Company Registration No. 0394475 (England and Wales)

PENTEWAN SANDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

WEDNESDAY
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COMPANIES HOUSE

PENTEWAN SANDS LIMITED

COMPANY INFORMATION

Directors	Mrs P E Willis Ms A M D Willis Mr J R T Willis Mr P E Hawley
Secretary	Ms A M D Willis
Company number	0394475
Registered office	20 Henver Road Newquay Cornwall
Auditor	Stephen Pearn & Co 20 Henver Road Newquay Cornwall TR7 3BJ

PENTEWAN SANDS LIMITED

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PENTEWAN SANDS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

At Pentewan & Heligan, the predominant business activity is the provision of holiday accommodation – whether on touring pitches or in self-catering units – together with ancillary facilities & services, of a scale & character appropriate to the relevant sites. At Harvington (and, in a secondary capacity, Heligan) the model is simpler, consisting of the provision of sites for privately-owned holiday home caravans and of the sale of new & second-hand units to existing and prospective new customers.

Continual reinvestment in buildings & facilities is seen as a crucial step in maintaining the Company's strong market position and reputation.

Principal risks and uncertainties

The risk of an economic downturn clearly exists and would be likely to have an adverse impact, both on occupancy levels and F&B operations. The sector is, however, considered to be relatively resilient in nature; and both the movement in exchange rates and uncertainty surrounding Brexit should militate to some degree in favour of the domestic tourist market .

Development and performance including key performance indicators

The headline improvements in turnover (up 18%) and profitability (up 123%) compared to the previous year are underpinned by, and subject to, the following factors in particular:

a. **Pitches & Holiday Homes:** Strong year-on-year growth of 11% (Pitches) and 13% (Holiday Homes) driven by a combination of price increases and occupancy – particularly in the case of Heligan Touring Pitches where site improvements made in previous years appear to be bearing fruit. On the other hand, the current year's figures are inflated by the occurrence of two Easters in the financial period, which accounts for around £78k of turnover.

b. **Seahorse Sales:** A distinct improvement, only marginally skewed by the double Easter effect.

c. **Harvington Lock:** The leap in Caravan Sales of £178k to £260k in the current year (producing £64k more Gross Profit) represents the successful filling of the newly redeveloped N end of the park. Occupancy had thereby increased from around 70% to 90% by the year end, so that future sales are expected to fall off as the last of the vacant pitches are occupied. Pitch fees payable on the park will, however, benefit commensurately.

d. **Repairs & Renewals:** This cost has returned to a more historically normal level, following particularly heavy expenditure in the previous two years.

e. **Overhead Costs:** The costs of Business Rates and of Heat, Light & Power have all increased by around 10% year-on-year and look set to continue in that direction for the foreseeable future. Whilst energy-saving measures are under continual review, the growth in general demand for power is expected to continue to outstrip efficiency gains.

Position at Year End

After a period of sustained income growth, the Company is in a strong position to face the economic challenges ahead. Plans for improved amenity blocks at both Pentewan (2018/19) and Heligan (2019/20) are well advanced, which will help secure the continued 5-star status and leading market position of both parks.

On behalf of the board

J R T Willis

Mr J R T Willis
Director

17/12/18

PENTEWAN SANDS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities
The principal activity of the company continued to be that of the ownership, operation and management of holiday and caravan parks located in Cornwall and Worcestershire.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs P E Willis
Ms A M D Willis
Mr J R T Willis
Mr P E Hawley

Results and dividends
The results for the year are set out on page 6.

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....
Mr J R T Willis
Director
Date: 17/12/18

PENTEWAN SANDS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

PENTEWAN SANDS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PENTEWAN SANDS LIMITED

Opinion

We have audited the financial statements of Pentewan Sands Limited (the 'company') for the year ended 31 March 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 FRS 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 company's affairs as at 31 March 2018 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.

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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PENTEWAN SANDS LIMITED

Matters on which we are required to report by exception

In the light of the 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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Stephen Pearn (Senior Statutory Auditor)
for and on behalf of Stephen Pearn & Co

18 DECEMBER 2018

Chartered Accountants
Statutory Auditor

20 Henver Road
Newquay
Cornwall
TR7 3BJ

PENTEWAN SANDS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	5,061,963	4,293,731
Cost of sales		(2,871,664)	(2,858,142)
Gross profit		2,190,299	1,435,589
Administrative expenses		(1,053,929)	(1,025,637)
Other operating income		202,335	194,326
Operating profit	4	1,338,705	604,278
Interest receivable and similar income	8	6,319	11
Profit before taxation		1,345,024	604,289
Tax on profit	9	(273,596)	(117,062)
Profit for the financial year		1,071,428	487,227

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

PENTEWAN SANDS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Profit for the year	1,071,428	487,227
Other comprehensive income	-	-
Total comprehensive income for the year	1,071,428	487,227

PENTEWAN SANDS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Goodwill	11		-		92,327
Tangible assets	12		7,123,751		7,205,206
			7,123,751		7,297,533
Current assets					
Stocks	14	39,790		30,136	
Debtors	15	220,356		105,706	
Cash at bank and in hand		2,240,385		680,323	
		2,500,531		816,165	
Creditors: amounts falling due within one year	16	(1,956,934)		(1,516,335)	
Net current assets/(liabilities)			543,597		(700,170)
Total assets less current liabilities			7,667,348		6,597,363
Creditors: amounts falling due after more than one year	17		(417)		(14,418)
Provisions for liabilities	19		(460,112)		(447,556)
Net assets			7,206,819		6,135,389
Capital and reserves					
Called up share capital	21		11,555		11,555
Share premium account	22		3,448		3,448
Capital redemption reserve	23		5,867		5,867
Profit and loss reserves	24		7,185,949		6,114,519
Total equity			7,206,819		6,135,389

The financial statements were approved by the board of directors and authorised for issue on 17/12/18 and are signed on its behalf by:

J R T WILLIS
Director

P. E. WILLIS
Director

Company Registration No. 0394475

PENTEWAN SANDS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		11,555	3,448	5,867	5,637,292	5,658,162
Year ended 31 March 2017:						
Profit and total comprehensive income for the year		-	-	-	487,227	487,227
Dividends	**10**	-	-	-	(10,000)	(10,000)
Balance at 31 March 2017		11,555	3,448	5,867	6,114,519	6,135,389
Year ended 31 March 2018:						
Profit and total comprehensive income for the year		-	-	-	1,071,428	1,071,428
Balance at 31 March 2018		11,555	3,448	5,867	7,185,947	7,206,817

PENTEWAN SANDS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	27		1,982,232		1,198,757
Income taxes paid			(123,090)		(144,015)
Net cash inflow from operating activities			1,859,142		1,054,742
Investing activities					
Purchase of tangible fixed assets		(383,883)		(368,331)	
Proceeds on disposal of tangible fixed assets		90,700		94,554	
Interest received		6,319		11	
Net cash used in investing activities			(286,864)		(273,766)
Financing activities					
Repayment of borrowings		(12,216)		(10,431)	
Dividends paid		-		(10,000)	
Net cash used in financing activities			(12,216)		(20,431)
Net increase in cash and cash equivalents			1,560,062		760,545
Cash and cash equivalents at beginning of year			680,323		(80,222)
Cash and cash equivalents at end of year			2,240,385		680,323

1 Accounting policies

Company information

Pentewan Sands Limited is a company limited by shares incorporated in England and Wales. The company's registered number is 0394475. The registered office is 20 Henver Road, Newquay, Cornwall. The principal place of business is Pentewan Sands, Pentewan, St Austell, Cornwall. PL26 6BT

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Intangible fixed assets - goodwill

Acquired goodwill was being written off in equal annual instalments over a useful economic life of 20 year until 31 March 2014. From 1 April 2013 the remaining net book value of acquired goodwill is being written off over a period of 5 years, which is considered a reasonable period for this type of business and reflects a more accurate useful economic life of the remaining goodwill.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0% p.a / 5% p. a. on the reducing balance method / 5% p.a. on the straight line method / 2.5% p.a. on the straight line method / 4% p.a. on the straight line method / 10% p.a on the straight line method
Plant and machinery	9% p.a. on the straight line method / 25% p. a. on the reducing balance method
Fixtures, fittings & equipment	25% p.a. on the straight line method/ 20% p.a. on the straight line method 10% p.a. on the straight line method/ 5% p.a. on the straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Sale of goods	5,061,963	4,293,731

	2018	2017
	£	£
Other significant revenue		
Interest income	6,319	11

	2018	2017
	£	£
Turnover analysed by geographical market		
Turnover in UK	5,061,963	4,293,731

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2018 £	2017 £
Depreciation of owned tangible fixed assets	447,502	435,034
Profit on disposal of tangible fixed assets	(72,862)	(60,689)
Amortisation of intangible assets	92,327	92,329
Cost of stocks recognised as an expense	630,514	458,277

The amortisation of intangible assets is included with Administrative expenses.

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2018 £	2017 £
For audit services		
Audit of the financial statements of the company	13,400	13,400
For other services		
Other taxation services	500	500
All other non-audit services	-	750
	500	1,250

6 Employees

The average monthly number of persons employed by the company during the year was:

	2018 Number	2017 Number
Total number of employees	95	100

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,329,978	1,259,851

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	192,936	192,965

8 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	6,319	11
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	6,319	11

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	261,040	123,090
Deferred tax		
Origination and reversal of timing differences	12,556	(6,028)
Total tax charge	273,596	117,062

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	1,345,024	604,289
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	255,555	120,858
Depreciation add back	85,025	87,007
Capital allowances	(65,696)	(72,637)
Profit on disposal of assets	(13,844)	(12,138)
Deferred tax	12,556	(6,028)
Taxation charge for the year	273,596	117,062

10 Dividends

	2018	2017
	£	£
Final paid	-	10,000

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2017 and 31 March 2018	674,000
Amortisation and impairment	
At 1 April 2017	581,673
Amortisation charged for the year	92,327
At 31 March 2018	674,000
Carrying amount	
At 31 March 2018	-
At 31 March 2017	92,327

12 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	7,405,233	2,864,805	1,213,700	11,483,738
Additions	40,523	277,570	65,793	383,886
Disposals	-	(209,032)	(129,231)	(338,263)
At 31 March 2018	7,445,756	2,933,343	1,150,262	11,529,361
Depreciation and impairment				
At 1 April 2017	2,307,337	1,252,411	718,785	4,278,533
Depreciation charged in the year	131,345	240,373	75,784	447,502
Eliminated in respect of disposals	-	(204,143)	(116,282)	(320,425)
At 31 March 2018	2,438,682	1,288,641	678,287	4,405,610
Carrying amount				
At 31 March 2018	5,007,074	1,644,702	471,975	7,123,751
At 31 March 2017	5,097,896	1,612,394	494,916	7,205,206

13 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	182,550	70,364
Carrying amount of financial liabilities		
Measured at amortised cost	1,595,861	1,331,948

14 Stocks

	2018	2017
	£	£
Finished goods and goods for resale	39,790	30,136

15 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	173,934	70,090
Other debtors	8,616	274
Prepayments and accrued income	37,806	35,342
	220,356	105,706

16 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Other borrowings	18	12,216	10,431
Trade creditors		572,871	267,279
Corporation tax		261,040	123,090
Other taxation and social security		100,450	75,715
Accruals and deferred income		1,010,357	1,039,820
		1,956,934	1,516,335

17 Creditors: amounts falling due after more than one year

	Notes	2018	2017
		£	£
Other borrowings	18	417	14,418

The amount included within creditors falling due after more than one year relates to an interest free loan provided by St Austell Brewery which is being written off at a rate of 10% on purchases made from the brewery.

18 Loans and overdrafts

	2018	2017
	£	£
Other loans	12,633	24,849
Payable within one year	12,216	10,431
Payable after one year	417	14,418

Lloyds Bank hold a first legal charge over the freehold land and buildings at Pentewan Sands Holiday Park.

19 Provisions for liabilities

	Notes	2018	2017
		£	£
Deferred tax liabilities	20	460,112	447,556

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018	Liabilities 2017
Balances:	£	£
Accelerated Capital Allowances	460,112	447,556

	2018
Movements in the year:	£
Liability at 1 April 2017	447,556
Charge to profit or loss	12,556
Liability at 31 March 2018	460,112

£44,410 of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
11,555 Ordinary Shares of £1 each	11,555	11,555
	11,555	11,555

Each share is entitled to one vote in any circumstances. Each share has equal rights to dividends. Each share is entitled to participate in a distribution from a winding up of the company.

22 Share premium account

	2018	2017
	£	£
At beginning and end of year	3,448	3,448

23 Capital redemption reserve

	2018	2017
	£	£
At beginning and end of year	5,867	5,867

24 Profit and loss reserves

	2018	2017
	£	£
At the beginning of the year	6,114,519	5,637,292
Profit for the year	1,071,428	487,227
Dividends	-	(10,000)
At the end of the year	7,185,947	6,114,519

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	131,000	131,000

25 Related party transactions **(Continued)**

Management fees of £28,600 (2017 : £28,600) were paid to Mr J R T Willis, a director of Pentewan Sands Limited, who was acting in the capacity of a sole trader, there was no outstanding balance at the year end. £6,800 (2017 : £6,800) was paid to Heligan Development Ltd for the rental of Eastern Cottage. Mr J R T Willis, Mr P E Hawley and Ms A M D Willis, directors of Pentewan Sands Limited, are also directors of this company.
At the year end the company owed £73,472 (2017 : £50,846) to Heligan Development Limited for rental income for the year at Harvington Lock. Mr J R T Willis, Mr P E Hawley and Ms A M D Willis, directors of Pentewan Sands Limited, are also directors of this company.
The freehold interest in Harvington Lock Caravan Park is owned jointly by Pentewan Sands Limited and Heligan Development Limited in the proportion of 56.67% and 43.33% respectively.

26 Controlling party

The company was controlled throughout the current and previous period by the directors.

27 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	1,071,428	487,228
Adjustments for:		
Taxation charged	273,596	117,062
Investment income	(6,319)	(11)
Gain on disposal of tangible fixed assets	(72,862)	(60,689)
Amortisation and impairment of intangible assets	92,327	92,329
Depreciation and impairment of tangible fixed assets	447,502	435,034
Movements in working capital:		
(Increase)/decrease in stocks	(9,654)	15,992
(Increase) in debtors	(114,650)	(13,845)
Increase in creditors	300,864	125,657
Cash generated from operations	1,982,232	1,198,757