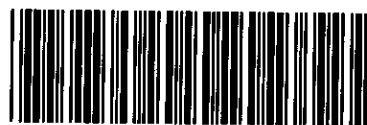


Company Registration No. 00631600 (England and Wales)

SANDY BALLS ESTATE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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SANDY BALLS ESTATE LIMITED

COMPANY INFORMATION

Directors	C Castledine G Lashley
Company number	00631600
Registered office	The Maylands Building 200 Maylands Avenue Hemel Hempstead HP2 7TG
Solicitors	Willkie Farr & Gallagher (UK) LLP 1 Ropemaker Street London EC2Y 9AW

SANDY BALLS ESTATE LIMITED

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SANDY BALLS ESTATE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Objectives and strategy

The principal objective of Sandy Balls Estate Limited (the "Company") is the operation of a holiday park in the United Kingdom to provide an excellent quality experience for holidaymakers and holiday homeowners whilst maximising returns for shareholders.

Key to the achievement of this is the attainment and retention of a motivated and well-trained workforce managed by several key individuals in senior roles to provide a high quality of customer service. The objectives are further supported by a strong brand and marketing message, competitive pricing strategies and continual investment in the park's infrastructure.

Business review

The Company generated turnover of £18.4m (2021: £19.3m) during the year, which resulted in operating profits of £4.3m (2021: £3.7m) and a profit before tax of £2.7m (£2.9m). The movement comes from the recovery from COVID in the prior year and the continued growth in the park and operations. The profit in the year resulted in an increase in net assets from £22.4m to £25.7m at the balance sheet date.

There continued to be significant cost pressures, including increased staffing and utility costs and additional higher cost of investment in park operations. Management continue to closely monitor these costs together with park utilisation.

The Company's operations are seasonal with a close down period during the winter months. Remuneration incentives for key individuals are targeted at minimising the costs during the close down period and maximising revenues during the open season. Management attempts to achieve maximum occupancy from holidaymakers during the operating season, whilst retaining average prices at an acceptable level. Booking occupancy and average price are therefore closely monitored key performance indicators, and pricing and marketing strategies are altered accordingly.

The Company also sells static holiday homes to private individuals who pay a licence fee to retain the holiday home on a pitch at the park. Sales volumes, average margins and total owner numbers are monitored in order to maximise revenues from this source, with sales staff incentivised accordingly.

Future developments and subsequent events

The Company is continuing to invest in the park's infrastructure, letting fleet and central facilities in order to secure the long-term profitability of the park. This investment has continued in 2023, which continues to support the sustainable growth of the park in 2023 and future years.

There have been no material subsequent events which require disclosure.

Going concern

The company's financial position and cash flows are intrinsically linked to the wider Away Resorts Group, with a central treasury function and external debt and loan notes held by Artemis Bidco Limited, a fellow group company. Due to this, the Company has received confirmation of ongoing financial support from Artemis Bidco Limited.

The Group maintains a strong relationship with its shareholders and lenders. Following the acquisition of the Group by CVC Capital Partners in October 2021 the existing debt was refinanced with new debt not due for repayment until 2028, together with further facilities which remain undrawn and available to management if required. Bank debt is subject to quarterly covenant testing.

Based on the above, the directors are confident that the business will continue as a going concern and is well placed to continue to grow operations and invest in the park estate.

SANDY BALLS ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

Competition

The Company operates in a competitive environment with other holiday parks in similar geographic locations. The actions and performance of competitors can have an impact on the Company's ability to meet its expectations and objectives. Competitors' pricing policies and strategies are kept under review and these influence the Company's strategies accordingly.

Global pandemics

As demonstrated during the national lockdown in 2020, the business has been significantly affected by a global pandemic. Investments have been made in the provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customer base.

Quality of customer service

The Company's reputation is heavily dependent on the quality of the customer service provided. The Company invests in significant training programmes to ensure that staff members adhere to our service policies. Service levels are monitored by direct customer feedback via questionnaires and indirectly via social media.

Availability of financing partners

The Company introduces customers to several financing partners in order to fund the purchase of holiday homes at the Company's park. Should these financing partners exit the market or substantially reduce their exposure, there would be a detrimental impact on the Company's ability to maintain sales volume. The Company has few options in mitigating this risk, however the financing partners have been in the sector for a considerable period of time and the directors consider it unlikely that they will exit from the sector in the near future.

Information systems

The Company's activities are dependent on the performance of a variety of software packages and the stability of the platforms on which they are hosted. The Company has utilised off site hosting and has partnered with specialist IT support companies to provide comprehensive support on a continuous basis.

Retention of key personnel

The retention of various key personnel is a significant factor in the Company's ability to meet its growth expectations and compete effectively due to their relevant skills and experience. The Company's employment policies, remuneration and benefits packages are regularly reviewed and are designed to be competitive with other companies.

Variability of weather conditions

The Company provides UK holidays in both caravan and lodge accommodation, and also in touring fields for holidaymakers to bring their own caravan or tent. As a result, the prevailing weather conditions can have an impact on the demand for the Company's product. The Company mitigates this uncertainty by promoting all weather activities and managing prices in response to demand.

Political and economic risks

The Company's trading policies align with sector best practice and it is an approved operator under the NCC. As a result, any tightening of the legislative environment should not adversely affect how the business operates. The Company is also impacted by UK direct and indirect tax changes, together with inflation and government actions to manage or mitigate this. The Company manages this risk wherever possible through active management and engagement with stakeholders, reforecasting and monitoring for changes in the wider environment.

SANDY BALLS ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use financial derivatives nor does its activities expose it to significant commodity price risk.

Credit risk

The Company's principal financial assets are bank balances, trade and intercompany receivables. The credit risk on liquid funds and derivative financial instruments are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Interest rate risk

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company uses interest rate swap contracts to hedge these exposures, although none were in place during the financial year.

Liquidity risk

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

On behalf of the board



C Castledine
Director

19 December 2023

SANDY BALLS ESTATE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of a holiday park operator

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.

Directors

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

C Castledine

G Lashley

N Ryder

(Resigned 19 June 2023)

Directors' indemnity insurance is maintained for all current directors by the ultimate parent Company.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Post reporting date events

There have been no material post balance sheet events which require disclosure.

Matters covered in the strategic report

Disclosure of the Company's business review, future developments, going concern and financial risk management objectives and policies are included in the strategic report.

SANDY BALLS ESTATE LIMITED

DIRECTORS' REPORT (CONTINUED)

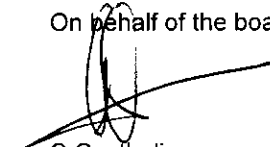
FOR THE YEAR ENDED 31 DECEMBER 2022

Energy and Sustainability

Protect the planet. This is one of our core values and a key focus of our teams throughout the business. Our parks seek to act responsibly and operate sustainably, through team and customer engagement together with best practice and partnering with local communities. For more information see awayresorts.co.uk/about/giving-back.

The Company is included in the Energy reporting included in the consolidated financials prepared by Artemis Bidco Limited.

On behalf of the board



C Castledine
Director

19 December 2023

SANDY BALLS ESTATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	18,424,585	19,328,991
Cost of sales		(5,075,347)	(5,596,241)
Gross profit		13,349,238	13,732,750
Administrative expenses		(9,071,595)	(10,443,970)
Other operating income	3	-	386,805
Operating profit	4	4,277,643	3,675,585
Interest payable and similar expenses	7	(1,604,197)	(765,706)
Profit before taxation		2,673,446	2,909,879
Tax on profit	8	-	193,038
Profit for the financial year		2,673,446	3,102,917

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

SANDY BALLS ESTATE LIMITED

BALANCE SHEET

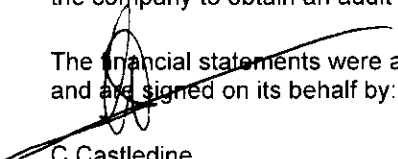
AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9	25,508,696		25,183,249	
Current assets					
Stocks	10	2,007,235		496,738	
Debtors	11	28,789,614		30,178,430	
Cash at bank and in hand		377,719		94,124	
		<u>31,174,568</u>		<u>30,769,292</u>	
Creditors: amounts falling due within one year	12	<u>(2,626,994)</u>		<u>(4,267,128)</u>	
Net current assets		28,547,574		26,502,164	
Total assets less current liabilities		<u>54,056,270</u>		<u>51,685,413</u>	
Creditors: amounts falling due after more than one year	13	(28,803,278)		(29,105,867)	
Provisions for liabilities					
Deferred tax liability	15	<u>226,160</u>		<u>226,160</u>	
		(226,160)		(226,160)	
Net assets		<u>25,026,832</u>		<u>22,353,386</u>	
Capital and reserves					
Called up share capital	16	100		100	
Share premium account		2,438		2,438	
Revaluation reserve		7,680,897		7,680,897	
Profit and loss reserves		<u>17,343,397</u>		<u>14,669,951</u>	
Total equity		<u>25,026,832</u>		<u>22,353,386</u>	

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 19 December 2023 and are signed on its behalf by:


C Castledine
Director

Company Registration No. 00631600

SANDY BALLS ESTATE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2021	100	2,438	7,680,897	11,567,034	19,250,469
Year ended 31 December 2021:					
Profit and total comprehensive income for the year	-	-	-	3,102,917	3,102,917
Balance at 31 December 2021	100	2,438	7,680,897	14,669,951	22,353,386
Year ended 31 December 2022:					
Profit and total comprehensive income for the year	-	-	-	2,673,446	2,673,446
Balance at 31 December 2022	100	2,438	7,680,897	17,343,397	25,026,832

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Sandy Balls Estate Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Maylands Building, 200 Maylands Avenue, Hemel Hempstead, HP2 7TG.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Artemis Holdco 1 Limited. These consolidated financial statements are available from its registered office.

The Company has taken advantage of the exemption to not disclose transactions with fellow group companies within the Away Resorts Group headed by Artemis Holdco 1 Limited.

1.2 Going concern

The directors prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business.

The company's financial position and cash flows are intrinsically linked to the wider Away Resorts Group, with a central treasury function and external debt and loan notes held by Artemis Bidco Limited, a fellow group company. Due to this, the Company has received confirmation of ongoing financial support from Artemis Bidco Limited.

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

- Caravan sales are recognised at the point of sale subject to either full cash receipt or a signed third party finance agreement as that is when the significant risk and rewards of ownership transfer to the purchaser.
- Owners' rents are recognised on a straight line basis over the 12 month period to which invoiced amounts relate. In the year, where credits were awarded to owners as a result of the temporary park closure, these credits were recognised in the period to which they related.
- Hiring, rental and touring income is recognised in full when holidays commence.
- Retail and other income is recognised at the point of sale.

The Company earns sublet income for rentals arranged on Owners' holiday homes. The Company reports sublet income on a gross basis, where it is determined that the Company is the principal. On this basis, amounts billed to customers are recorded as revenues and amounts paid to Owners are recorded as cost of sales.

1.4 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:

Land and buildings	2% straight line
Plant and equipment	10% - 33% straight line
Assets under finance lease	Remaining lease term

Freehold land and assets in the course of construction are not depreciated.

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 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.

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

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.

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

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

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

1.11 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in other income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in other income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Share premium account - used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Revaluation reserve - relates to the cumulative revaluation of fixed asset property and related taxation.

Profit and loss account - includes cumulative retained profits and losses, less distributions to shareholders.

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

As required by FRS 102, preparation of the financial statements requires management to make significant judgements and estimated. The directors have specifically considered the impact of the COVID-19 pandemic on the financial statements, and on the estimates and judgements applied at the balance sheet date.

The items in the financial statements where these judgements and estimated have been made include:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment indicators

Management assess, as required under FRS 102 para 27, whether there are any indicators that any asset may be impaired. Judgement is required when taking into consideration both external and internal sources of information. Management are satisfied that the recoverable amounts of tangible fixed assets and receivables from group undertakings exceed the carrying value and no impairment is required.

Treatment of leases under the ground rent transaction

Determination on whether leases entered into by the Company under the ground rent agreement are operating or finance leases. The decision depends on an assessment of whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life and residual values of fixed assets

To determine the useful life and residual values of fixed assets, management is required to make estimates of current and future results of the group. The decision depends on an assessment of the use to which assets are put and their future alternative use.

3 Turnover and other revenue

FRS 102 requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker, since they are primarily responsible for the allocation of resources to segments and -the assessment of the performance of each segment.

The principal activity of the Company is the operation of a holiday park. Management consider there is only one operating segment, as this is the lowest level at which discrete financial information is available. All of the Company's income is generated from UK operations.

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of goods	6,254,131	9,313,110
Rendering of services	12,170,454	10,015,881
	<u>18,424,585</u>	<u>19,328,991</u>

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Other significant income		
Government grants received	-	386,805

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of tangible fixed assets	1,988,188	3,116,250

5 Employees

The Company utilises employees on its park who are employed by Away Resorts Limited, a fellow group company. Costs are recharged to the Company in relation to these employees and included in the income statement. The only employees of the Company are the Directors.

6 Directors' remuneration

Directors are remunerated by a fellow group undertaking.

7 Interest payable and similar expenses

	2022 £	2021 £
Other interest	3,731	3,602
Contingent rent payable	725,905	34,409
Interest on finance leases and hire purchase contracts	874,561	727,695
	1,604,197	765,706

8 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	-	(193,038)

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

(Continued)

The actual charge/(credit) 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:

	2022 £	2021 £
Profit before taxation	2,673,446	2,909,879
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	507,955	552,877
Tax effect of expenses that are not deductible in determining taxable profit	15,317	57,760
Adjustments in respect of prior years	-	(287,098)
Group relief	(585,364)	(534,870)
Other differences	62,092	18,293
Taxation charge/(credit) for the year	-	(193,038)

9 Tangible fixed assets

	Land and buildings £	Assets under construction £	Plant and equipment £	Total £
Cost or valuation				
At 1 January 2022	21,723,451	192,199	11,299,260	33,214,910
Additions	519,866	-	1,793,769	2,313,635
Transfers	192,199	(192,199)	-	-
At 31 December 2022	22,435,516	-	13,093,029	35,528,545
Depreciation				
At 1 January 2022	1,853,069	-	6,178,592	8,031,661
Depreciation charged in the year	264,398	-	1,723,790	1,988,188
At 31 December 2022	2,117,467	-	7,902,382	10,019,849
Carrying amount				
At 31 December 2022	20,318,049	-	5,190,647	25,508,696
At 31 December 2021	19,870,382	192,199	5,120,668	25,183,249

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Tangible fixed assets

(Continued)

Total tangible fixed assets are pledged as security for the parent entity's bank loans.

Land and buildings consist of both leasehold land and buildings and freehold land. Freehold land has a net book value of £245,067 (2021: £245,067) which is not depreciated.

Ground rent transaction

The Company has entered into a lease agreement in 2018, secured on the land and buildings of the Company. Under the terms of the agreement, the Company is subject to ongoing rental obligations ("ground rent") over the next 999 years. The assets have been reclassified to leasehold land and buildings, with a corresponding finance lease obligation recognised within finance lease liabilities. The total net book value of the assets (including land and building) held under finance lease is £19,199,825 (2021: £18,752,158).

10 Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,007,235	496,738

The total carrying amount of stock is pledged as security for the parent entity's bank loans.

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	111,941	376,751
Corporation tax recoverable	95,262	95,262
Amounts owed by group undertakings	28,253,337	28,492,092
Other debtors	32,237	825,349
Prepayments and accrued income	296,837	388,976
	<u>28,789,614</u>	<u>30,178,430</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	14	75,580	73,746
Trade creditors		-	902,866
Taxation and social security		140,061	-
Other creditors		186,197	90,019
Accruals and deferred income		2,225,156	3,200,497
		<u>2,626,994</u>	<u>4,267,128</u>

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	14	28,803,278	29,105,867

14 Finance lease obligations

	Minimum lease payment £	Interest £	Principal £
Future minimum lease payments due under finance leases:			
Within one year	801,485	725,905	75,580
In two to five years	3,205,940	2,903,620	302,320
In over five years	72,759,071	44,258,113	28,500,958
At 31 December 2022	76,766,496	47,887,638	28,878,858
	Minimum lease payment £	Interest £	Principal £
Future minimum lease payments due under finance leases:			
Within one year	799,651	725,905	73,746
In two to five years	3,998,255	3,601,079	397,176
In over five years	72,768,241	44,059,551	28,708,690
At 31 December 2021	77,566,147	48,386,535	29,179,612

The Company has entered into a lease agreement for 999 years, secured on the land and buildings owned by the Company in 2018. The ongoing rental obligations is £801,485 (2021: £799,651) per annum ("ground rent"), increased for indexation annually, with a peppercorn annual rental payment after year 100 until the end of the lease term.

Arrangement fees associated with the finance lease of £324,888 have been capitalized and will be amortized into expenses over the life of the lease.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	226,160	226,160

SANDY BALLS ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Deferred taxation

(Continued)

There were no deferred tax movements in the year.

16 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Ultimate controlling party

The Company is a subsidiary undertaking of Away Resorts Limited, a company registered in England and Wales. The ultimate parent company is Archer Topco Limited, a company registered in Jersey.

The smallest group in which the results of the Company are consolidated is that headed by Artemis Bidco Limited, incorporated in England. The largest group in which the results of the Company are consolidated is that headed by Artemis Holdco 1 Limited, incorporated in England. Consolidated financial statements are available from the Registered Office at The Maylands Building, 200 Maylands Avenue, Hemel Hempstead, England, HP2 7TG.

The ultimate controlling party is CVC Capital Partners.