (Scotland)
AUDITORS:	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	The Royal Bank of Scotland 23/25 Rosslyn Street Kirkcaldy KY1 3HA
SOLICITORS:	James Thomson and Son 51A High Street Kirkcaldy Fife KY1 1LJ

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their strategic report of the company and the group for the year ended 28 February 2023.

REVIEW OF BUSINESS
The key financial highlights are as follows:

	28/2/23	28/2/22	2021
	£	£	£
Turnover	9,838,633	8,068,605	4,316,590
Turnover growth	21.94%	86.92%	(17.76%)
Profit before tax	1,818,604	3,519,640	1,110,215

The net assets of the group have increased from £15,334,926 at 28 February 2022 to £16,265,008 at 28 February 2023. The directors are confident that the group will continue to trade in a similar manner in the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES
Competitive pressure has increased in the marketplace and margins remain under pressure.

The directors seek to control overhead costs in order to maintain the profitability of the group.

FY24 is expected to be a satisfactory year as the hospitality and leisure sectors are in high demand but pressures now exist with regards to the cost of living crisis which will undoubtedly impact demand for holidays, due to the squeeze on household income.

FINANCIAL INSTRUMENTS
The company's principal financial instruments comprise bank balances, trade creditors and loans from related parties. The main purpose of these instruments is to finance the company's operations.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

ENVIRONMENT
The company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

ON BEHALF OF THE BOARD:

A J Wallace - Director

14 November 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their report with the financial statements of the company and the group for the year ended 28 February 2023.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of the operation of a holiday park and hotel at Pettycur Bay and a holiday park at Kinghorn, Fife.

DIVIDENDS
An interim dividend of £37.73 per share was paid on 28 February 2023. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 28 February 2023 will be £ 560,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 March 2022 to the date of this report.

T Wallace
M Wallace
A J Wallace
T J Wallace

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2023

AUDITORS
The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A J Wallace - Director

14 November 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PETTYCUR BAY HOLIDAY PARK LIMITED

Opinion
We have audited the financial statements of Pettycur Bay Holiday Park Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 28 February 2023 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 opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the UK Companies Act 2006.

We assessed how the Group is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to the Group, and the manner in which such risks may occur in practice, based on our previous knowledge of the Group, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PETTYCUR BAY HOLIDAY PARK LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kirsty Mackie BAcc CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

14 November 2023

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	28/2/23 £	28/2/22 £
TURNOVER		9,838,633	8,068,605
Cost of sales		(2,717,519)	(1,540,081)
GROSS PROFIT		7,121,114	6,528,524
Administrative expenses		(5,356,992)	(3,528,658)
		1,764.122	2,999,866
Other operating income		87,446	258,770
OPERATING PROFIT		1,851,568	3,258,636
Income from fixed asset investments		137,108	60,328
Interest receivable and similar income		13,534	2,651
		2,002,210	3,321,615
Amounts written off investments	4	(242,472)	198,025
Gain/loss on revaluation of assets		58,866	-
PROFIT BEFORE TAXATION	5	1,818,604	3,519,640
Tax on profit	6	(327,900)	(903,620)
PROFIT FOR THE FINANCIAL YEAR		1,490,704	2,616,020
Profit attributable to:			
Owners of the parent		1,490,704	2,616,020

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	28/2/23 £	28/2/22 £
PROFIT FOR THE YEAR		1,490,704	2,616,020
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,490,704	2,616,020
Total comprehensive income attributable to:			
Owners of the parent		1,490,704	2,616,020

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
28 FEBRUARY 2023

	Notes	28/2/23 £	28/2/23 £	28/2/22 £	28/2/22 £
FIXED ASSETS					
Tangible assets	9		9,796,421		9,471,137
Investments	10		-		-
			9,796,421		9,471,137
CURRENT ASSETS					
Stocks	11	2,121,367		528,925	
Debtors	12	1,017,433		731,211	
Investments	13	5,214,638		5,529,962	
Cash at bank and in hand		2,161,688		2,990,556	
		10,515,126		9,780,654	
CREDITORS					
Amounts falling due within one year	14	3,160,144		3,023,083	
NET CURRENT ASSETS			7,354,982		6,757,571
TOTAL ASSETS LESS CURRENT LIABILITIES			17,151,403		16,228,708
PROVISIONS FOR LIABILITIES	17		885,774		893,783
NET ASSETS			16,265,629		15,334,925
CAPITAL AND RESERVES					
Called up share capital	18		50,000		50,000
Retained earnings	19		16,215,629		15,284,925
SHAREHOLDERS' FUNDS			16,265,629		15,334,925

The financial statements were approved by the Board of Directors and authorised for issue on 14 November 2023 and were signed on its behalf by:

A J Wallace - Director

COMPANY BALANCE SHEET
28 FEBRUARY 2023

	Notes	28/2/23 £	28/2/23 £	28/2/22 £	28/2/22 £
FIXED ASSETS					
Tangible assets	9		9,796,421		9,471,137
Investments	10		100		-
			9,796,521		9,471,137
CURRENT ASSETS					
Stocks	11	800,640		528,925	
Debtors	12	2,338,060		731,211	
Investments	13	5,214,638		5,529,962	
Cash at bank and in hand		2,161,688		2,990,556	
		10,515,026		9,780,654	
CREDITORS					
Amounts falling due within one year	14	3,160,144		3,023,082	
NET CURRENT ASSETS			7,354,882		6,757,572
TOTAL ASSETS LESS CURRENT LIABILITIES			17,151,403		16,228,709
PROVISIONS FOR LIABILITIES	17		885,774		893,783
NET ASSETS			16,265,629		15,334,926
CAPITAL AND RESERVES					
Called up share capital	18		50,000		50,000
Retained earnings	19		16,215,629		15,284,926
SHAREHOLDERS' FUNDS			16,265,629		15,334,926
Company's profit for the financial year			1,490,703		2,616,021

The financial statements were approved by the Board of Directors and authorised for issue on 14 November 2023 and were signed on its behalf by:

A J Wallace - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2021	50,000	13,341,905	13,391,905
Changes in equity			
Dividends	-	(673,000)	(673,000)
Total comprehensive income	-	2,616,020	2,616,020
Balance at 28 February 2022	50,000	15,284,925	15,334,925
Changes in equity			
Dividends	-	(560,000)	(560,000)
Total comprehensive income	-	1,490,704	1,490,704
Balance at 28 February 2023	50,000	16,215,629	16,265,629

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2021	50,000	13,341,905	13,391,905
Changes in equity			
Dividends	-	(673,000)	(673,000)
Total comprehensive income	-	2,616,021	2,616,021
Balance at 28 February 2022	50,000	15,284,926	15,334,926
Changes in equity			
Dividends	-	(560,000)	(560,000)
Total comprehensive income	-	1,490,703	1,490,703
Balance at 28 February 2023	50,000	16,215,629	16,265,629

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	28/2/23 £	28/2/22 £
Cash flows from operating activities			
Cash generated from operations	1	147,342	3,817,797
Tax paid		(603,540)	(191,737)
Net cash from operating activities		(456,198)	3,626,060
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,101,582)	(1,695,533)
Sale of tangible fixed assets		794,439	655,769
Sale of current asset investments		250,000	(1,000,000)
Investment fees paid		21,454	16,784
Interest received		13,534	2,651
Dividends received		137,108	60,328
Net cash from investing activities		114,953	(1,960,001)
Cash flows from financing activities			
Amount introduced by directors		635,211	671,134
Amount withdrawn by directors		(557,422)	(748,119)
Loans advanced to related parties		(18,827)	(440,899)
Equity dividends paid		(560,000)	(673,000)
Net cash from financing activities		(501,038)	(1,190,884)
(Decrease)/increase in cash and cash equivalents		(842,283)	475,175
Cash and cash equivalents at beginning of year	2	2,990,556	2,515,381
Cash and cash equivalents at end of year	2	2,148,273	2,990,556

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2023

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

	28/2/23	28/2/22
	£	£
Profit before taxation	1,818,604	3,519,640
Depreciation charges	520,581	407,653
Profit on disposal of fixed assets	(538,722)	(465,975)
Gain on revaluation of fixed assets	(58,866)	-
Fair value adjustment to investments	242,472	(198,025)
Investment income	(137,108)	(60,328)
Interest received on investments	(2,629)	(157)
Finance income	(150,642)	(62,979)
	1,693,690	3,139,829
Increase in stocks	(1,592,442)	(129,549)
(Increase)/decrease in trade and other debtors	(343,888)	7,726
Increase in trade and other creditors	389,982	799,791
Cash generated from operations	147,342	3,817,797

2. CASH AND CASH EQUIVALENTS

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

Year ended 28 February 2023

	28/2/23	1/3/22
	£	£
Cash and cash equivalents	2,161,688	2,990,556
Bank overdrafts	(13,415)	-
	2,148,273	2,990,556

Year ended 28 February 2022

	28/2/22	1/3/21
	£	£
Cash and cash equivalents	2,990,556	2,515,381

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2023

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/3/22	Cash flow	At 28/2/23
	£	£	£
Net cash			
Cash at bank and in hand	2,990,556	(828,868)	2,161,688
Bank overdrafts	-	(13,415)	(13,415)
	2,990,556	(842,283)	2,148,273
Liquid resources			
Current asset investments	5,529,962	(315,324)	5,214,638
	5,529,962	(315,324)	5,214,638
Total	8,520,518	(1,157,607)	7,362,911

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

1. STATUTORY INFORMATION

Pettycur Bay Limited is a private company, limited by shares, registered in Scotland. The Company's registered number is SC088900 and registered office address is Pettycur Bay Holiday Park, Burntisland Road, Kinghorn, Fife KY3 9YE.

The nature of the company's operations and its principal activities is that of the operation of a holiday park and hotel at Pettycur Bay and a holiday park at Kinghorn, Fife.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Critical accounting judgements and key sources of estimation uncertainty
In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets 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 a 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 asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future 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.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

continued...

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 10% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 ' Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

continued...

2. ACCOUNTING POLICIES - continued

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. EMPLOYEES AND DIRECTORS

	28/2/23	28/2/22
	£	£
Wages and salaries	1,968,805	1,309,539
Social security costs	148,164	103,744
Other pension costs	31,266	20,219
	2,148,235	1,433,502

The average number of employees during the year was as follows:

	28/2/23	28/2/22
Administration	5	5
Park	12	10
Bar / Leisure / Restaurant	101	66
	118	81

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2022 - NIL).

continued...

3. EMPLOYEES AND DIRECTORS - continued

	28/2/23	28/2/22
	£	£
Directors' remuneration	-	-

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4

4. AMOUNTS WRITTEN OFF INVESTMENTS

	28/2/23	28/2/22
	£	£
Fair value adjustment on investments	242,472	(198,025)

5. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	28/2/23	28/2/22
	£	£
Hire of plant and machinery	540	1,198
Depreciation - owned assets	520,581	407,653
Profit on disposal of fixed assets	(538,722)	(465,975)
Auditors' remuneration	19,500	19,500

6. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	28/2/23	28/2/22
	£	£
Current tax:		
UK corporation tax	335,910	603,541
Adjustment in respect of prior periods	(1)	(56)
Total current tax	335,909	603,485
Deferred tax:		
Originating and reversal of timing differences	(8,009)	300,135
Tax on profit	327,900	903,620

continued...

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	28/2/23	28/2/22
	£	£
Profit before tax	1,818,604	3,519,640
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	345,535	668,732
Effects of:		
Adjustments to tax charge in respect of previous periods	(1)	(55)
Disallowed expenses and non-taxable income	40,640	(61,802)
Deferred tax rate changes	(1,922)	214,508
Indexation allowances and rebasing	(56,352)	82,237
Total tax charge	327,900	903,620

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	28/2/23	28/2/22
	£	£
Ordinary A shares of £1 each		
Interim	560,000	673,000

continued...

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 March 2022	11,935,397	384,301	1,015,672
Additions	249,389	123,436	634,905
Disposals	(66,247)	-	(447,919)
At 28 February 2023	12,118,539	507,737	1,202,658
DEPRECIATION			
At 1 March 2022	3,615,899	206,191	460,796
Charge for year	243,020	53,832	146,385
Eliminated on disposal	(24,510)	-	(234,040)
At 28 February 2023	3,834,409	260,023	373,141
NET BOOK VALUE			
At 28 February 2023	8,284,130	247,714	829,517
At 28 February 2022	8,319,498	178,110	554,876

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 March 2022	161,366	519,564	14,016,300
Additions	78,665	15,187	1,101,582
Disposals	(7,575)	-	(521,741)
At 28 February 2023	232,456	534,751	14,596,141
DEPRECIATION			
At 1 March 2022	95,024	167,253	4,545,163
Charge for year	24,759	52,585	520,581
Eliminated on disposal	(7,474)	-	(266,024)
At 28 February 2023	112,309	219,838	4,799,720
NET BOOK VALUE			
At 28 February 2023	120,147	314,913	9,796,421
At 28 February 2022	66,342	352,311	9,471,137

continued...

9. **TANGIBLE FIXED ASSETS - continued**

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 March 2022	11,935,397	384,301	1,015,672
Additions	249,389	123,436	634,905
Disposals	(66,247)	-	(447,919)
At 28 February 2023	12,118,539	507,737	1,202,658
DEPRECIATION			
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Eliminated on disposal	(24,510)	-	(234,040)
At 28 February 2023	3,834,409	260,023	373,141
NET BOOK VALUE			
At 28 February 2023	8,284,130	247,714	829,517
At 28 February 2022	8,319,498	178,110	554,876

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 March 2022	161,366	519,564	14,016,300
Additions	78,665	15,187	1,101,582
Disposals	(7,575)	-	(521,741)
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DEPRECIATION			
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Charge for year	24,759	52,585	520,581
Eliminated on disposal	(7,474)	-	(266,024)
At 28 February 2023	112,309	219,838	4,799,720
NET BOOK VALUE			
At 28 February 2023	120,147	314,913	9,796,421
At 28 February 2022	66,342	352,311	9,471,137

continued...

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	100
At 28 February 2023	100
NET BOOK VALUE	
At 28 February 2023	100

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

Subsidiary

Formula Wallace Ltd
Registered office: Building 1000 Cambridge Research Park, Waterbeach, Inited Kingdom, CB25 9PD
Nature of business: Letting and operating of real estate

Class of shares:	% holding
Ordinary	100.00

	28/2/23 £
Aggregate capital and reserves	100

11. STOCKS

	Group		Company	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Finished goods	800,640	528,925	800,640	528,925
Construction in progress	1,320,727	-	-	-
	2,121,367	528,925	800,640	528,925

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Trade debtors	397,095	83,108	397,095	83,108
Amounts owed by group undertakings	-	-	1,320,627	-
Amounts owed by associates	477,468	458,641	477,468	458,641
Directors' current accounts	-	76,493	-	76,493
VAT	-	3,681	-	3,681
Prepayments and accrued income	142,870	109,288	142,870	109,288
	1,017,433	731,211	2,338,060	731,211

continued...

13. CURRENT ASSET INVESTMENTS

	Group		Company	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Listed investments	5,214,638	5,529,962	5,214,638	5,529,962

Market value of listed investments at 28 February 2023 held by the group and the company - £ (5,214,638) (2022 - £ (5,529,962)).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Bank loans and overdrafts (see note 15)	13,415	-	13,415	-
Trade creditors	2,521,499	2,101,124	2,521,499	2,101,123
Corporation tax	335,910	603,541	335,910	603,541
Social security and other taxes	23,202	21,937	23,202	21,937
VAT	16,926	-	16,926	-
Other creditors	127,759	158,497	127,759	158,497
Directors' current accounts	1,296	-	1,296	-
Accruals and deferred income	120,137	137,984	120,137	137,984
	3,160,144	3,023,083	3,160,144	3,023,082

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	13,415	-	13,415	-

continued...

16. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Group

	28/2/23	28/2/22
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	844,563	618,242
Financial assets measured at fair value through profit and loss	5,214,638	5,529,962
Cash and cash equivalents	2,161,688	2,990,556
	8,220,889	9,138,760
Financial liabilities		
Financial liabilities measured at amortised cost	2,663,968	2,259,620

Company

	28/2/23	28/2/22
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,195,190	618,242
Financial assets measured at fair value through profit and loss	5,214,638	5,529,962
Cash and cash equivalents	2,161,688	2,990,556
	9,571,516	9,138,760
Financial liabilities		
Financial liabilities measured at amortised cost	2,663,968	2,259,620

17. PROVISIONS FOR LIABILITIES

	Group		**Company**	
	28/2/23	28/2/22	28/2/23	28/2/22
	£	£	£	£
Deferred tax	885,774	893,783	885,774	893,783

Group

	Deferred tax
	£
Balance at 1 March 2022	893,783
Origination and reversal of timing differences	206,499
Effect of changes in tax rates	(214,508)
Balance at 28 February 2023	885,774

continued...

17. **PROVISIONS FOR LIABILITIES - continued**

Company

	Deferred tax £
Balance at 1 March 2022	893,783
Originating and reversal of timing differences	206,499
Effect of changes in tax rates	(214,508)
Balance at 28 February 2023	885,774

Details of the provision for deferred taxation are given below:

Group

	28/2/23 £	28/2/22 £
Accelerated capital allowances	655,158	584,229
Other timing differences	(478)	(371)
Rollover or holdover gains	231,094	309,925
	885,774	893,783

Details of the provision for deferred taxation are given below:

Company

	28/2/23 £	28/2/22 £
Accelerated capital allowances	655,158	584,229
Other timing differences	(478)	(371)
Rollover or holdover gains	231,094	309,925
	885,774	893,783

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28/2/23 £	28/2/22 £
15,000	Ordinary A	£1	15,000	15,000
19,800	Ordinary B	£1	19,800	19,800
15,000	Ordinary C	£1	15,000	15,000
200	Ordinary D	£1	200	200
			50,000	50,000

continued...

19. RESERVES

Group

	Retained earnings £
At 1 March 2022	15,284,925
Profit for the year	1,490,704
Dividends	(560,000)
At 28 February 2023	16,215,629

Company

	Retained earnings £
At 1 March 2022	15,284,926
Profit for the year	1,490,703
Dividends	(560,000)
At 28 February 2023	16,215,629

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. During the year the company made contributions of £31,266 to the scheme (2022 - £20,219). At the year end, there is a balance of £5,102 (2022 - £3,961) included in creditors relating to pension contributions.

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At 28 February 2023, the balance due from the company to the directors family loan account was £1,296 (2022 - due to the company £74,493).

The company was under the control of the directors throughout the current and previous year.

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £560,000 (2022 - £673,000) were paid to the directors .

Included in debtors is a balance of £473,894 (2022 - £458,641) due from A&T Residential Properties Limited, a company with common directors.

During the year, the total paid to the group's key management personnel was £nil (2022 - £nil).