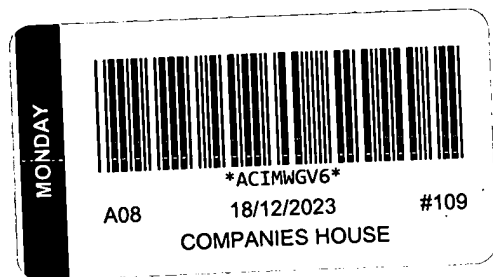


INVEST EAST LINDSEY LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

	Page
Company Information	1
Report of the Directors	2 to 4
Report of the Independent Auditors	5 to 7
Statement of Profit or Loss	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Statement of Cash Flows	13
Notes to the Financial Statements	14 to 18

INVEST EAST LINDSEY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023**

DIRECTORS:

A S Fisher
A P Sweeney
S R Kirk

REGISTERED OFFICE:

The Hub
Mareham Road
Horncastle
LN9 6PH

REGISTERED NUMBER:

12344896 (England and Wales)

SENIOR STATUTORY AUDITOR:

Timothy Godson FCA

AUDITORS:

Duncan & Toplis Audit Limited, Statutory Auditor
Oxley House
Lincoln Way
Louth
Lincolnshire
LN11 0LS

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company for the period 1 April 2022 to 31 March 2023.

INCORPORATION

The Company was incorporated on 2 December 2019 and is wholly owned by East Lindsey District Council (the Shareholder).

PRINCIPAL ACTIVITY

The principal activity of the company in 2022/23 fell under the following four Standard Industrial Classification Codes:

- 1202 - Construction of domestic buildings
- 55209 - Other holiday and other collective accommodation
- 55300 - Recreational vehicle parks, trailer parks and camping grounds, and;
- 68100 - Buying and selling of own real estate.

In practice, the operations of the Company included operating a caravan hire fleet and effecting caravan sales at the Kingfisher Caravan Park in Ingoldmells, and developing a 28 unit housing scheme at Skegness Road, Chapel St Leonards.

DIRECTORS

The Company's Board of Directors during the accounting period comprised senior officers of the Shareholder, together with an elected politician to the Shareholder. 'Senior officer directors' act in an Executive Director capacity and take day to day responsibility for effecting and overseeing the Company's operations; they also manage a small team of staff seconded to the Company by the Shareholder.

During 2022/23, one Executive Director was appointed to the Board by the Shareholder (who subsequently resigned from the Board in the period); and two other Executive Directors, one of whom was also the Company Secretary, resigned from the Board during the accounting year.

The Directors that held office during the accounting period were as follows:

- Andrew Fisher, Executive Director (appointed 28 April 2021)
- Stephen Kirk, Non-Executive Director (appointed 15 June 2021)
- John Medler, Executive Director (appointed 4 May 2020, resigned 15 July 2022)
- Michael Reeson, Executive Director (appointed 4 May 2020, resigned 23 June 2022)
- Andrew Sweeney, Executive Director (appointed 20 May 2020)
- Tim Sampson, Executive Director (appointed 12 April 2022, resigned 31 December 2022).
- Rebecca James was appointed by the Board of Directors as Company Secretary on 22 March 2023.

PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend for the period (£nil).

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

SUMMARY TRADING

2022/23 was another difficult year for the Company; with each of its principal trading activities failing to achieve the revenues forecast in the Company's Medium Term Financial Strategy.

Trading at Kingfisher Caravan Park, both in holiday sales and caravan sales significantly underachieved against targets which is of clear concern to the Board of Directors. The cost-of-living crisis, particularly linked to energy and fuel price inflation, hit the Parks customer base hard. In terms of caravan sales, the stock in hand at the beginning of the period, the Company's forward order commitments, its access to stock during the period and the occupation terms prescribed by the Shareholder, arguably mismatched the Company's offer to customer demand.

The Company considers that the 'cost of living crisis' born by unprecedented change in food prices, fuel prices and energy prices during the year squarely drove that mismatch and it will be working with the Shareholder seeking to review a number of system conditions it considers affects its ability to drive revenues through its Kingfisher operation.

Housing delivery was equally challenged during the year. Supply chain issues and labour availability significantly and detrimentally affected its housing programme at Chapel St Leonards. Coupled with the cost-of-living impact on buyers, not only did the base delivery programme fall further behind schedule than forecast at the end of 2021/22, the Board were faced with very difficult decisions over the contract price of the scheme, determining to meet significant additional costs in order to ensure the viability of the contractor and safeguard full completion of the scheme. The housing market itself was hit significantly by the 'mini budget' of 23 September 2022 with the Company losing a number of buyers overnight because of the impact felt immediately in the mortgage market.

The difficult decisions taken by Directors will though see the last home practically completed in quarter 2 of 2023 and the Company's active partnership with its selling agent and its marketing strategy forecasts that 80% of homes will have sales agreed and completed in 2023/24 with the final six disposals completing in 2024/25.

The very challenging financial year faced by the Company is reflected in a pre-audited Profit and Loss deficit for the third year in a row, however, that is set against a sustainable pre-audit Balance Sheet and a highly sustainable and flexible relationship with its Shareholder as its primary lender.

In terms of risk, the Company maintains a comprehensive Risk Register and continues to manage risk actively, which is particularly important given it is a wholly owned local authority business.

During 2022/23, the Company commissioned the services of an external financial advisor and a bookkeeper to support the Company; these commissions further aided the Company's internal assurance and transparency and add further capability to the Company in supporting Directors comply with the requirements of the Companies Act. These commissions will continue throughout 2023/24.

Looking to 2023/24 and beyond, the Shareholder appointed three new Directors to the Company in April 2023, who will increase the Board's capacity and skills base and help shape and drive the Company's future business and success. Whilst the Company is a single trading entity, the Kingfisher part of our business is affected by a number of policy decisions taken by the Shareholder that directly impact on it, for example, its prescribed maximum caravan age limit that Directors will be discussing with it given the direct effect it has on the business of the Company within the local trading market.

Post year end, the Company has completed a number of house sales and is exploring new sales models which it is confident will result in 80% of its homes sold in 2023/24, with the remaining 20% being sold in 2024/25. In terms of its Kingfisher operation, whilst 2023/24 is forecast to be a very difficult trading year across the entire industry, with new and used caravan sales being revised down by the Board in quarter 1 as a result, its new approach to 'bring ons', following engagement with the Shareholder, has already seen significant new business generating very promising revenues and high transaction numbers.

Notwithstanding significant investment in marketing in 2022/23, even more focus will be given to promoting our business and all of our sale products in 2023/24 and beyond to ensure that each principal trading function of the business is profitable in its own right as opposed to one element having to cross subsidise another. At the point of publishing this report, the Company's profit and loss account was showing monthly profits with its full year forecast predicting sound gross and net profits for 2023/24 and for 2024/25.

Directors are working on numerous new business cases to drive revenues and have confidence of growing and sustainable cash flows throughout 2023/24 and 2024/25 that enable them to form and hold a robust view that the Company remains a going concern.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Duncan & Toplis Audit Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



A S Fisher - Director

14 December 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVEST EAST LINDSEY LIMITED

Opinion

We have audited the financial statements of Invest East Lindsey Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- except for the specific matter reported on by exception, give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; but
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INVEST EAST LINDSEY 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 Report of the Directors.

In our opinion the company has failed to comply with the Companies Act 2006, section 386, within their duty to keep adequate accounting records. The underlying record keeping was found to be poor and was not updated on a timely basis. This has led to the conclusion that adequate books and records were not maintained during the year. Since the year end date considerable effort has been made to review the accounting records and to rectify the accounting entries for the year, enabling an unqualified audit opinion to be given. Based on the audit evidence obtained we have assessed that except for the effects of this matter, the financial statements give a true and fair view.

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:

- 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS
OF INVEST EAST LINDSEY LIMITED**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of tangible fixed assets, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates. Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations, Company Law and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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



Timothy Godso
n FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Audit Limited, Statutory Auditor
Oxley House
Lincoln Way
Louth
Lincolnshire
LN11 0LS

14 December 2023

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
CONTINUING OPERATIONS			
Revenue		2,410,128	572,660
Cost of sales		<u>(2,117,161)</u>	<u>(308,246)</u>
GROSS PROFIT		292,967	264,414
Administrative expenses		<u>(382,753)</u>	<u>(353,139)</u>
OPERATING LOSS		(89,786)	(88,725)
Finance costs	4	<u>(178,280)</u>	<u>(99,080)</u>
LOSS BEFORE TAXATION	5	(268,066)	(187,805)
Taxation	6	<u>58,605</u>	<u>119,311</u>
LOSS FOR THE YEAR		<u><u>(209,461)</u></u>	<u><u>(68,494)</u></u>

The notes form part of these financial statements

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
LOSS FOR THE YEAR	(209,461)	(68,494)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(209,461)</u>	<u>(68,494)</u>

The notes form part of these financial statements

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,007,625	969,381
Deferred tax	15	177,917	119,311
		<u>1,185,542</u>	<u>1,088,692</u>
CURRENT ASSETS			
Inventories	8	2,992,520	2,237,999
Trade and other receivables	9	81,028	46,580
Cash and cash equivalents	10	656,096	650,277
		<u>3,729,644</u>	<u>2,934,856</u>
TOTAL ASSETS		<u><u>4,915,186</u></u>	<u><u>4,023,548</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	100	100
Retained earnings	12	(480,941)	(271,480)
TOTAL EQUITY		<u>(480,841)</u>	<u>(271,380)</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	2,559,656	2,101,957
CURRENT LIABILITIES			
Trade and other payables	13	1,254,476	562,482
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	1,581,895	1,630,489
		<u>2,836,371</u>	<u>2,192,971</u>
TOTAL LIABILITIES		<u>5,396,027</u>	<u>4,294,928</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,915,186</u></u>	<u><u>4,023,548</u></u>

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



A S Fisher - Director

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	(202,986)	(202,886)
Changes in equity			
Total comprehensive income	-	(68,494)	(68,494)
Balance at 31 March 2022	<u>100</u>	<u>(271,480)</u>	<u>(271,380)</u>
Changes in equity			
Total comprehensive income	-	(209,461)	(209,461)
Balance at 31 March 2023	<u>100</u>	<u>(480,941)</u>	<u>(480,841)</u>

The notes form part of these financial statements

INVEST EAST LINDSEY LIMITED (REGISTERED NUMBER: 12344896)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

		2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(91,578)	(1,718,575)
Interest paid		(178,280)	(99,080)
		<u>(269,858)</u>	<u>(1,817,655)</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets		(133,428)	(790,288)
		<u>(133,428)</u>	<u>(790,288)</u>
Net cash from investing activities			
Cash flows from financing activities			
New loans in year		750,000	1,880,000
Loan repayments in year		(519,175)	(8,185)
Loan interest in year		178,280	99,080
		<u>409,105</u>	<u>1,970,895</u>
Net cash from financing activities			
		<u>5,819</u>	<u>(637,048)</u>
Increase/(decrease) in cash and cash equivalents		5,819	(637,048)
Cash and cash equivalents at beginning of year	2	650,277	1,287,325
		<u>656,096</u>	<u>650,277</u>
Cash and cash equivalents at end of year	2	656,096	650,277

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Loss before taxation	(268,066)	(187,805)
Depreciation charges	95,184	100,689
Finance costs	178,280	99,080
	<u>5,398</u>	<u>11,964</u>
Increase in inventories	(754,521)	(2,054,111)
Increase in trade and other receivables	(34,449)	(2,771)
Increase in trade and other payables	691,994	326,343
	<u>691,994</u>	<u>326,343</u>
Cash generated from operations	<u><u>(91,578)</u></u>	<u><u>(1,718,575)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>656,096</u>	<u>650,277</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>650,277</u>	<u>1,287,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. STATUTORY INFORMATION

Invest East Lindsey Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

The directors have reviewed the useful life of the fixtures and fittings assets and have concluded that the useful economic life should be recognised as 12 years, as such the depreciation policy has been updated to reflect this change for the current accounting period and beyond.

Revenue

The Company's revenue generating activities in 2022/23 were primarily relating to that of caravan sales, holiday letting, housing developments and other collective accommodation management. As such the revenue shall be recognised when the Company satisfies its obligation to its customers.

The following accounting standard has been considered when drawing up the accounts:

- IFRS 15 (Revenue Recognition) no issues were present in 2022/23

Revenue Recognition

Revenue is recognised at fair value of the consideration received or receivables net of VAT and trade discounts.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment based on the purchase cost. The estimated useful lives are as follows:

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 12 years straight-line
Computer equipment	- 25% on reducing balance

Inventories

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade Receivables are generally due for settlement within 30 days.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Trade payables are generally due for settlement within 30 days.

Going concern

The company is reliant on the continued support of East Lindsey District Council. At the year end the company had net liabilities of (£480,841) and continues to meet its liabilities as they fall due, or is in the process of agreeing arrangements. The directors consider that the going concern basis of accounting continues to be appropriate and they consider that there would be no significant changes to the carrying values on a break up basis.

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	312,862	270,526
Social security costs	4,844	6,681
	<u>317,706</u>	<u>277,207</u>

The average number of employees during the year was NIL (2022 - NIL).

Payroll costs for the year are recharges with East Lindsey District Council for certain personnel at pre-approved percentages.

	2023	2022
	£	£
Directors' remuneration	<u>42,020</u>	<u>79,622</u>

4. NET FINANCE COSTS

	2023	2022
	£	£
Finance costs:		
Loan interest	<u>178,280</u>	<u>99,080</u>

5. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2023	2022
	£	£
Cost of inventories recognised as expense	2,117,161	308,246
Depreciation - owned assets	95,184	100,689
Auditors' remuneration	<u>37,432</u>	<u>22,250</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

6. TAXATION

Analysis of tax income

	2023 £	2022 £
Deferred tax	(58,605)	(119,311)
Total tax income in statement of profit or loss	<u>(58,605)</u>	<u>(119,311)</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2022	35,690	30,003	1,021,262	1,123	1,088,078
Additions	-	-	133,428	-	133,428
At 31 March 2023	<u>35,690</u>	<u>30,003</u>	<u>1,154,690</u>	<u>1,123</u>	<u>1,221,506</u>
DEPRECIATION					
At 1 April 2022	1,071	11,233	105,982	411	118,697
Charge for year	714	4,693	89,599	178	95,184
At 31 March 2023	<u>1,785</u>	<u>15,926</u>	<u>195,581</u>	<u>589</u>	<u>213,881</u>
NET BOOK VALUE					
At 31 March 2023	<u>33,905</u>	<u>14,077</u>	<u>959,109</u>	<u>534</u>	<u>1,007,625</u>
At 31 March 2022	<u>34,619</u>	<u>18,770</u>	<u>915,280</u>	<u>712</u>	<u>969,381</u>

8. INVENTORIES

	2023 £	2022 £
Caravan stock	586,354	297,742
Other stock	2,208	-
Work-in-progress	1,434,721	1,940,257
Finished Housing Stock	969,237	-
	<u>2,992,520</u>	<u>2,237,999</u>

9. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Current:		
Trade debtors	-	8,500
Other debtors	14,022	100
VAT	52,800	24,553
Prepayments and accrued income	14,206	13,427
	<u>81,028</u>	<u>46,580</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	200	-
Bank accounts	655,896	650,277
	<u>656,096</u>	<u>650,277</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023	2022
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and each shareholder is entitled to one vote at meetings of the company.

Share Capital consist of all funds raised by the Company in exchange for ordinary shares as identified above.

12. RESERVES

	Retained earnings £
At 1 April 2022	(271,480)
Deficit for the year	<u>(209,461)</u>
At 31 March 2023	<u>(480,941)</u>

The Retained Earnings reserve is made up of the company's net income annually and is kept by the Company for reinvestment.

13. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Current:		
Trade creditors	712,089	241,843
Other creditors	36,757	34,897
Accrued expenses	505,630	285,742
	<u>1,254,476</u>	<u>562,482</u>

14. FINANCIAL LIABILITIES - BORROWINGS

	2023 £	2022 £
Current:		
Other loans	<u>1,581,895</u>	<u>1,630,489</u>
Non-current:		
Other loans	<u>2,559,656</u>	<u>2,101,957</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. FINANCIAL LIABILITIES - BORROWINGS - continued

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Other loans	<u>1,581,895</u>	<u>81,895</u>	<u>135,685</u>	<u>2,342,076</u>	<u>4,141,551</u>

15. DEFERRED TAX

	2023 £	2022 £
Balance at 1 April	(119,311)	-
Deferred tax asset movement	<u>(58,606)</u>	<u>(119,311)</u>
Balance at 31 March	<u>(177,917)</u>	<u>(119,311)</u>

16. FINANCIAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>337,971</u>	<u>1,626,090</u>

17. RELATED PARTY DISCLOSURES

It appears the non disclosure of transactions with East Lindsey District Council - owner of Invest East Lindsey are in line with the partial exemption status of IAS 24, as the council is significantly influenced by the same UK government the disclosure is not considered necessary.

Additionally due to the nature of Invest East Lindsey Limited these transactions are not considered individually or collectively significant as they are all within the normal course of business.

18. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company has considered accounting estimates for the following elements of the accounts:

- Accruals: the Company has adopted the matching concept and has used experience based judgements as the basis for its accruals.
- Depreciation: see note 2 for the accounting policy.
- Wages: the Company has wages recharges from East Lindsey District Council that are consistent with the previous period in relation to the percentages of each person salary.
- Prepayments: the Company has adopted the matching concept and has used experience based judgements as the basis for its prepayments.