

Lowdham Leisureworld Ltd

Annual Report and Financial Statements
for the Year Ended 31 January 2017

RWB CA Limited
Statutory Auditors
Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

Lowdham Leisureworld Ltd

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Lowdham Leisureworld Ltd

Company Information

Directors	Mr W R Crafts Mrs E L Sharpe Mrs J A Crafts Mr S R Sharpe Mr I E Brown
Company secretary	Mrs E L Sharpe Mrs J A Crafts
Registered office	Lowdham Leisure Lowdham Road Gunthorpe Nottingham NG14 7ES
Auditors	RWB CA Limited Statutory Auditors Northgate House North Gate New Basford Nottingham NG7 7BQ

Lowdham Leisureworld Ltd

Strategic Report for the Year Ended 31 January 2017

The directors present their strategic report for the year ended 31 January 2017.

Principal activity

The principal activity of the company is the retail of caravans, motorhomes, parts and accessories, and aftersales servicing work.

Fair review of the business

The leisure vehicle market has enjoyed something of a boom across Europe in 2015 and 2016, the evidence for which can be seen, for example, in the strong growth reported for motorhome registrations in each of the past two years (Source: The NCC). The directors have been able to capitalise on this market strength and report 5% growth in turnover for 2017 versus 2016 whilst also improving gross margin by 1% to 15%. Employment costs have risen in the year by 5% due to a combination of annual pay increases, incentive reviews and higher bonuses payable as a result of the results achieved. Most other overhead costs remained consistent with prior year with the exception of gains on derivative products. At January 2017 the business held unexpired forward exchange contracts to purchase €2m at an average exchange rate of 1.17:1 against GBP, generating a holding gain of £16,242 at the year end (2016: €4.2m at 1.36 and £136,808 respectively). Profits on ordinary activities before taxation have risen to £1,106,523 (2016: £1,058,247).

The strong performance for the year has increased the Net Assets of the business to £3,033,004 (2016: £2,175,432) and in addition the Net Current Asset position has also improved through tight working capital control.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£	40,362,634	38,396,469
Gross profit margin	%	15	14
Net profit	£	1,110,033	1,058,247
Net current assets	£	2,581,393	1,789,922

The outlook for the business remains good with several sources forecasting continued strength in leisure vehicle volumes into 2018 and possibly beyond. The directors consider the reasons for the strong market as being access to pensions for the over 55s, the weak British Pound making overseas holidays more expensive and the perceived threat of terrorism abroad. We do not see any of these 'positively-influencing' factors changing dramatically in the near future. Conversely the post-Brexit inflationary impact on domestic prices, and a weak sterling which makes imported product more expensive, may temper the market in the UK somewhat, however this has yet to be experienced as post year-end trading remains strong and the directors are cautiously optimistic for the future.

Principal risks and uncertainties

The principal risk of the business is related to the seasonal nature of the industry and the post-Brexit slowing of economic growth in the UK which may impact on the demand for luxury goods like caravans and motorhomes. The directors are confident that safeguards are in place to prevent any serious impact that these risks may cause to the business. These include a seat on the Board of Directors at the NCC (Roger Crafts) for timely industry insight, close relationships with manufacturers and suppliers, access to credit and an excellent relationship with the bank, and a strong cash position in the business.

Currency fluctuations also present a risk to the business however these are managed either by hedging via forward contracts which secure an agreed rate of exchange for future currency purchases or by agreement with overseas suppliers for payment to be made in GBP sterling, thereby minimising or even eliminating such risk.

Lowdham Leisureworld Ltd

Strategic Report for the Year Ended 31 January 2017

Approved by the Board on 26 September 2017 and signed on its behalf by:

.....
Mr W R Crafts
Director

Lowdham Leisureworld Ltd

Directors' Report for the Year Ended 31 January 2017

The directors present their report and the financial statements for the year ended 31 January 2017.

Directors of the company

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

Mr W R Crafts

Mrs E L Sharpe - Company secretary and director

Mrs J A Crafts - Company secretary and director

The following directors were appointed after the year end:

Mr S R Sharpe (appointed 1 August 2017)

Mr I E Brown (appointed 1 August 2017)

Financial instruments

Objectives and policies

The company's principal financial instruments comprise bank overdrafts, cash and short-term deposits. The main purpose of these financial instruments is to manage the company's funding and liquidity requirements. The company has other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

The principal financial risks to which the company is exposed are those of liquidity, interest rate, and credit. Each of these is managed in accordance with board-approved policies. These policies are set out below the price risk, credit risk, liquidity risk and cash flow risk heading.

The company makes use of hedging or derivative financial instruments as described below.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

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

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

There is a foreign exchange risk in relation to the fluctuation in currency values relating to the acquisition of stock from outside the United Kingdom. The directors have sought to address these factors with a view to obtaining, where practical, contractual cover for purchase liability settlement exposure by means of foreign currency forward contracts.

Future developments

The directors expect a similar performance for the year ending 31 January 2018.

Lowdham Leisureworld Ltd

Directors' Report for the Year Ended 31 January 2017

Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 26 September 2017 and signed on its behalf by:

.....
Mr W R Crafts
Director

Lowdham Leisureworld Ltd

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.

Lowdham Leisureworld Ltd

Independent Auditor's Report to the Members of Lowdham Leisureworld Ltd

We have audited the financial statements of Lowdham Leisureworld Ltd for the year ended 31 January 2017, set out on pages 9 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2017 and of its 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.

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.

In the light of our knowledge and understanding of the 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.

Lowdham Leisureworld Ltd

Independent Auditor's Report to the Members of Lowdham Leisureworld Ltd

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

.....
Neil Coupland FCA (Senior Statutory Auditor)
For and on behalf of RWB CA Limited, Statutory Auditor
Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

26 September 2017

Lowdham Leisureworld Ltd

Statement of Income and Retained Earnings for the Year Ended 31 January 2017

	Note	2017 £	2016 £
Turnover	<u>3</u>	40,362,633	38,396,469
Cost of sales		<u>(34,411,522)</u>	<u>(33,024,406)</u>
Gross profit		5,951,111	5,372,063
Administrative expenses		(4,844,574)	(4,547,635)
Other operating income	<u>4</u>	<u>123,970</u>	<u>97,274</u>
Operating profit	<u>6</u>	<u>1,230,507</u>	<u>921,702</u>
Other interest receivable and similar income	<u>7</u>	(120,474)	136,850
Interest payable and similar charges	<u>8</u>	-	(305)
		<u>(120,474)</u>	<u>136,545</u>
Profit on ordinary activities before taxation		1,110,033	1,058,247
Tax on profit on ordinary activities	<u>12</u>	<u>(249,654)</u>	<u>(187,526)</u>
Profit for the financial year and total comprehensive income		860,379	870,721
Retained earnings brought forward		<u>1,175,431</u>	<u>304,709</u>
Retained earnings carried forward		<u><u>2,035,810</u></u>	<u><u>1,175,430</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Lowdham Leisureworld Ltd

(Registration number: 05223956)
Balance Sheet as at 31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>13</u>	468,943	401,838
Investments	<u>14</u>	19,700	19,700
		488,643	421,538
Current assets			
Stocks	<u>15</u>	9,257,934	9,751,857
Debtors	<u>16</u>	685,950	191,724
Other financial assets	<u>17</u>	16,242	136,808
Cash at bank and in hand	<u>18</u>	2,574,306	604,338
		12,534,432	10,684,727
Creditors: Amounts falling due within one year	<u>19</u>	(9,953,039)	(8,894,805)
Net current assets		2,581,393	1,789,922
Total assets less current liabilities		3,070,036	2,211,460
Creditors: Amounts falling due after more than one year	<u>19</u>	(19,700)	(19,700)
Provisions for liabilities	<u>20</u>	(14,524)	(16,328)
Net assets		3,035,812	2,175,432
Capital and reserves			
Called up share capital	<u>22</u>	1,000,002	1,000,002
Profit and loss account	<u>23</u>	2,035,810	1,175,430
Shareholders' funds		3,035,812	2,175,432

Approved and authorised by the Board on 26 September 2017 and signed on its behalf by:

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Mr W R Crafts

Director

The notes on pages 12 to 25 form an integral part of these financial statements.
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Lowdham Leisureworld Ltd

Statement of Cash Flows for the Year Ended 31 January 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		860,379	870,721
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>6</u>	88,705	94,836
Loss on disposal of tangible assets	<u>5</u>	171	3,331
Finance income	<u>7</u>	120,474	(136,850)
Finance costs	<u>8</u>	-	305
Income tax expense	<u>12</u>	249,654	187,526
		1,319,383	1,019,869
Working capital adjustments			
Decrease/(increase) in stocks	<u>15</u>	493,923	(539,402)
(Increase)/decrease in trade debtors	<u>16</u>	(494,226)	347,672
Increase/(decrease) in trade creditors	<u>19</u>	998,327	(579,221)
		2,317,407	248,918
Cash generated from operations			
Income taxes paid	<u>12</u>	(191,550)	(97,544)
		2,125,857	151,374
Net cash flow from operating activities			
Cash flows from investing activities			
Interest received	<u>7</u>	92	42
Acquisitions of tangible assets		(155,981)	(68,283)
Proceeds from sale of tangible assets		-	16,501
		(155,889)	(51,740)
Net cash flows from investing activities			
Cash flows from financing activities			
Interest paid	<u>8</u>	-	(305)
Repayment of other borrowing		-	(83)
Payments to finance lease creditors		-	(1,989)
		-	(2,377)
Net cash flows from financing activities			
Net increase in cash and cash equivalents		1,969,968	97,257
Cash and cash equivalents at 1 February		604,338	507,081
Cash and cash equivalents at 31 January		2,574,306	604,338

The notes on pages 12 to 25 form an integral part of these financial statements.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

1 General information

Lowdham Leisureworld Limited is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principle place of business is disclosed on page 1.

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'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements

The company did not make any significant judgements (apart from those involving estimations which are detailed in the notes below) that have a significant effect on the amounts recognised in the financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises current and deferred 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 income 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 company operates and generates taxable income.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income 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 over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold land and buildings	5% straight line
Motor vehicles	20% -25% reducing balance
Furniture, fittings and equipment	20% straight line/ 25% reducing balance
Plant and machinery	33.33% straight line/ 25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3 Revenue

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

	2017	2016
	£	£
Sale of goods	40,062,803	38,025,450
Commissions received	224,830	296,019
Other revenue	75,000	75,000
	<u>40,362,633</u>	<u>38,396,469</u>

4 Other operating income

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

	2017	2016
	£	£
Rent receivable	101,272	88,151
Miscellaneous other operating income	22,698	9,123
	<u>123,970</u>	<u>97,274</u>

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017 £	2016 £
Gain (loss) on disposal of property, plant and equipment	(171)	(3,331)

6 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	88,705	94,836
Foreign exchange gains	-	(142,547)
Operating lease expense - property	35,000	35,000
Operating lease expense - plant and machinery	48,387	51,866
Loss on disposal of property, plant and equipment	171	3,331

7 Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	92	42
Net gain/(loss) on derivative	(120,566)	136,808
	(120,474)	136,850

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on obligations under finance leases and hire purchase contracts	-	305

9 Staff costs

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

	2017 £	2016 £
Wages and salaries	3,338,469	3,176,602
Social security costs	288,230	277,415
Pension costs, defined contribution scheme	26,138	24,752
Other employee expense	41,988	36,660
	3,694,825	3,515,429

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

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

	2017	2016
	No.	No.
Workshop and parts	63	64
Administrative	40	41
Sales	23	25
Management	6	6
	<u>132</u>	<u>136</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	<u>30,903</u>	<u>25,311</u>

11 Auditors' remuneration

	2017	2016
	£	£
Audit of the financial statements	<u>7,300</u>	<u>7,300</u>
Other fees to auditors		
Taxation compliance services	2,000	2,000
All other non-audit services	<u>9,240</u>	<u>6,668</u>
	<u>11,240</u>	<u>8,668</u>

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

12 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	251,458	191,550
Deferred taxation		
Arising from origination and reversal of timing differences	(1,804)	(4,024)
	249,654	187,526
Tax expense in the income statement	249,654	187,526

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 20% (2016 - 20.16%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	1,110,033	1,058,247
Corporation tax at standard rate	222,007	213,360
Effect of revenues exempt from taxation	24,114	(27,583)
Effect of expense not deductible in determining taxable profit (tax loss)	1,545	770
Deferred tax expense (credit) relating to changes in tax rates or laws	(1,804)	(4,024)
Tax increase (decrease) from effect of capital allowances and depreciation	3,757	4,331
Tax increase (decrease) from effect of indexation allowance on capital gains	35	672
	249,654	187,526
Total tax charge	249,654	187,526

Deferred tax

Deferred tax assets and liabilities

	Liability £
2017	
Difference between accumulated depreciation and amortisation and capital allowances	14,524
	14,524
2016	
Difference between accumulated depreciation and amortisation and capital allowances	16,328
	16,328

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation					
At 1 February					
2016	155,757	303,503	135,082	106,801	701,143
Additions	85,386	13,188	45,242	12,165	155,981
Disposals	-	-	-	(518)	(518)
At 31 January					
2017	241,143	316,691	180,324	118,448	856,606
Depreciation					
At 1 February					
2016	15,994	150,049	62,778	70,484	299,305
Charge for the year	11,062	44,614	20,415	12,614	88,705
Eliminated on disposal	-	-	-	(347)	(347)
At 31 January					
2017	27,056	194,663	83,193	82,751	387,663
Carrying amount					
At 31 January					
2017	214,087	122,028	97,131	35,697	468,943
At 31 January					
2016	139,763	153,454	72,304	36,317	401,838

Included within the net book value of land and buildings above is Nil (2016 - £Nil) in respect of freehold land and buildings and £214,087 (2016 - £139,763) in respect of short leasehold land and buildings.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

14 Investments in subsidiaries, joint ventures and associates

	2017 £	2016 £
Investments in subsidiaries	19,700	19,700
Subsidiaries		£
Cost or valuation		
At 1 February 2016		364,881
Provision		
At 1 February 2016		345,181
Carrying amount		
At 31 January 2017		19,700
At 31 January 2016		19,700

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) 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	
			2017	2016
Subsidiary undertakings				
Colin's Caravans of Berkshire Limited	England and Wales	Class A	100%	100%

The principal activity of Colin's Caravans of Berkshire Limited is dormant.

The profit for the financial period of Colin's Caravans of Berkshire Limited was £- and the aggregate amount of capital and reserves at the end of the period was £19,700.

15 Stocks

	2017 £	2016 £
Finished goods and goods for resale	9,257,934	9,751,857

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

16 Debtors

	2017	2016
	£	£
Trade debtors	182,173	44,608
Other debtors	366,336	2,349
Prepayments	137,441	144,767
Total current trade and other debtors	<u>685,950</u>	<u>191,724</u>

17 Other financial assets (current and non-current)

	2017	2016
	£	£
Current financial assets		
Derivatives used for hedging	16,242	136,808

The company makes use of foreign currency forward contracts to hedge against the movements in currency rates. As required under FRS 102 the value of this hedging derivative has been included in the financial statements.

18 Cash and cash equivalents

	2017	2016
	£	£
Cash on hand	675	650
Cash at bank	2,573,631	603,688
	<u>2,574,306</u>	<u>604,338</u>

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

19 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		7,661,715	6,943,994
Amounts due to related parties	<u>25</u>	482,092	555,542
Social security and other taxes		61,527	90,669
Other payables		989,806	650,244
Accrued expenses		506,441	462,806
Income tax liability	<u>12</u>	251,458	191,550
		9,953,039	8,894,805
Due after one year			
Other non-current financial liabilities		19,700	19,700

The trade creditors include an amount of £7,416,455 (2016 - £6,759,884) of which £3,162,734 (2016 - £3,266,625) is secured by way of an unscheduled debenture, incorporating a fixed and floating charge over all current and future assets of the company. £2,961,894 (2016 - £2,461,901) is secured by two separate unlimited personal guarantees by Mr W R Crafts and Mrs J A Crafts and also a cross company guarantee with Lowdham Outdoor Leisure Limited. £1,291,827 (2016 - £1,031,357) is secured by way of an unlimited cross company guarantee with Lowdham Outdoor Leisure Limited.

All bank borrowings are secured by way of a debenture dated 5th October 2004, incorporating a fixed and floating charge over all current and future assets of the company.

20 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 February 2016	16,328	16,328
Increase (decrease) in existing provisions	(1,804)	(1,804)
At 31 January 2017	14,524	14,524

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £26,138 (2016 - £24,752).

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

22 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	1,000,002	1,000,002	1,000,002	1,000,002

23 Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

24 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	3,055	3,176
Later than one year and not later than five years	81,187	124,008
Later than five years	1,838	-
	<u>86,080</u>	<u>127,184</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £83,387 (2016 - £86,866).

25 Related party transactions

Key management personnel

Directors' Loan Accounts & Guarantees
Elite Retirement Account

Summary of transactions with key management

Mr W R Crafts and Mrs J A Crafts operate a single joint directors' loan account which remained in credit throughout the period and therefore no interest has been charged.

At the year end £482,092 (2016 - £555,542) is payable in under one year.

The company operates premises in Bingham owned by Elite Retirement pension fund which provides retirement benefits for all of the Directors and a key manager.

Both Mr W R Crafts and Mrs J A Crafts have directors' loan accounts with the company, they have also signed personal deeds of guarantee and indemnity in relation to the company debts.

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

Summary of transactions with subsidiaries

Colin's Caravans of Berkshire Limited. A 100% owned subsidiary of Lowdham Leisureworld Limited.

The company is dormant and therefore no transactions have occurred between the companies during the year.

Summary of transactions with other related parties

Lowdham Outdoor Leisure Limited

Income and receivables from related parties

	Other related parties £
2017	
Sale of goods	1,057,318
Recharges	1,622,963
	2,680,281
Amounts receivable from related party	69,209
	Other related parties £
2016	
Sale of goods	854,259
Recharges	322,582
	1,176,841
Amounts receivable from related party	(4,059)

Expenditure with and payables to related parties

	Subsidiary £	Key management £	Other related parties £
2017			
Purchase of goods	-	-	2,192,013
Recharges	-	-	167,582
Rent	-	35,000	-
	-	35,000	2,359,595
Amounts payable to related party	19,700	482,092	55
	Subsidiary £	Key management £	Other related parties £
2016			
Purchase of goods	-	-	1,920,609
Recharges	-	-	45,129
Rent	-	35,000	-
	-	35,000	1,965,738
Amounts payable to related party	19,700	555,542	(2,624)

Lowdham Leisureworld Ltd

Notes to the Financial Statements for the Year Ended 31 January 2017

26 Financial instruments

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

	2017	2016
	£	£
Financial assets measured at fair value through profit or loss	16,242	136,808
Financial assets that are debt instruments measured at amortised cost	3,260,256	796,062
Financial assets that are equity instruments measured at cost less impairment	19,700	19,700
	<u>3,296,198</u>	<u>952,570</u>
Financial liabilities measured at fair value through profit or loss	<u>(9,953,039)</u>	<u>(8,894,805)</u>
	<u>(9,953,039)</u>	<u>(8,894,805)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, prepayments and amounts owed by group undertakings.

Financial assets measured at cost less impairment comprise of unlisted investments.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts due to group undertakings.

Derivatives

Foreign currency forward contracts

The company makes use of foreign currency forward contracts to hedge against movements in currency rates. These are included at fair value of £16,242 (2016 - £136,808).

27 Controlling Party

The company is controlled by the directors who own 100% of the called up share capital.

28 Limitation liability agreement

On 27th June 2017 the members approved the resolution for the Company to enter into a Limitation Liability Agreement with its Auditors. This agreement is limited to the period of one year from the date of approval by the members. A summary of the principal terms is that the agreement limits the amount of any liability owed to the Company by the Auditor in respect of negligence, default, breach of duty or trust, occurring in the course of the audit of these accounts of which the Auditor may be guilty. The agreement will not limit the amount of the Auditor liability for fraud or regulations. The maximum amount of the Auditor's Liability to the company shall not exceed £1,000,000. In accordance with section 537 of the Companies Act 2006 this agreement does not limit the Auditor's liability to less than that which would be fair and reasonable as so determined in accordance with that section. The Auditor in this case refers to RWB CA Limited and its directors, employees, consultants and any other person for whom RWB CA Limited is vicariously liable.

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