

Ayersmont Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 January 2021
Registration number: 02454902



Ayersmont Limited

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Ayersmont Limited

Strategic Report

Year Ended 31 January 2021

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

Principal activity

The principal activity of the company is as a non-trading parent company to Landscope Holidays Ltd and Hardwick Parks Ltd whose principal activities are the operation respectively of coastal static caravan/ chalet holiday parks and a countryside touring/ static holiday home/ watersports holiday park.

Fair review of the business

The group has performed well in the year, despite the Covid 19 pandemic meaning that the parks were shut from March to July 2020. Group turnover increased by £442k to £6.3m. With regard to Landscope Holiday's Limited, the main trading company, turnover reached £5.4m (2020: £4.7m) which has exceeded budgets set. This increase is attributable to the significant increase in caravan sales during the year with UK holiday makers choosing to holiday in the UK rather than go abroad during the height of the pandemic. The company received support during the periods of lockdown whilst the parks were shut in the form of furlough grants and other grants which have been included within other operating income in the profit and loss account. Operational costs have been carefully controlled during the period and non essential expenditure was reduced where possible meaning a reduction in administrative expenses from £2.8m to £2.4m. The second phase of the demolition work at Riviera Bay completed during the year and shows an exceptional loss of £243k (2020: £395k) as a disposal of fixed assets reflecting the chalets that were demolished at the year end.

Hardwick parks achieved turnover of £874k which is a slight reduction on 2020 due to the Covid pandemic. The company added £47k to retained earnings of the group.

Redevelopment spend continues to be ongoing in line with strategic aims, with capital expense funded by trading reserves. Net assets of the group have increased by £489k and are in a strong position of £7.2m at the year end. Cash at bank was £1.9m for the group which gives significant headroom should there be any further lockdowns.

The directors consider the key financial performance indicators to be turnover and operating profit on page 9, with Landscope Holidays Limited being the main driver.

Ayersmont Limited

Strategic Report

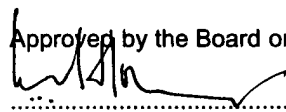
Year Ended 31 January 2021

Principal risks and uncertainties

The principal risk is still the impact of the Covid 19 pandemic on the group and the wider UK economy. The main risk is around further lockdowns which would mean the parks would be unable to open as was the case for several periods in 2020 and 2021. This would result in a decrease in holiday bookings and income from on-site park activities and facilities. The group has seen some benefit from the pandemic through the summer of 2020 with individuals who would usually holiday abroad taking holidays in the UK and many purchasing holiday homes instead due to the reduction in confidence in going abroad. There is uncertainty over whether this demand will continue going forwards once people feel safe to holiday abroad again. The group intends on managing the risk by focussing on holiday home sales and maintaining the parks to attract holiday bookings. As outlined in the going concern section of note 2, we are satisfied that the group has sufficient working capital available to continue trading in the year ahead.

Other risks impacting on the group come from maintaining profile and competitiveness at all levels in a constantly evolving and demanding holiday market place. Being, generically, very much a last minute visitor decision, touring and watersport activities at Hardwick Parks are additionally particularly susceptible to being adversely affected by poor weather, especially unseasonably wet, cold (or both) conditions. Risk mitigation is the successful building of an increasingly robust annual pitch fee income flow at all locations, augmented by significant sales of holiday homes at Brixham together with, at Hardwick Parks, a pro-active and progressive policy of uplifting the quality of sited privately owned holiday homes matched with parallel letting fleet updates and strong marketing promoting the extensive touring capacity and scope of watersport activities. On park facilities at all locations are subject to continuing review and rolling programmes of upgrade to meet and exceed visitor/owner expectations.

Approved by the Board on 21/01/21 and signed on its behalf by:



Mr L M P Hutchings
Director

Ayersmont Limited

Directors' Report

Year Ended 31 January 2021

The directors present their report and the consolidated financial statements for the year ended 31 January 2021.

Dividends

During the year an interim dividend of £72,864 (2020: £72,864) was paid on the ordinary shares, this equated to 99 pounds per share.

Directors of the group

The directors who held office during the year were as follows:

Mr L M P Hutchings

Mrs P Hardick

Mr R Hardick

Financial instruments

Financial risk management objectives and policies

The group's principal financial instruments comprise bank loans, trade debtors, trade creditors and cash balances. The board regularly reviews and agrees policies for managing the related risks and they are summarised below:

Credit risk

Trade debtors are managed in respect of credit risk by using policies derived to accommodate customer needs but also to avoid ageing and irrecoverable debt. There is no significant concentration of credit risk with exposure spread over a large number of counterparties.

Interest rate risk

The group has bank loans to fund long term developments. An element of the loans that the group holds have a fixed interest rate and an element have a variable rate. This provides a restriction on the impact of varying rates ensuring the company is not significantly affected by volatility in that area.

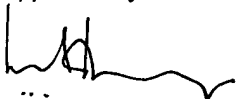
Cash flow risk

The parks have significant periods when they are not operational due to the seasonality of the operations. Cash flow risks arising from this are mitigated by maintaining a certain level of annual site fees which are payable in advance of the season. In season cashflow is managed by advance holiday bookings which ensure payment is received before the direct costs are incurred.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 21/10/21 and signed on its behalf by:



Mr L M P Hutchings
Director

Ayersmont Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Ayersmont Limited

Independent Auditor's Report to the Members of Ayersmont Limited

Opinion

We have audited the financial statements of Ayersmont Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and 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 the parent company's affairs as at 31 January 2021 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 Auditor's 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 included in the annual report, other than the financial statements and our auditor's 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.

Ayersmont Limited

Independent Auditor's Report to the Members of Ayersmont Limited

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 Strategic Report and the Directors' Report.

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 4, 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.

Auditor's 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 auditor's 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.

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

Ayersmont Limited

Independent Auditor's Report to the Members of Ayersmont Limited

As part of our audit planning we considered the legal and regulatory framework that is applicable to the group. We gained an understanding of the group and the industry in which the group operates as part of this assessment to identify the key laws and regulations. This included reviewing the websites of companies within the group for indication of any regulations in place and discussing these with the relevant individuals responsible for compliance.

The key regulations we identified were health and safety regulations and the General Data Protection Regulation ("GDPR").

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as financial reporting legislation (including the Companies Act 2006), taxation legislation and Coronavirus Job Retention Scheme (CJRS) legislation.

We discussed with management how the compliance with these laws and regulations is monitored and obtained copies of the key policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the financial statements. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive to manipulate the results is considered to be to meet banking covenants and we determined that the principal risks were related to the overstatement of profit, either through overstating revenue, understating expenditure or management bias in accounting estimates and judgements included in the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud.
- Discussion with the health and safety officer if any incidents have been reported during the year under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR")
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches;
- Reviewing legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance
- We performed testing on CJRS claims which included substantive testing of management's calculations and review of supporting paperwork
- Addressing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Performing sales cut off testing and global reconciliations of key revenue streams to booking systems to ensure sales are recognised in the correct period and income is not overstated.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

Ayersmont Limited

Independent Auditor's Report to the Members of Ayersmont Limited

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 auditor's 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.

PKF Francis Clark

Neil Hitchings (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: *26 October 2021*

Ayersmont Limited

Consolidated Profit and Loss Account

Year Ended 31 January 2021

	Note	2021 £	2020 £
Turnover	3	6,271,642	5,829,545
Cost of sales		<u>(2,163,276)</u>	<u>(1,838,105)</u>
Gross profit		4,108,366	3,991,440
Administrative expenses		(3,094,911)	(3,845,543)
Other operating income	4	<u>142,311</u>	<u>-</u>
Operating profit	6	<u>1,155,766</u>	<u>145,897</u>
Other interest receivable and similar income		100	465
Interest payable and similar charges	10	(80,295)	(83,074)
Exceptional loss on disposal of fixed assets	5	<u>(243,485)</u>	<u>(395,155)</u>
Profit/(loss) before tax		832,086	(331,867)
Taxation	11	<u>(270,000)</u>	<u>(39,959)</u>
Profit/(loss) for the financial year		<u><u>562,086</u></u>	<u><u>(371,826)</u></u>

The notes on pages 15 to 34 form an integral part of these financial statements.

Ayersmont Limited


Consolidated Balance Sheet

31 January 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	112,003	140,154
Tangible assets	13	<u>10,343,749</u>	<u>10,163,114</u>
		<u>10,455,752</u>	<u>10,303,268</u>
Current assets			
Stocks	15	131,788	64,766
Debtors	16	831,389	391,009
Cash at bank and in hand		<u>1,851,183</u>	<u>729,262</u>
		2,814,360	1,185,037
Creditors: Amounts falling due within one year	17	<u>(1,218,673)</u>	<u>(1,398,433)</u>
Net current assets/(liabilities)		<u>1,595,687</u>	<u>(213,396)</u>
Total assets less current liabilities		12,051,439	10,089,872
Creditors: Amounts falling due after more than one year	17	(3,291,049)	(2,303,872)
Provisions for liabilities	20	(336,000)	(208,000)
Deferred income	21	<u>1,201,725</u>	<u>844,557</u>
Net assets		<u>7,222,665</u>	<u>6,733,443</u>
Capital and reserves			
Called up share capital	23	736	736
Capital redemption reserve		264	264
Profit and loss account		<u>7,221,665</u>	<u>6,732,443</u>
Equity attributable to owners of the company		<u>7,222,665</u>	<u>6,733,443</u>
Shareholders' funds		<u>7,222,665</u>	<u>6,733,443</u>

Company Registration Number: 02454902

Approved and authorised by the Board on 21/10/21 and signed on its behalf by:


.....
Mrs P Hardick
Director

Ayersmont Limited

Balance Sheet

31 January 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	18,583	18,583
Investments	14	<u>4,245,932</u>	<u>4,245,932</u>
		<u>4,264,515</u>	<u>4,264,515</u>
Current assets			
Debtors	16	8,844	9,155
Cash at bank and in hand		<u>407,571</u>	<u>536,673</u>
		416,415	545,828
Creditors: Amounts falling due within one year	17	<u>(438,569)</u>	<u>(560,517)</u>
Net current liabilities		<u>(22,154)</u>	<u>(14,689)</u>
Net assets		<u>4,242,361</u>	<u>4,249,826</u>
Capital and reserves			
Called up share capital	23	736	736
Capital redemption reserve		264	264
Profit and loss account		<u>4,241,361</u>	<u>4,248,826</u>
Shareholders' funds		<u>4,242,361</u>	<u>4,249,826</u>

Approved and authorised by the Board on 21/10/21 and signed on its behalf by:



.....
Mrs P Hardick
Director

Company Registration Number: 02454902

Ayersmont Limited

Consolidated Statement of Changes in Equity

Year Ended 31 January 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2019	736	264	7,177,133	7,178,133
Loss for the year	-	-	(371,826)	(371,826)
Dividends	-	-	(72,864)	(72,864)
At 31 January 2020	736	264	6,732,443	6,733,443
Profit for the year	-	-	562,086	562,086
Dividends	-	-	(72,864)	(72,864)
At 31 January 2021	736	264	7,221,665	7,222,665

The notes on pages 15 to 34 form an integral part of these financial statements.

Ayersmont Limited

Statement of Changes in Equity

Year Ended 31 January 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2019	736	264	4,163,912	4,164,912
Profit for the year	-	-	157,778	157,778
Dividends	-	-	(72,864)	(72,864)
At 31 January 2020	736	264	4,248,826	4,249,826
Profit for the year	-	-	65,399	65,399
Dividends	-	-	(72,864)	(72,864)
At 31 January 2021	736	264	4,241,361	4,242,361

The notes on pages 15 to 34 form an integral part of these financial statements.

Ayersmont Limited

Consolidated Statement of Cash Flows

Year Ended 31 January 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit/(loss) for the year		562,086	(371,826)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	356,630	337,718
(Profit)/loss on disposal of tangible assets	5	(37,501)	23,695
Exceptional loss on disposal of fixed assets		243,485	395,155
Finance income		(100)	(465)
Finance costs	10	80,295	83,074
Tax expense	11	270,000	39,959
		<u>1,474,895</u>	<u>507,310</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(67,022)	72,178
Increase in trade debtors	16	(493,513)	(65,534)
Decrease in trade creditors	17	(411,233)	(757,895)
Increase in deferred income, including government grants		<u>357,168</u>	<u>844,557</u>
Cash generated from operations		860,295	600,616
Tax (paid)/received	11	<u>(693)</u>	<u>36,975</u>
Net cash flow from operating activities		<u>859,602</u>	<u>637,591</u>
Cash flows from investing activities			
Interest received		100	465
Acquisitions of tangible assets		(263,225)	(514,377)
Proceeds from sale of tangible assets		53,299	27,144
Costs of disposal		<u>(137,843)</u>	<u>(198,792)</u>
Net cash flows from investing activities		<u>(347,669)</u>	<u>(685,560)</u>
Cash flows from financing activities			
Interest paid	10	(80,295)	(83,074)
Proceeds from bank borrowing draw downs		950,000	-
Repayment of bank borrowing		(92,660)	(185,297)
Payments to finance lease creditors		(94,193)	-
Dividends paid		<u>(72,864)</u>	<u>(72,864)</u>
Net cash flows from financing activities		<u>609,988</u>	<u>(341,235)</u>
Net increase/(decrease) in cash and cash equivalents		1,121,921	(389,204)
Cash and cash equivalents at 1 February		<u>729,262</u>	<u>1,118,466</u>
Cash and cash equivalents at 31 January		<u><u>1,851,183</u></u>	<u><u>729,262</u></u>

The notes on pages 15 to 34 form an integral part of these financial statements.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

The principal place of business is:

Landscope Holiday Park
Gillard Road
Brixham
TQ5 9EP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were 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. There are no material departures.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The functional currency of the group is considered to be pounds sterling because it is the currency of the primary economic environment in which the group operates.

Summary of disclosure exemptions

Ayersmont Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, compensation of key management personnel and certain disclosure requirements in relation to financial instruments.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 January 2021.

No profit and loss account is prepared for the parent company as permitted by s.408 of the Companies Act 2006. The company made a profit after tax of £65,399 (2020: £157,778).

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

2 Accounting policies (continued)

Going concern

The directors have considered the ongoing impact of Covid-19 on the group and have reviewed the level of facilities available to determine whether there is sufficient cash available to meet anticipated working capital requirements, as well as planned capital expenditure, for a period of at least 12 months from the date of approval of these financial statements. As at 31 January 2021, the group had net current assets of £1,595,687 (2020: net current liabilities of £213,396). The day to day working capital and site improvement works of the main trading subsidiary, Landscope Holidays Limited, are initially settled by a company that provides management services under a service agreement and as at the year end the amount owing to Landscope Holidays Limited under this agreement, shown within other debtors, was £560k (2020: Landscope Holidays owed the company £680k which was included in other creditors and was the driver behind net current liabilities).

Given the significant levels of cash balances within the group, the directors are satisfied that the group has sufficient cash resources to continue to trade for 12 months from the date that the financial statements are approved.

Prior period adjustments

A prior period adjustment has been made to the accounts to split out deferred income from creditors due within one year. There is no effect on the overall reported results for 2020 and the only effect is a presentational adjustment on the face of the balance sheet and a change to the net current assets previously reported.

Key sources of estimation uncertainty

The directors have considered the judgements and estimation uncertainties included in these financial statements and the accounting policies applied and concluded that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts for the group's main activities as follows:

Site rents/Bookings/Pitch fees - income is recognised over the rental period.

Caravan sales - income is recognised with significant risks and rewards have transferred which is typically when the caravan is delivered to the customer.

Sundry turnover - all other turnover is recognised when goods or services have been supplied.

Dividends and interest income on debt securities - income is recognised when receivable.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

2 Accounting policies (continued)

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, to their residual value as follows:

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Land	not depreciated
Plant and machinery	10% straight line or 20% reducing balance
Fixtures, fittings & equipment	10% straight line or 20% reducing balance
Motor vehicles	25% or 33% straight line or 20% reducing balance
Hire fleet	10% straight line
Long leasehold land and buildings	5% reducing balance

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

2 Accounting policies (continued)

Asset class	Amortisation method and rate
Goodwill	10% straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stocks

Stock for resale is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based in selling price less anticipated costs to complete and selling costs.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

2 Accounting policies (continued)

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	4,123,779	2,563,550
Rendering of services	884,242	1,743,683
Site rents	1,061,586	1,007,686
Commissions received	148,020	213,470
Other revenue	54,015	301,156
	<u>6,271,642</u>	<u>5,829,545</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	<u>142,311</u>	<u>-</u>

During the year the company recognised CJRS income from the Government designed to mitigate the impact of Covid 19. £18,200 was outstanding at the year end in respect of this and has been included in prepayments and accrued income.

5 Exceptional loss on disposal of fixed assets

	2021 £	2020 £
Gain (loss) on disposal of property, plant and equipment	<u>(243,485)</u>	<u>(395,155)</u>

The group has undertaken significant development at the Riviera Bay site. As a result, there is an exceptional loss on disposal of fixed assets which relates to the demolition of a significant proportion of the existing chalets at the site. The demolition work at the site completed during the year.

6 Operating profit/(loss)

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	328,479	309,567
Amortisation expense	28,151	28,151
Operating lease expense	95,892	94,259
(Profit)/loss on disposal of property, plant and equipment	<u>(37,501)</u>	<u>23,695</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	905,298	1,453,111
Social security costs	46,207	72,831
Pension costs, defined contribution scheme	9,643	16,496
	<u>961,148</u>	<u>1,542,438</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and Management	5	5
Park staff	43	94
Directors	3	3
	<u>51</u>	<u>102</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	<u>36,032</u>	<u>36,941</u>

9 Auditor's remuneration

	2021 £	2020 £
Audit of these financial statements	<u>5,400</u>	<u>5,250</u>

Costs relating to the audit of subsidiaries are borne by the individual companies and total £14,350 (2020: £13,950)

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

10 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	71,298	81,494
Interest on obligations under finance leases and hire purchase contracts	8,997	1,580
	<u>80,295</u>	<u>83,074</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
Corporation tax	142,000	-
Corporation tax adjustment to prior periods	-	(41)
	<u>142,000</u>	<u>(41)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>128,000</u>	<u>40,000</u>
	<u>270,000</u>	<u>39,959</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit/(loss) before tax	<u>832,086</u>	<u>(331,867)</u>
Corporation tax at standard rate	158,096	(63,055)
Expenses not deductible for tax purposes	88,132	106,351
Deferred tax expense relating to changes in tax rates or laws	24,122	-
Net (over)/under provision of deferred tax in current and prior year	-	(4,916)
Net (over)/under provision of corporation tax in the current and prior year	-	(41)
Other	<u>(350)</u>	<u>1,620</u>
Total tax charge	<u>270,000</u>	<u>39,959</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

11 Taxation (continued)

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2021	
Differences between accumulated depreciation and capital allowances	<u>336,000</u>
2020	
Differences between accumulated depreciation and capital allowances	<u>205,000</u>

Company

Deferred tax assets and liabilities

	Asset £
2021	
Differences between accumulated depreciation and capital allowances	<u>3,000</u>
2020	
Differences between accumulated depreciation and capital allowances	<u>3,000</u>

Factors that may affect future tax charges

An increase in the long-term UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, which is after the year-end. Deferred tax balances will be remeasured next year to reflect this higher long-term rate, with differences recognised in next year's tax charge.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

12 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 February 2020	<u>217,721</u>	<u>217,721</u>
At 31 January 2021	<u>217,721</u>	<u>217,721</u>
Amortisation		
At 1 February 2020	77,567	77,567
Amortisation charge	<u>28,151</u>	<u>28,151</u>
At 31 January 2021	<u>105,718</u>	<u>105,718</u>
Carrying amount		
At 31 January 2021	<u>112,003</u>	<u>112,003</u>
At 31 January 2020	<u>140,154</u>	<u>140,154</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Hire fleet £	Total £
Cost or valuation						
At 1 February 2020	9,897,193	333,864	90,251	527,639	948,840	11,797,787
Additions	131,137	1,969	-	21,318	515,993	670,417
Disposals	(136,625)	-	-	(125,533)	(44,296)	(306,454)
At 31 January 2021	<u>9,891,705</u>	<u>335,833</u>	<u>90,251</u>	<u>423,424</u>	<u>1,420,537</u>	<u>12,161,750</u>
Depreciation						
At 1 February 2020	907,753	137,279	61,902	370,366	157,373	1,634,673
Charge for the year	118,843	31,942	2,346	27,220	148,128	328,479
Eliminated on disposal	(30,983)	-	-	(109,738)	(4,430)	(145,151)
At 31 January 2021	<u>995,613</u>	<u>169,221</u>	<u>64,248</u>	<u>287,848</u>	<u>301,071</u>	<u>1,818,001</u>
Carrying amount						
At 31 January 2021	<u>8,896,092</u>	<u>166,612</u>	<u>26,003</u>	<u>135,576</u>	<u>1,119,466</u>	<u>10,343,749</u>
At 31 January 2020	<u>8,989,440</u>	<u>196,585</u>	<u>28,349</u>	<u>157,273</u>	<u>791,467</u>	<u>10,163,114</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

13 Tangible assets (continued)

Included within the net book value of land and buildings above is £8,366,309 (2020 - £8,438,181) in respect of freehold land and buildings, £529,783 (2020 - £551,259) in respect of long leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Hire Fleet	550,052	157,960
Company		
	Motor vehicles £	Total £
Cost or valuation		
At 1 February 2020	55,740	55,740
At 31 January 2021	55,740	55,740
Depreciation		
At 1 February 2020	37,157	37,157
At 31 January 2021	37,157	37,157
Carrying amount		
At 31 January 2021	18,583	18,583
At 31 January 2020	18,583	18,583

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

14 Investments

Company

Subsidiaries	£
Cost or valuation	
At 1 February 2020	<u>6,745,932</u>
At 31 January 2021	<u>6,745,932</u>
Provision	
At 1 February 2020	<u>2,500,000</u>
At 31 January 2021	<u>2,500,000</u>
Carrying amount	
At 31 January 2021	<u><u>4,245,932</u></u>
At 31 January 2020	<u><u>4,245,932</u></u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Hardwick Parks Limited	Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE	Ordinary shares	100%	100%
Landscape Holidays Limited	Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE	Ordinary shares	100%	100%

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

14 Investments (continued)

Subsidiary undertakings

Hardwick Parks Limited

The principal activity of Hardwick Parks Limited is the operation of holiday parks.

Landscope Holidays Limited

The principal activity of Landscope Holidays Limited is the operation of holiday parks.

15 Stocks

Group

	2021 £	Group 2020 £	2021 £	Company 2020 £
Stocks	<u>131,788</u>	<u>64,766</u>	<u>-</u>	<u>-</u>

16 Debtors

		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
Trade debtors		110,961	168,339	-	-
Other debtors		570,549	26,698	-	599
Prepayments		146,879	99,973	5,844	5,556
Deferred tax assets	20	3,000	3,000	3,000	3,000
Corporation tax recoverable	11	-	92,999	-	-
		<u>831,389</u>	<u>391,009</u>	<u>8,844</u>	<u>9,155</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

17 Creditors

		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
Due within one year					
Loans and borrowings	18	414,020	230,855	-	-
Trade creditors		98,679	15,044	-	-
Amounts due to group undertakings		-	-	242,955	372,415
Social security and other taxes		79,485	122,449	28,500	29,590
Outstanding defined contribution pension costs		376	581	-	-
Other creditors		207,295	901,121	160,114	153,512
Accruals and deferred income		370,510	128,383	5,000	5,000
Corporation tax		48,308	-	2,000	-
		<u>1,218,673</u>	<u>1,398,433</u>	<u>438,569</u>	<u>560,517</u>
Due after one year					
Loans and borrowings	18	<u>3,291,049</u>	<u>2,303,872</u>	<u>-</u>	<u>-</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

18 Loans and borrowings

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Current loans and borrowings				
Bank borrowings	220,078	179,576	-	-
HP and finance lease liabilities	193,942	51,279	-	-
	<u>414,020</u>	<u>230,855</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Non-current loans and borrowings				
Bank borrowings	3,020,791	2,203,953	-	-
HP and finance lease liabilities	270,258	99,919	-	-
	<u>3,291,049</u>	<u>2,303,872</u>	<u>-</u>	<u>-</u>

Bank borrowings are secured on the assets of Landscope Holidays Limited by way of a fixed charge over freehold property and a floating charge over all other assets. Additionally there is a floating charge over the group's bank deposits held with Lloyds Bank plc. All cash at bank is held with Lloyds Bank plc.

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

Included in the loans and borrowings are the following amounts due after more than five years:

	2021 £	2020 £
After more than five years by instalments	1,289,458	1,500,151

Bank loans and overdrafts after five years

There are two bank loans in place. One with an interest rate of 1.95% over base rate and the other is fixed at 1.55% over the commercial banking rate at the inception of the loan. Loans are repayable in equal instalments beginning January 2018 and ending in 2030.

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

19 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	193,942	51,279
Later than one year and not later than five years	270,258	99,919
	<u>464,200</u>	<u>151,198</u>

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	76,380	77,056
Later than one year and not later than five years	303,129	299,789
Later than five years	4,027,848	4,048,067
	<u>4,407,357</u>	<u>4,424,912</u>

The group's operating lease commitments relate to long-leasehold land. At the balance sheet date the remaining term of the lease was in excess of 60 years.

20 Deferred tax

Group

	Deferred tax £
At 1 February 2020	208,000
Additional provisions	128,000
At 31 January 2021	<u>336,000</u>

Company

	Deferred tax £
At 1 February 2020	(3,000)
At 31 January 2021	<u>(3,000)</u>

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

21 Deferred income

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred income	<u>1,201,725</u>	<u>844,557</u>	<u>-</u>	<u>-</u>

Deferred income relates to holidays booked in advance £163k (2020: £119k), pitch fees paid in advance for the next financial year £852k (2020: £725k) and deposits on caravan and lodge sales £187k (2020: £nil).

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £9,643 (2020 - £16,496).

Contributions totalling £376 (2020 - £581) were payable to the scheme at the end of the year and are included in creditors.

23 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>

24 Commitments

Group

Capital commitments

The group were committed to redevelopment work at the Riviera Bay site at the year end. The total amount contracted for but not provided in the financial statements was £nil (2020: £129,000).

Ayersmont Limited

Notes to the Financial Statements

Year Ended 31 January 2021

25 Related party transactions

Group

Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the group. In respect of the group these are considered to be the directors. Directors' remuneration is detailed in note 8. As well as these amounts of direct remuneration, the management charges noted below also cover their services.

Summary of transactions with entities with joint control or significant interest

During the year the group paid management charges of £55,200 (2020: £50,000) to a company under joint overall control. At the reporting date the balance due to that company was £168,437 (2020: £365,152).

Company

Summary of transactions with entities with joint control or significant interest

During the year the company paid management charges of £36,000 (2020: £36,000) to a company under joint control. At the reporting date the balance due to that company was £160,114 (2020: £153,514).

Ayersmont Limited**Notes to the Financial Statements****Year Ended 31 January 2021****26 Analysis of changes in net debt**

	At 1 Feb 2020	Cash flow	New HP	Other non cash changes	At 31 Jan 2021
	£	£	£		£
Cash at bank and on hand	729,262	1,121,921	-		1,851,183
Cash and cash equivalents	729,262	1,121,921	-		1,851,183
Hire purchase due less than 1 year	(51,279)	94,190	(407,192)	170,339	(193,942)
Bank loans due less than 1 year	(179,576)	92,660	-	(133,162)	(220,078)
Bank loans due greater than 1 year	(2,203,953)	(950,000)	-	133,162	(3,020,791)
Hire purchase due greater than 1 year	(99,919)	-	-	(170,339)	(270,258)
Net debt	<u>(1,805,465)</u>	<u>358,771</u>	<u>(407,192)</u>	<u>-</u>	<u>(1,853,886)</u>