

# **Park Holidays UK Limited**

Annual report and financial statements

Registered number 02434151

31 December 2021



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## STRATEGIC REPORT

### About us

The Company currently runs 42 holiday parks that are located primarily in coastal locations in the south of England. The majority of the parks are within a two-hour drive time of London.

### Business model

The Company operates holiday parks that offer a wide range of accommodation ranging from static caravans and lodges, to touring, camping and glamping pitches. In addition, a variety of on-park facilities are available such as restaurants, bars, swimming pools, amusement arcades and other entertainment activities like Segways, mini-golf and pitch and putt.

At 31 December 2021, the Company owns or operates holiday parks with a total of nearly 15,900 pitches, consisting of static caravan pitches for holiday home usage by private buyers, owned hire fleet as well as pitches specific to touring and glamping. The parks range in size from 100 to 850 pitches. The major revenue streams of the business can be broken down into four main categories which are defined below. The business strategy is to focus on improving revenue streams by expanding the range and improving the quality of the products offered to potential and existing customers. The future of the Company is driven via an expansion strategy of new park acquisitions, land acquisitions adjacent to current parks and, where possible, the development of current park facilities.

#### *Holiday home sales*

The sale of new and second-hand static caravans and lodges on a pitch for holiday home ownership by private buyers on our parks. The purchase of a holiday home represents a long-term commitment from our customers as they are sold with the benefit of pitch licence. The licence allows holiday homeowners to occupy a pitch on-site until the legal expiry of their pitch licence (thirty years in the case of a lodge) in exchange for an annual pitch fee ('pitch fee'). The annual pitch fee covers the holiday season length which varies according to the permission/consent given by the relevant local authority. Growth in holiday home sales revenue is achieved by providing a wider variety of purchasing options to our pre-existing and new customers in addition to increasing the overall number of units sold on new and existing holiday parks.

#### *Owner revenue*

Recurring revenue from owners is predominantly pitch fees which are payable annually and the recharging of utility costs. Entertainment and facilities revenues are also included within this category. Growth in this area is driven by higher pitch occupancy through growing holiday home sales and annual increases in pitch fees, which are governed by the terms of the relevant clause in the pitch licence.

#### *Holiday lettings sales*

Sale of short breaks and holidays to customers from a selection of accommodation ranging from our standard caravans, touring and camping pitches or one of the higher specification lodge units. The holiday fleet has seen investment over the last year which has further improved the mix in terms of the quality of units available to our customers for holiday lettings. This has driven a strong increase in repeat bookings and an improvement in online review feedback and ratings. Further growth within this revenue stream will be achieved through a combination of factors such as increasing occupancy in the off-peak season, reviewing the mix of caravan and lodge fleet and investing in our people to ensure that customers are receiving the best service possible.

#### *Other revenue*

Revenue from on-site facilities such as restaurants, bars, convenience stores, amusement arcades and various entertainment activities. Primarily, growth is driven by increased footfall but there has also been a focus on enhancing existing facilities raise the standard of all parks. We also have a loyalty card scheme open to all owners to encourage spending at our facilities.

## **STRATEGIC REPORT** *(continued)*

### ***Current trading conditions***

Holiday parks across the UK were closed through the first quarter of 2021 due to a further national lockdown to inhibit the spread of coronavirus. A small number of caravan sales were able to be completed virtually but the parks, holiday fleet and complexes remained closed. In early April 2021, the COVID-19 restrictions were eased. This allowed us to reopen our parks to owners and holidaymakers including opening our complexes (outdoor only) all within COVID secure guidelines. Restrictions were further relaxed in May before being lifted completely in mid-July. After the lockdown in the first quarter of 2021, the business has seen a continuation of the strong domestic holiday market seen in the second half of 2020 after the first national lockdown. Demand for both the purchase and hire of holiday homes across the UK remains very strong with, in managements opinion, the recent lockdowns acting as a catalyst of the existing trend towards 'staycations'.

### ***Strategy***

With 'staycations' becoming increasingly popular, and with increased demand driven by continued restrictions and hesitancy surrounding international travel, potential customers have a variety of options as to where to holiday in the UK. With customer demand for UK holiday options likely to continue to increase, it is the Company's strategy to meet these higher levels of demand both in terms of holiday sales and in caravan sales whilst maintaining its existing relationships with holiday homeowners and stakeholders.

### ***Corporate governance***

Although the Company does not meet the definition of a 'large company' for Corporate reporting purposes, and therefore are not required to report on compliance with the provisions of the Combined Code on Corporate Governance, the Company operates within a framework that adheres to good governance and aims to provide transparency to stakeholders.

### ***Statement by the directors in performance of their statutory duties in accordance with s.172(1) Companies Act 2006***

The board of directors of Park Holidays UK Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021.

a) When making decisions, we take the course of action that we consider best leads to the success of the Company over the long term, which includes considering the broad range of stakeholders that interact with, and are impacted by, our operations. See the section on 'Corporate, social and environmental matters' within the Directors' Report (pages 7 to 11), for more information and for examples of engagement that were undertaken across the business during 2021.

b) Our people are fundamental to the successful operation of the business. We aim to be a responsible employer in the approach that we take towards the pay and benefits that our employees receive and like to develop an environment where our employees feel valued and engaged in the business. The health, safety and well-being of our employees is also one of our primary considerations in the way we do business (see the section on 'Our people' within the Directors report, pages 7 to 11, for more information).

c) Our approach on engagement and management of business relationships with suppliers and customers is discussed within the Directors' Report, see page 9.

d) The impact of the Company's operations on the community and the environment are discussed in detail within the Directors' Report, see page 9.

e) Our intention as the Board of Directors, is to behave responsibly and ensure that the business is operated in a responsible manner, operating within the high standards of business conduct and good governance expected for a business of our size and in doing so, will contribute to the delivery of our strategic objectives.

f) We understand the need to act fairly between the members of the Company and believe that our actions, as the Board of Directors, show that we behave responsibly towards all members and treat them fairly and equally, so they too may benefit from the successful delivery of our strategic goals.

## STRATEGIC REPORT *(continued)*

### Review of the business

#### Overview of the year ended 31 December 2021

The Company has reported a profit after tax of £55.4m for the year ended 31 December 2021, compared to a profit of £14.6m for the year ended 31 December 2020.

#### EBITDA (pre non-underlying items)

EBITDA is earnings before interest, tax, depreciation, and amortisation and is an important performance measure for the Group for profitability and operating performance. It can be reconciled to profit before tax within the accounts per the table below:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
EBITDA	79,579	40,632
Depreciation/Amortisation	(7,819)	(7,543)
Net finance expense	(9,650)	(8,884)
Non-underlying items	4,167	(2,131)
<b>Profit before tax</b>	<b>66,277</b>	<b>22,074</b>

For the year ended 31 December 2021 EBITDA was £79.6m, an increase of 95.9% (£38.9m) on 2020 EBITDA of £40.6m. The reason for the improved performance is partially due to the negative impact of COVID 19 in the prior year. However, through the first quarter of 2021 there was also significant disruption to business due to lockdowns and hence, even when considering the disruption due to coronavirus in the last two years, the business has shown significant growth. Since the end of national lockdowns, the demand for domestic holidays has been very high, and Park Holidays UK has been able to capitalise on this and deliver record performance.

#### Acquisitions during the year

On the 18th of May 2021, Tiger Bidco Limited, a fellow subsidiary in the Tiger Topco 1 Group, acquired Bridge Leisure, a leading UK holiday park operator comprising 9 holiday parks. The parks acquired are spread across the South-West, Peak District, Yorkshire, and Scotland, expanding the geography of the Park Holidays portfolio. This acquisition has widened the scope for other acquisitions which may have previously been operationally impractical due to location. At the end of July, the trade and working capital of the Bridge Leisure companies were transferred to Park Holidays UK Limited at fair value.

In February 2021, the group completed the purchase of Bay View Holiday Park, located in Pevensey, East Sussex. The park was acquired for £1.8m and will be merged with the neighbouring Pevensey Bay Park, an existing park in the portfolio.

#### Non-underlying items

To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column on the Statement of Comprehensive Income. A detailed breakdown of non-underlying items is given in Note 7. Non-underlying items were an income of £4.2m in the year (2020: cost of £2.1m).

### Financial key performance indicators

A summary of the results for the Company for the year to 31 December 2021 are discussed below.

- Revenue increased by 56.9%.
- Gross Margin (Gross Profit as a % of Revenue) increased by 5.8%.
- Operating Profit before non-trading costs increased by 116.9%.

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Revenue	228,167	145,416
EBITDA	79,579	40,632
Operating profit (pre non-underlying items)	71,760	33,089
Operating profit (post non-underlying items)	75,927	30,958
Profit before tax	66,277	22,074
Profit for the year	55,387	14,574
Gross Margin	64.5%	58.7%

## STRATEGIC REPORT *(continued)*

### *Principal risks and uncertainties*

There are a number of potential risks and uncertainties that could have a material impact on the Company's operations and its ability to achieve its strategic objectives. The Company have identified and assessed the risks currently being faced along with the potential impacts and probability of occurrence. The key risks identified are disclosed below:

Risk explanation and impact	Mitigation strategy
<b>BUSINESS RISKS</b>	
<p><b>Customer Expectations and Pressure from Competitors</b></p> <p>The Company faces local and international competition from holiday tour operators. If customers' expectations are not met, or their holiday experience is not satisfactory, future growth potential and reputation could be at risk.</p>	<p>Holiday guest and owner feedback is monitored regularly to ensure that where the Company are not meeting customer expectations, steps are taken to rectify the situation to ensure it is not repeated.</p> <p>Capital expenditure on facilities helps the business to exceed customer expectations and also attract customers away from competitors.</p>
<p><b>Brexit</b></p> <p>Risk of adverse economic outcomes because of Brexit.</p>	<p>There remains a risk to the business as the UK and EU continue to map out future trading relationships.</p> <p>The Group continues to monitor the effects of Brexit on the UK economy and the knock-on impact on consumer spending. There is a strong correlation between consumer confidence and holiday home sales.</p> <p>Most of the direct suppliers are UK-based businesses and therefore it is not expected that Brexit will have a material negative impact on the business. Exchange rate movements have already resulted in raw material costs increases. These increases have been mitigated by improved procurement.</p> <p>A potential benefit of Brexit remains in that staycations and UK based holiday homes are favoured by consumers, meaning that we may see an increase in trade as a result.</p>
<p><b>Impact of coronavirus</b></p> <p>If there is another wave of coronavirus and the government implements further lockdowns, there is a risk that trading performance may suffer. There is also a risk to the health and welfare of our staff from contracting the virus and knock-on impacts to customer service as well.</p>	<p>We have been proactive in all measures taken to mitigate the negative impact of coronavirus. We are able to take actions in the event that these forecasts or estimates show a significant negative trend. Most of our direct suppliers are UK based business and we have long established working relationships with them. The Company is working in line with the NHS public information guidelines and has policies and procedures in place to appropriately deal with any suspected cases of the virus.</p>
<b>FINANCIAL RISKS</b>	
<p><b>Credit Risk</b></p> <p>Due to the nature of the Company's operations; there is a relatively low credit risk. Annual site fees are paid for in full in advance or by direct debit throughout the year. Holidays cannot be taken unless full payment is received and the ownership of a holiday home does not transfer until all funds are transferred upon completion. The majority of on park spend is paid for at the point of sale.</p>	<p>The Company has a credit policy in place and the exposure to credit is monitored. Owners are able to pay their site fees in full, via direct debit or via a specified payment plan and default is closely monitored. Credit terms for holidays can be for up to a year in advance if a customer pre-books but there is a requirement to pay the total balance of the holiday 30 days before the start of the holiday.</p>
<p><b>Liquidity</b></p> <p>The operation of holiday parks is seasonal in nature but follows general trends each year. Throughout the holiday season cash flows are positive; but in the colder, winter months it is significantly lower and in some months, there can be more outgoings than receipts. It is essential that cash management remains a key focus for mitigating liquidity risks caused by seasonal trading.</p>	<p>A cash forecast is prepared every week to allow issues to be addressed before they materialise.</p>

## STRATEGIC REPORT (continued)

### Principal risks and uncertainties (continued)

<p><b>Inflation and cost pressures</b></p> <p>The UK economy has recently experienced inflation at multi-decade highs as well as unprecedented energy price rises.</p>	<p>The group has a rigorous budgeting process and regularly assesses the impact of cost pressures. Whilst cost rises are sometimes unavoidable, the Group has worked with its suppliers and energy broker to mitigate the impact of these as much as possible.</p>
<b>OPERATIONAL RISKS</b>	
<p><b>Health and Safety</b></p> <p>Due to the high level of footfall on parks and facilities during the year (consisting of staff, contractors, owners and holiday guests) there is an inherent risk of an accident.</p>	<p>As a Company we have a duty of care to protect the safety and security of all individuals that visit our parks. We review all reported incidents and put in place actions to try and ensure that they are not repeated.</p>
<p><b>Quality Employees</b></p> <p>The holiday park industry is a very competitive environment for recruiting and retaining skilled, high quality employees. As the Company continues to grow it is imperative that our people want to, and are able to, grow with it.</p>	<p>The Company's brand is strong in the marketplace, with the business being an attractive choice for potential candidates, which is useful when opportunities come to light for new roles. However, where possible the Company will try to promote from within the existing workforce to motivate and encourage staff to have a longer term view. As the economy emerges from the pandemic businesses are competing to hire talent to keep up with demand. This has led to a highly competitive jobs market. The Group's brand and reputation in the marketplace has served it well and continues to attract the talent and resources needed to grow the business.</p>
<p><b>Business Continuity</b></p> <p>The effect of a power outage and the Company's ability to continue normal business activities.</p> <p>The effect of flooding (coastal &amp; surface) upon the parks and the Company's ability to continue normal business activities.</p> <p>The effect of falling trees/branches and related trip &amp; obstruction hazards upon the parks and the Company's ability to continue normal business activities</p>	<p>The Company has a business continuity/disaster recovery plan in place, detailing actions to be taken should a disaster happen. In addition, provision is in place for the central support offices, should the need arise.</p> <p>Flood Risk Assessments have been completed and Flood Warning Evacuation Plans are in place for each respective park/site, detailing relevant actions to be taken should potential / actual flooding occur.</p> <p>The Company has completed detailed Tree Surveys and has in place a Tree Management Strategy (TMS) for each respective park/site, detailing relevant actions to be taken by the Company to decrease risk and liability.</p>
<p><b>Technology and Cyber Security</b></p> <p>As with many organisations we rely heavily on IT systems to help manage our business including our customer data. It is important that we manage the risks associated with this reliance on IT to keep the Company and our customer data safe and secure.</p>	<p>Regular third party penetration testing of our networks is performed and reported. A framework of service level agreements is in place with our key suppliers and system providers to ensure there is an appropriate response in the event of a failure of any part of our network.</p>
<p><b>Regulatory Compliance</b></p> <p>The Company is authorised by The Financial Conduct Authority (FCA) to provide access to regulated products and services for customers.</p>	<p>The Company can help customers find different financing options for purchasing a holiday home. This can include the use of a finance provider. We are careful to ensure that our sales processes are in compliance with our FCA authorisations, via regular training courses to sales staff and managers. We take care to run the company in accordance with the FCA's Code of Conduct (COCON).</p>

<b>Minimum Wage</b> A significant, rapid increase in the national minimum wage rates could be detrimental to the Company's profitability.	The estimated rates per the Office for Budget Responsibility are obtained and used when preparing the budget on an annual basis. These are then compared to actual rates when they are released, to ensure that the Company has adequately provided for employee costs and is in compliance with Government standards.
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By order of the board



C A Ling  
Director

06 June 2022



## DIRECTORS' REPORT

### Principal activity

The principal activity of the Company is the operation of holiday home parks.

### Research and Development

The Company undertook no research or development during the year.

### Financial instruments

Information in respect of the Company's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk can be found in the Group financial statements Tiger Topco 1 Limited, which is the smallest group in which results of the Company are consolidated.

### Dividends

No dividend payments were made during the year (2020: *Nil*).

The directors do not recommend the payment of a final dividend (2020: *Nil*).

### Directors

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

J Sills  
C Ling  
A Clish  
R Ullman  
K Dearing (appointed 8<sup>th</sup> April 2022)  
A Weiss (appointed 8<sup>th</sup> April 2022)  
J McLaren (appointed 8<sup>th</sup> April 2022)

Directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report. The Company provided qualifying third-party indemnity provisions to directors of associated companies during the financial period and at the date of this report.

### Political contributions

The Company did not make any political donations or incur any political expenditure during the year (2020: *Nil*).

### Post balance sheet events

On 08 April 2022, Sun Communities, Inc., a REIT trading on the New York Stock Exchange, has completed the purchase of Tiger Topco 1 Group, including Park Holidays UK Limited, for a consideration of £950m.

### Corporate, social and environmental matters

#### Our People

Providing good customer service is in the hands of hundreds of staff working at our parks. We devote a lot of care in selecting the very best people for each job and training them to ensure they have the right skills to do that job to our exacting standards. It can mean hard work and long hours, so we believe in trying to make it an enjoyable place to work. To ensure that this is the case, it is essential that we build trusting relationships where employees feel motivated and engaged and provide them with a working environment that enables them to develop over the long term.

Maintaining a happy, healthy and productive workforce is key to achieving the businesses strategic objectives. Therefore, careful consideration is always given to the impact on employees of decisions made by the board. Executive and managerial level employees are often consulted on the impact of decisions on their respective staff, and these consultations help shape the decisions made.

## **DIRECTORS' REPORT** *(continued)*

### **Corporate, social and environmental matters** *(continued)*

#### ***Our People (continued)***

We have a highly engaged workforce who take pride in their work and welcome opportunities to develop new skills. Park managers are in regular contact with Area managers through site visits and regular catch ups, and have the opportunity to put questions or ideas to senior leaders. The Sales director and Operations director also make regular trips to all parks within the portfolio to monitor trading performance and manage any concerns our employees have. The Finance director holds a meeting with all members of the finance team at least once per year to discuss the Company's performance for the financial year and the future for the business; this enables them to understand the vital role they play within the business and how their actions enable the effective operation of the business' activities. Any information on matters of concern applicable to the entire workforce are distributed through Company-wide emails whenever any situations arise.

Financial analysis is prepared on a weekly and monthly basis and cascaded throughout the organisation so that all staff have a common awareness of the financial performance of the Company. All staff are encouraged to come forward with any innovative ideas on new processes to be implemented or how existing processes could be improved, as by encouraging this behaviour it helps to improve employee satisfaction and, if successful, can lead to cost reductions for the business. We also encourage the involvement of employees in the company's performance through various incentive schemes.

In addition, we have been working with Investors in People for nearly 12 years to ensure we always maintain a genuine commitment to improving the way we manage, develop and lead our teams. As well as the usual assessment visits they also distribute a Staff Survey which provides us with some key statistics about how we are really performing in terms of managing, leading and developing our team, which all employees are invited to participate in. For 2019 the Company were awarded the 'Investors in People – Silver Award', for good staff and recruitment practices – a measure of our commitment to people. This award is a 3-year assessment therefore is still held, with reassessment due in April 2022.

The Company has a structured health and safety policy and provides the relevant financial and human resources to ensure the fulfilment of the policy. Adequate training is provided for all relevant employees. The directors continue to prioritise health and safety issues across all areas of the Company's activities.

#### ***Equal opportunities and disabled employees***

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

The Company's policy is to consult and discuss with employees at meetings, as required, matters likely to affect employees' interests.

Information on matters of concern to employees is provided to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

#### ***Human rights and modern slavery***

The Company has a zero tolerance regarding slavery and human trafficking but are aware that we operate in a sector that is deemed to be 'most at risk'. Therefore, there are rigorous policies and procedures in place to mitigate the risk of slavery and human trafficking occurring within the organisation. Our statement on modern slavery and compliance with the UK Modern Slavery Act 2015 can be found on our website.

#### ***Community***

As a Company we encourage our people to get involved in charitable activities for both local and national causes. The Company also supports local charities via various activities, some of which are noted below.

**Give Us Time** - Give Us Time takes commercially let accommodation donated by owners of holiday groups, hotels, holiday homes and timeshares, and matches them with military families in need of rest, rehabilitation, and reconnection with their families, often after long periods of time away on active service. Park Holidays UK started working with the charity in 2017 and has this year pledged to donate 100 short breaks across 9 holiday parks.

## **DIRECTORS' REPORT** *(continued)*

### **Community** *(continued)*

*Follow That Duck* - The Follow That Duck initiative is a live art trail along the streets of Hastings and Rother throughout the summer of 2022. Thirty 5ft ducks will create this creative trail, two of which have been sponsored by Park Holidays UK and hand-painted by local artists. Park Holidays UK has donated £10,000 to the fundraising project. All sponsor money is donated to a local hospice, St Michael's Hospice, to help with the fantastic work they do. Park Holidays UK has been fundraising for St Michael's Hospice through various events and activities for approximately 15 years.

*Dom's Food Mission* - Following a successful donation to Bexhill Food Bank in December 2020, we announced a similar Christmas collection for a local charity, Dom's Food Mission in 2021. Head office staff contributed a mix of food items and Christmas gifts that were then distributed by DFM to those in need locally. Dom's Food Mission said it was the largest single donation they had ever received, and we are looking to work with them again in the future.

*Park fundraising activity* - Park Holidays UK encourages all parks to participate in local fundraising events throughout the season. Often working with holiday home owners who favour a particular charity or cause close to their hearts, special events put on by the park, particularly for holiday home owners, create a very fruitful environment for fundraising.

### **Environment**

The Company's holiday parks are all in the UK and in 2021 the geographic spread has been increased due to the acquisition of Bridge Leisure. Therefore, travelling to one of our holiday parks is likely to have a much lower carbon footprint than flying abroad or even travelling longer distances to more distant UK destinations.

During 2021 all existing parks have moved to 100% green electricity, this does not include the new parks purchased by the Tiger Topco 1 Group through the acquisition of the Bridge Leisure Group but they will be switched in due course.

We strive to present the majority of our marketing online and only distribute brochures when it is essential as part of our ongoing commitment to use less paper.

We design our buildings to try and minimise energy use, and local management are financially incentivised to reduce consumption and control waste. We believe in the principle of 'think globally, act locally'. When it comes to accommodation, we also put green principles to the fore as we employ a refurbishment strategy to extend the life and improve quality.

As substantial landowners our environmental responsibilities extend beyond our carbon footprint. We are responsible for many lakes, hundreds of acres of woodland, and lengths of protected coastline, and we will continue to champion environmental causes wherever possible going forward. We are committed to promoting reuse and recycling and ensuring our waste avoids landfill at every opportunity.

The Company is committed to complying with all relevant environmental legislation, including those issued by the relevant local authorities, the Environment Agency and Natural England. We are committed to developing an environmental management system which contains objectives and targets that are monitored and reviewed on an annual basis. Our energy consumption is actively monitored, and we strive to continuously improve energy efficiency where possible. We carefully manage water consumption and investigate ways to reduce water intensity across all our parks. We will work closely with the local authorities and invest in wastewater treatment programs that enable us to exceed compliance with legislative policy for many years to come.

### **Suppliers**

We work to develop long term partnerships with all our suppliers as we believe that treating our business partners fairly is an investment that protects us and enhances our business. We are committed to supporting local businesses whenever practical when selecting product or service suppliers for our business. We strive to ensure raw materials and food stuffs supplied to us are produced from an ethical and sustainable source and that transportation of these goods have minimal impact on the environment. To ensure safety standards and ethical practices in our supplier and contractor chain, all suppliers and contractors must participate in our Pre-Qualifying Questionnaire Scheme which will be reviewed and updated annually; all suppliers and contractors will be required to re-submit the relevant signed paperwork each year re-confirming their safety and ethical working practices.

## DIRECTORS' REPORT *(continued)*

### Corporate, social and environmental matters *(continued)*

#### Customers

One of our strategic aims is to deliver the best customer experience and by doing so, hopefully meet or exceed customer expectations. To achieve this, we engage with our customers through a variety of channels including emails, social media and webchat. We ask for feedback from customers through all aspects of their journey with us, from the booking process through to their holiday experience and we also have a dedicated holiday home after sales team to ensure our customers are receiving the high standard service that we expect. We believe that by engaging with our customers, we can understand what they value the most and ensure that we are tailoring our services to match their expectations.

#### Streamlined energy and carbon reporting

The Company's greenhouse gas emissions, reportable under SECR for the period 1st January 2021 to 31st December 2021 were 16,952 tonnes CO<sub>2</sub>e (2020: 12,515 CO<sub>2</sub>e).

These include the emissions associated with UK electricity, natural gas and bulk gas consumption and business travel in company and private vehicles by employees. In accordance with the legislation an intensity ratio has been calculated and for Park Holidays UK Limited this is 71.5 tCO<sub>2</sub>e per £m revenue (2020: 83.5 tCO<sub>2</sub>e per £m revenue).

Park Holidays UK is committed to reducing the carbon footprint of its operations and has undertaken a number of energy-saving initiatives including:

1. Switched the entire existing estate of parks to 100% green electricity tariff during the year. The parks acquired (Bridge Leisure) during the year will be transferred to green energy tariffs when existing agreements allow.
2. Mattress recycling scheme initiated with just over 500 recycled in the year.
3. 100% of parks with bars and restaurants now recycle glass.
4. Waste electrical and electronic equipment containers are now available in many parks.
5. Significant progress was made in updating our hire fleet vans to be more energy efficient. 100% of our hire fleet caravans were double glazed and centrally heated by the start of the 2022 season in March, including fleet units on parks acquired in the year.
6. All new builds and extensions have been built in accordance with building regulations "Conservation of fuel and power: Approved Document L".
7. We are in talks with an EVC supplier to install charging points across the complete estate for electric vehicles.

UK Energy Consumed	2021 kWh	% Share	2020 kWh	% Share
Natural Gas for Heating	1,441,242	2.0	769,874	1.5
Bulk Gas	29,245,753	39.8	21,427,180	41.6
Electricity	40,512,903	3.2	27,363,078	53.1
Transport Fuel	2,317,859	55.1	1,977,651	3.8
<b>Total</b>	<b>73,517,757</b>	<b>100</b>	<b>51,537,783</b>	<b>100%</b>

UK emissions from:	2021 (tCO <sub>2</sub> e)	% Share	2020 (tCO <sub>2</sub> e)	% Share
Natural gas, bulk gas and company-operated transport	7,401	43.7	5,440	43.5
Electricity	8,602	50.7	6,379	51.0
Grey fleet usage and losses from electricity distribution and transmission	949	5.6	696	5.6
<b>Total</b>	<b>16,952</b>	<b>100</b>	<b>12,515</b>	<b>100</b>

Company's Chosen Intensity Measurement	2021 (tCO <sub>2</sub> e)	2020 (tCO <sub>2</sub> e)
Total CO <sub>2</sub> emissions per £million revenue	71.5	83.5

## **DIRECTORS' REPORT** *(continued)*

### **Corporate, social and environmental matters** *(continued)*

#### **Streamlined energy and carbon reporting** *(continued)*

These figures are gross of energy recharged to owners. Based on the income received and cost of supply in the year, the amount recharged to owners is approximately 50% of the total bulk gas, metered gas and electricity supplied to the group. Note that individual gas bottles supplied to owners are not included in the above calculations.

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary.

This approach captures emissions associated with the operation of all buildings such as accommodations and offices plus company-owned and leased transport. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is January 2021 to December 2021, as per the financial accounts.

#### **Future developments**

The Company is continually looking for opportunities to expand the business' footprint and increase market share. See note 28 for details regarding material post year end events.

#### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



C A Ling  
Director

Glovers House  
Glovers End  
Bexhill-On-Sea  
East Sussex  
TN39 5ES

06 June 2022

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HOLIDAYS UK LIMITED

### Opinion

We have audited the financial statements of Park Holidays UK Ltd ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit, in-house legal counsel, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HOLIDAYS UK LIMITED

*(continued)*

- Considering remuneration incentive schemes and performance targets for management (including senior, general and sales management) and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and risk over cut off in revenue recognition. With respect to the risk of fraudulent revenue recognition, the presumed fraud risk is rebutted for all the revenue streams except for risk of recognition of revenue from sale of holiday homes in the incorrect accounting period and the risk that Group management may be in a position to make inappropriate accounting entries at the period end as the management bonuses are linked to achievement of performance targets.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those with unusual account pairings.
- Agree the revenue recognised on sale of holiday homes pre and post year end on a sample basis to supporting documentation to conclude if the revenue is recognized in the correct accounting period.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

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. For example, 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.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HOLIDAYS UK LIMITED**

***(continued)***

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 12, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

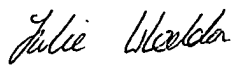
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HOLIDAYS UK LIMITED

*(continued)*

### **The purpose of our audit work and to whom we owe responsibilities**

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.



**Julie Wheeldon (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT  
06 June 2022

## STATEMENT OF COMPREHENSIVE INCOME

for year ended 31 December 2021

	Note	31 December 2021			31 December 2020		
		Trading	Non-	Result for	Trading	Non-	Result for
		performance	underlying	the year	performance	underlying	the year
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2	228,167	-	228,167	145,416	-	145,416
Cost of sales		(81,106)	-	(81,106)	(60,084)	-	(60,084)
<b>Gross profit</b>		<b>147,061</b>	<b>-</b>	<b>147,061</b>	<b>85,332</b>	<b>-</b>	<b>85,332</b>
Administrative expenses	3,7	(79,336)	(2,173)	(81,509)	(58,120)	(2,131)	(60,251)
Other operating income	4,7	4,035	6,340	10,375	5,877	-	5,877
<b>Operating profit</b>		<b>71,760</b>	<b>4,167</b>	<b>75,927</b>	<b>33,089</b>	<b>(2,131)</b>	<b>30,958</b>
Finance income	8	10	-	10	287	-	287
Finance expense	8	(9,660)	-	(9,660)	(9,171)	-	(9,171)
<b>Profit before taxation</b>		<b>62,110</b>	<b>4,167</b>	<b>66,277</b>	<b>24,205</b>	<b>(2,131)</b>	<b>22,074</b>
Tax on profit	9	(10,890)	-	(10,890)	(7,500)	-	(7,500)
<b>Profit for the financial year</b>		<b>51,220</b>	<b>4,167</b>	<b>55,387</b>	<b>16,705</b>	<b>(2,131)</b>	<b>14,574</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to profit or loss:</i>							
Revaluation of tangible fixed assets	11	-	261,939	261,939	-	(5,702)	(5,702)
Impairment of tangible fixed assets	11	-	(5,934)	(5,934)	-	969	969
Deferred tax on revaluation	19	-	(76,506)	(76,506)	-	(3,509)	(3,509)
<b>Other comprehensive loss for the year, net of income tax</b>		<b>-</b>	<b>179,499</b>	<b>179,499</b>	<b>-</b>	<b>(8,242)</b>	<b>(8,242)</b>
<b>Total comprehensive income for the year attributable to equity holders of the parent company</b>		<b>51,220</b>	<b>183,666</b>	<b>234,886</b>	<b>16,705</b>	<b>(10,373)</b>	<b>6,332</b>

The results for the year arose solely from continuing operations.

Notes on pages 20 to 46 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

at 31 December 2021

	Note	2021	2020
		£'000	£'000
<b>Non-current assets</b>			
Intangible assets	10	3,036	782
Tangible fixed assets	11	765,555	472,050
Investments	12	59,635	57,795
<b>Total non-current assets</b>		<b>828,226</b>	<b>530,627</b>
<b>Current assets</b>			
Inventories	14	23,215	14,272
Trade and other receivables	15	221,071	199,493
Cash and cash equivalents		85,459	42,259
<b>Total current assets</b>		<b>329,745</b>	<b>256,024</b>
<b>Payables: amounts falling due within one year</b>	16	<b>(219,934)</b>	<b>(173,763)</b>
<b>Provisions</b>	17	<b>(1,661)</b>	<b>(1,338)</b>
<b>Net current assets</b>		<b>108,150</b>	<b>80,923</b>
<b>Payables: amounts falling due after more than one year</b>	18	<b>(230,533)</b>	<b>(220,054)</b>
<b>Deferred tax liability</b>	19	<b>(112,881)</b>	<b>(34,366)</b>
<b>Net assets</b>		<b>592,962</b>	<b>357,130</b>
<b>Capital and reserves</b>			
Called up share capital	21	9,486	9,486
Revaluation reserve	21	317,048	137,549
Capital contribution reserve		946	-
Profit and loss account		265,482	210,095
<b>Shareholders' funds</b>		<b>592,962</b>	<b>357,130</b>

Notes on pages 20 to 46 form part of these financial statements.

These financial statements were approved by the board of directors on 06 June 2022 and were signed on its behalf by:



C A Ling

Director

Company registered number: 02434151

## STATEMENT OF CHANGES IN EQUITY

	<i>Note</i>	Called up share capital	Revaluation reserve	Capital contribution reserve	Profit and loss account	Total equity
		£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2020</b>		9,486	145,791	-	195,521	350,798
<i>Total comprehensive income for the year</i>						
Profit for the financial year		-	-	-	14,574	14,574
Impairment of tangible fixed assets	11	-	(5,702)	-	-	(5,702)
Deferred tax impact on reserves	19	-	(2,540)	-	-	(2,540)
<b>Total comprehensive income for the year</b>		-	<b>(8,242)</b>	-	<b>14,574</b>	<b>6,332</b>
<b>Balance at 31 December 2020</b>		<b>9,486</b>	<b>137,549</b>	-	<b>210,095</b>	<b>357,130</b>

	<i>Note</i>	Called up share capital	Revaluation reserve	Capital contribution reserve	Profit and loss account	Total equity
		£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>		9,486	137,549	-	210,095	357,130
<i>Total comprehensive income for the year</i>						
Profit for the financial year		-	-	-	55,387	55,387
Revaluation of tangible fixed assets		-	261,939	-	-	261,939
Impairment of tangible fixed assets	11	-	(5,934)	-	-	(5,934)
Deferred tax impact on reserves	19	-	(76,506)	-	-	(76,506)
<b>Total comprehensive income for the year</b>		-	<b>179,499</b>	-	<b>55,387</b>	<b>234,886</b>
<i>Transactions with owners, recorded directly in equity</i>						
Capital contribution		-	-	946	-	946
<b>Transactions with owners, recorded directly in equity</b>		-	-	<b>946</b>	-	<b>946</b>
<b>Balance at 31 December 2021</b>		<b>9,486</b>	<b>317,048</b>	<b>946</b>	<b>265,482</b>	<b>592,962</b>

Notes on pages 20 to 46 form part of these financial statements.

## NOTES

*(forming part of the financial statements)*

### 1 Accounting policies

#### 1.1 Basis of preparation

Park Holidays UK Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the UK. The registered number is 02434151 and registered address is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex TN39 5ES.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Tiger Topco 1 Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Tiger Topco 1 Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, intangible assets and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of related party transactions with group companies;
- The effects of new but not yet effective IFRSs;
- An additional balance for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Tiger Topco 1 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 27.

The financial statements are prepared on the historical cost basis except land and buildings which are stated at their fair value.

#### 1.2 Change in accounting policy

The Company has adopted the following IFRSs in these financial statements:

- Amendments to IFRS 9: Interest Rate Benchmark Reform has been adopted from 1 January 2021. The Phase 2 has been applied retrospectively, however, in accordance with the exceptions permitted in the Phase 2 amendments, the Company has elected not to restate comparatives for the prior periods to reflect the application of these amendments.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.2 Change in accounting policy (continued)

Since the Company has no transactions for which the benchmark rate had been replaced with an alternative benchmark as at 31 December 2020, there is no impact on the opening equity balances as a result of retrospective application. The details of the accounting policies are disclosed in note 1.4.

- Amendments to IFRS 16: Leases Covid-19 Related Rent Concessions has been adopted. The amendment introduces an optional practical expedient for leases in which the Company is a lessee. For leases to which the Company applies the practical expedient, the Company is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Company has applied the amendment retrospectively. The details of the accounting policies are disclosed in note 1.9 and see also note 22 for related disclosures. The further amendment, which extended the concession period, has been early adopted.

#### 1.3 Going concern

Park Holidays UK Limited "the Company" is the main trading company within the Tiger Topco 1 Ltd Group "the Group". The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

At the 31st December 2021, the Company had total assets less current liabilities of £936m (2020: £612m) and the closing cash balance was £85m (2020: £42m).

In assessing the Company's ability to continue as a going concern, the Directors have prepared forecasts for a period of at least 12 months. Since the balance sheet date, the Group has been sold to Sun Communities, Inc., a REIT trading on the New York Stock Exchange, for a consideration of £950m. The purchase has resulted in the repayment of the Groups senior debt and all PIK notes post year end, and a new financing structure will soon be in place which will include intercompany balances owed to Sun Communities. The going concern assessment is therefore dependent on the Group's parent company, Sun Communities Operating Limited Partnership not seeking repayment of the amounts currently or soon to be due once the final financing structure is in place. Sun Communities Operating Limited Partnership has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have undertaken a rigorous forecasting exercise including specific consideration of the current and likely ongoing impact of the pandemic on the business. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.4 Financial Instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.4 Financial instruments (continued)

##### (ii) Classification and subsequent measurement

###### Financial assets

###### (a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

###### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

###### (b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and



## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.4 Financial instruments (continued)

##### (b) Subsequent measurement and gains and losses (continued)

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

##### (iii) Derivative financial instruments

###### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

##### (iv) Impairment

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full
- the financial asset is more than 90 days past due

These criteria are based on historic experience of debt default within the business.

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL, trade receivables with significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.4 Financial instruments (continued)

##### (iv) Impairment (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### Write Offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### 1.5 Tangible fixed assets

Tangible fixed assets are stated at either fair value or cost less subsequent depreciation. 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.

The estimated useful lives are as follows:

Freehold property	-	25 to 200 years
Long term Leasehold Property	-	Straight line over the period of the lease
Plant & machinery	-	10% straight line
Fixtures & fittings	-	10-25% straight line
Other fixed assets	-	5-25% straight line
IT equipment	-	25% on a straight line basis

Motor vehicles and caravan hire fleet are combined under other fixed assets and are respectively depreciated at 25% and 10%. Lodge hire fleet are depreciated over 15 years.

The estimated useful lives of assets held under finance leases are as follows:

- Plant and machinery	-	14% straight line
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Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Motor vehicles and caravan hire fleet are combined under the heading other fixed assets and are respectively depreciated at 25% and 10% within this category.

Land and Buildings comprises holiday home parks, owned or leased, and operated by the Company. The parks are held at market value, being the open market value for each park, separate to the business as a whole, determined periodically (triennially) by external valuers under the RICS Valuation Standards. The valuation approach considers a range of indications of value, including earnings multiples (on an individual park basis with an allocation of part of the central overheads), "per pitch" valuations and evidence from recent similar transactions. The valuation is undertaken by a qualified Chartered Surveyor.

No depreciation is charged on freehold land.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.5 Tangible fixed assets (continued)

The cost of internal labour of those staff who work on capital projects is monitored and where appropriate as per IAS 16 is capitalised and depreciated over the life of the asset constructed. The useful economic life of property, plant and equipment is reviewed on an annual basis. The period of actual or economic benefit may vary from the estimated life and residual values.

Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings.

#### 1.6 Business combinations

Subject to the transitional relief in IFRS 1, all unincorporated business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date whereby control is transferred to the company.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

The financial statements have been prepared under the historical cost convention, except for land and buildings which are stated at fair value, incorporating the true and fair override provisions of the Companies Act 2006 in respect of goodwill on hive up as set out below, modified to include certain items at fair value, and in accordance with FRS 101 issued by the Financial Reporting Council.

#### 1.7 Intangible assets

##### Software

Software assets are initially stated at cost less accumulated amortisation and accumulated impairment losses.

##### Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible, the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable, and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

Development activities involve a plan or design for the production of new, or substantially improved, products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

##### Customer lists

Customer lists that are acquired by the company are stated at cost less accumulated amortisation and accumulated impairment losses.

##### Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 4 years
- Customer lists 7 years

Amortisation is recognised within administrative expenses in the Statement of Comprehensive Income on page 17.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the purchase price and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

#### 1.9 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the asset, the Company assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either;
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applicable to contracts entered into, or changed, on or after 1 January 2019.

At inception or on a reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the bases of their relative stand-alone prices.

#### (A) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

- Lease payments included in the measurement of the lease liability comprise the following;
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate; initially measured using the index or rates as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonable certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonable certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.9 Leases (continued)

##### (A) As a lessee (continued)

expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'obligations under finance leases' on the statement of financial position.

##### (i) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (B) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16.

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use. These are defined as CGUs and are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.10 Employee benefits

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

No cash-settled share-based payment arrangements were established.

#### 1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.12 Revenue

Revenue is derived from the sale of holiday homes, rental of pitches to holiday homeowners (site fees) and short-term holiday lettings and represents the invoiced value of these goods and services excluding discounts, incentives and value added tax.

The sale of a holiday home itself is a distinct good when compared to the site fee included at the time of sale so the Company recognises income from caravan sales and site fees separately as each stream of income has different performance obligations. The sale of holiday homes and holiday home bundles are paid up front at the time of the sale.

Once separated from the bundle, the sale of a holiday home only has one performance obligation being the provision of the holiday home to the customer. The transaction price recognised is the amount per the sales contract that is agreed with the customer. Revenue is recognised in full on the date that the customer takes delivery of the holiday home. Customers have 14 days from the date of initial sale to cancel their purchase and receive a full refund.

Some of the holiday homes sold to customers of the Company are in part funded by third party finance companies so the payment terms are in accordance with the finance provider's terms and conditions. However, in the event of a default by a customer, the Company may be required to re-purchase a holiday home from the third-party finance company at a price based on an agreed formula.

The site fee income sold as part of the 'caravan bundle' is recognised straight line over the contract period as the customer consumes the benefit provided by the Company and all performance obligations are met. Existing owners are required to pay

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.12 Revenue (continued)

site fees each year in exchange for the use of the holiday park and its facilities. The site fee income from these owners is recognised straight line over the contract period. The payment terms for site fees are either payment in full up front or a monthly direct debit. When payment is received in full, the income is recognised as deferred income and released on a straight-line basis over the year that they relate to, as the customer consumes the benefit provided by the Company. The observable market price of the site fees is deferred, with the caravan sales being the balancing figure.

Rental income for pitches and holiday lets is recognised evenly over the rental period as the performance obligation is satisfied as the holiday is taken. Any extras added to the booking such as furniture hire or pet fees are considered to be bundled goods and therefore recognised when the holiday is taken, in line with the rental income. Payment terms are either payment in full or payment of a deposit with the balance paid at a later date. The timing of payment therefore differs to when the performance obligation is met, and therefore a contract liability is recognised.

All other income relating mainly to retail, entertainment and catering is recognised at the point of time that the good/service is supplied to the customer and consideration has been received by the company. The items sold or provided are separable and the performance obligation is met upon point of sale. No contract assets or liabilities arise due to the timing of payment matching the meeting of performance obligations.

#### 1.13 Expenses

Interest receivable and similar income includes interest receivable on funds invested. Interest payable and similar charges include interest payable and finance leases recognised in the profit or loss using the effective interest method.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

#### 1.14 Government Grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account on a systematic basis over the estimated useful economic lives of the assets to which they relate or over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the profit and loss are presented under the heading "Other operating income".

#### 1.15 Non-underlying items

The financial trading results of the Company are reflected in the 'Trading performance' column on the Statement of Comprehensive Income. To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column. This column exists to clearly separate any one-off items in addition to items that are non-operational in nature.

The Company's Land and Buildings are held at market value, with full valuations carried out triennially. Although these assets are used within the normal course of business, the fair value movements on these assets do not reflect 'normal' trading performance as the full revaluations take place triennially. Therefore, any adjustments relating to revaluations are reported separately in the 'non-underlying items' column.

'Non-underlying items' are those that the Company considers to be not 'operationally driven' and significant in size or nature so should be separately identified as they do not form part of the regular cyclical trade of the business and inclusion of these items would distort the Company's underlying trading performance. Non-underlying items include but are not limited to; transaction and integration costs relating to the acquisition of businesses, material restructuring and professional adviser costs, revaluation costs, costs associated with significant strategic or contract reviews and the tax effects of any of these items.

Additional costs incurred and grant income received due to the coronavirus and associated government schemes has not been included in non-underlying items. Grant income received under the job retention scheme has been disclosed as part of Other Operating Income (Note 4).

## NOTES (continued)

### 1 Accounting policies (continued)

#### 1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### 2 Revenue from contracts with customers

#### (i) Disaggregation of revenue

In the following table revenue is disaggregated by major product lines, all revenue arose within the United Kingdom.

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Sale of holiday homes	117,857	79,358
Income from rental pitches and holiday lets	93,005	57,265
Other income	17,305	8,793
	<b>228,167</b>	<b>145,416</b>

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Timing of transfer of goods or service		
Products and services transferred at a point in time	143,521	93,935
Products and services transferred over time	84,646	51,481
	<b>228,167</b>	<b>145,416</b>

There was no revenue (2020: £nil) recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods.

#### (ii) Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Receivables (see Note 15, Trade Receivables)	11,094	8,554
Contract assets (within Prepayments and accrued income, Note 15)	1,585	707
Contract liabilities (see Note 16)	(55,719)	(43,617)
	<b>(43,040)</b>	<b>(34,356)</b>



## NOTES (continued)

### 2 Revenue from contracts with customers (continued)

#### (ii) Contract balances (continued)

The contract assets primarily relate to the company's rights to consideration for services provided but not billed at the reporting date for utility billings. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for site fee income and holiday income received in advance.

There was £nil revenue (2020: £nil) recognised in the period from performance obligations satisfied (or partially satisfied) in previous periods as all performance obligations were settled in the year and there were no changes to revenue timing estimates.

During the year £0.7m (2020: £0.4m) transferred from contract assets recognised at the beginning of the period to receivables.

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £41,283,000 (2020: £36,118,000).

#### (iii) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2022 £'000	2023 £'000	2024 onwards £'000
Site fee income	51,751	1,278	855
	51,751	1,278	855

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

### 3 Expenses and auditor's remuneration

Included in profit are the following:

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Depreciation and amortisation	7,819	7,543
Profit on sales of fixed assets	(251)	11

Auditor's remuneration:	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Audit of these financial statements	211	115

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent (Note 26).

### 4 Other operating income

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Other income	1,958	3,005
Government grants	2,077	2,872
	4,035	5,877

Government grants in the year relate to the Coronavirus Job Retention Scheme. There are no unfulfilled conditions, or any other contingencies attached to the grant.

## NOTES (continued)

### 5 Staff numbers and costs

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 Dec 21 No. of employees	Year ended 31 Dec 20 No. of employees
Administration	173	160
Operations	1,646	1,210
Directors	4	4
	<b>1,823</b>	<b>1,374</b>

Staff costs were as follows:

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Wages and salaries	36,618	27,993
Social security costs	3,152	2,199
Contributions to defined contribution plans	453	300
Equity-settled share-based payments	946	-
	<b>41,169</b>	<b>30,492</b>

#### Share-based payments

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as an employee cost. The employee cost in each accounting period is based on the accounting period as a proportion of the total vesting period.

### 6 Directors' remuneration

All directors' remuneration has been borne by another group company.

Total remuneration paid to directors in the year was £2,753,400 (2020: £1,216,260). The highest paid director received remuneration of £855,000 in the year (2020: £331,914).

Directors' remuneration for 2021 includes both base salary for the year and a bonus based on the Group's trading performance over the 18 months to 31 December 2021. The year was an exceptional one and despite the challenges of the pandemic, management were able to deliver the Group's largest ever acquisition, Bridge Leisure Group, as well as delivering significant outperformance of budget across the existing estate.

No retirement benefits are accruing to any Directors (2020: nil). The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was nil (2020: nil).

### 7 Non-underlying items

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Refinancing and legal costs	339	195
Acquisition costs	585	593
Impairment	151	964
Abortive planning	-	347
Restructuring costs	152	32
Share based payment expense	946	-
Revaluation (reversal of previous impairments)	(6,340)	-
	<b>(4,167)</b>	<b>2,131</b>

## NOTES (continued)

### 7 Non-underlying items (continued)

#### Refinancing and legal costs

Costs related to the issuance of finance in the year.

#### Acquisition costs

Acquisition expenses incurred during 2021 related to the acquisition of the Bridge Leisure group and Bay View Holiday Park (2020: Acquisition of Pakefield Holiday Park and Woodfarm Holiday Park).

#### Revaluation and Impairment

A desktop revaluation was carried out by CBRE on the 31 December 2021. This resulted in a gain which has flowed through profit as appropriate under revaluation accounting where previous impairments have been reversed. There was also an impairment the year ended 31 December 2021 which flowed through profit.

#### Abortive planning

During the year, no costs were incurred for planning applications that were unsuccessful, however, some costs of this nature were incurred in the prior year. These are not part of the normal trading operations of the Company.

#### Restructuring costs

Costs associated with an ongoing project to change the Group structure and eliminate historic subsidiaries.

#### Share-based payment expense

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as an non-underlying employee cost. See note 6.

### 8 Net finance costs

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Finance income	10	287
Finance cost	(9,660)	(9,171)
Net finance costs	(9,650)	(8,884)

Ground rent finance cost in 2021 accounts for £8.2m of the balance (2020: £8.1m).

### 9 Taxation

Recognised in the profit and loss account	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
UK corporation tax		
Current tax on income for the year	8,972	4,344
Adjustments in respect of prior periods	(91)	(137)
Total current tax	8,881	4,207
Deferred tax (see Note 19)		
Origination and reversal of timing difference	912	541
Adjustment in respect of prior periods	(191)	2,439
Effect of increased/decreased tax rate on opening balance	1,288	313
Total deferred tax	2,009	3,293
Tax on profit	10,890	7,500

The current tax charge for the period is lower (2020: higher) than the standard rate of corporation tax of 19%.

## NOTES (continued)

### 9 Taxation (continued)

Reconciliation of effective tax rate:	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Profit before taxation	66,277	22,074
Tax calculated at 19% (2020: 19%)	12,593	4,194
Adjustments in respect of prior periods for current tax	(91)	(137)
Adjustments in respect of prior periods for deferred tax	(191)	2,439
Fixed asset differences	(3,223)	327
Items not deductible for tax purposes	294	364
Impact of movement in tax rates	1,508	313
Tax charge	10,890	7,500

Factors that may affect future tax charge:

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021 and received royal assent on 10 June 2021, therefore the deferred tax balances have been remeasured at 25% with an adjustment recognised in the 2021 tax credit for remeasurement of the opening deferred tax balance.

### 10 Intangible assets

	Goodwill £'000	Software £'000	Customer lists £'000	Brand £'000	Intangible assets £'000
<b>Cost</b>					
Balance at 1 January 2021	188	1,564	204	-	1,956
Additions internally developed	-	288	-	-	288
Transfers	314	-	1,483	385	2,182
<b>Balance at 31 December 2021</b>	<b>502</b>	<b>1,852</b>	<b>1,687</b>	<b>385</b>	<b>4,426</b>
<b>Amortisation and impairment</b>					
Balance at 1 January 2021	2	1,122	50	-	1,174
Amortisation for the year	-	194	22	-	216
<b>Balance at 31 December 2021</b>	<b>2</b>	<b>1,316</b>	<b>72</b>	<b>-</b>	<b>1,390</b>
<b>Net book value</b>					
At 1 January 2021	186	442	154	-	782
<b>At 31 December 2021</b>	<b>500</b>	<b>536</b>	<b>1,615</b>	<b>385</b>	<b>3,036</b>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

#### Amortisation and impairment charge

The amortisation and impairment charge of £216,000 (2020: 161,000) is recognised within administrative expenses in the profit and loss account.

## NOTES (continued)

### 11 Tangible fixed assets

	Land and Buildings £'000	Plant & Machinery £'000	Fixtures & Fittings £'000	Other Fixed Assets £'000	Total £'000
<b>Cost</b>					
Balance at 1 January 2021	481,965	6,229	23,329	34,216	545,739
Revaluation	266,732	-	-	-	266,732
Remeasurement	6,086	-	-	-	6,086
Additions through business combinations	1,937	-	-	-	1,937
Additions	18,409	379	2,875	9,129	30,792
Transfer in from subsidiaries	-	43	490	3,353	3,886
Disposals	-	-	-	(8,218)	(8,218)
<b>Balance at 31 December 2021</b>	<b>775,129</b>	<b>6,651</b>	<b>26,694</b>	<b>38,480</b>	<b>846,954</b>
<b>Depreciation and impairment</b>					
Balance at 1 January 2021	46,408	2,134	14,319	10,828	73,689
Depreciation charge for the year	1,590	549	1,900	3,564	7,603
Depreciation eliminated on revaluations	(1,848)	-	-	-	(1,848)
Transfers from other group subsidiaries	-	-	-	233	233
Impairment	6,236	-	-	-	6,236
Disposals	-	-	-	(4,514)	(4,514)
<b>Balance at 31 December 2021</b>	<b>52,386</b>	<b>2,683</b>	<b>16,219</b>	<b>10,111</b>	<b>81,399</b>
<b>Net book value</b>					
Balance at 31 December 2020	435,557	4,095	9,010	23,388	472,050
<b>Balance at 31 December 2021</b>	<b>722,743</b>	<b>3,968</b>	<b>10,475</b>	<b>28,369</b>	<b>765,555</b>

Additions in 2021 includes £266,049 for hire fleet caravans that transferred from stock in the year (2020: £175,048). The value of Land and Buildings includes £3.8m of assets under construction (2020: £4.2m).

The gross carrying amount of fully depreciated property plant and equipment which was still in use at 31 December 2021 is £8,708,700 (2020: £8,237,260).

#### Leased Land and Buildings

The Company has a number of sale and leaseback agreements, secured on the land of 22 parks of the total 31 owned (2020: 22 parks of 29 owned). Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period.

#### Revaluations

The following information relates to tangible fixed assets carried on the basis of revaluation in accordance with IAS 16 Property, Plant and Equipment.

	Land and Buildings 2021 £'000	Land and Buildings 2020 £'000
Fair value at 31 December	775,129	481,965
Aggregate depreciation thereon	(52,386)	(46,408)
<b>Net book value</b>	<b>722,743</b>	<b>435,557</b>
Historical cost of revalued assets at 31 December	269,511	262,301
Aggregate depreciation thereon	(4,394)	(3,784)
<b>Net book value</b>	<b>265,117</b>	<b>258,517</b>

Full valuations are carried out by external experts triennially with desktop reviews carried out by experts in non-review years. The Company uses CBRE Ltd for these valuations who hold all necessary qualifications to carry out the valuation in accordance with the RICS Valuation Professional Standards

## NOTES (continued)

### 11 Tangible fixed assets (continued)

The technique used by the valuers is a Market Value valuation which is a price between a willing buyer and willing seller at arm's length. The valuation looks at many factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review this valuation against internal benchmarks and factors they deem necessary to value the park at a market rate. The carrying value is adjusted to fair value in the revaluation year based on this review.

In non-revaluation years management review the carrying value and fair value of the parks. To assess fair value management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage in a full valuation report. This advice is combined with park performance over the last year and management review the same factors that the valuer uses (as noted above) to assess fair value.

A desktop revaluation was carried out by CBRE on the 31 December 2021. This was carried out in accordance with the techniques explained above and resulted in an impairment which was put directly to other comprehensive income.

Where property, plant and equipment are revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

The best use and high use value of assets are equal in the year (2020: equal).

#### Impairment loss and subsequent reversal

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset. The ground rent lease obligations are the only lease held by the Company where the payments are linked to an index and are also subject to a minimum of 1% increase each year therefore the lease liability must be re-calculated. At 31 December 2021 the increase in liability was £6.1m (2020: £nil) and a corresponding entry was recorded for the asset.

As the Company holds non-current assets at fair value, the corresponding entry to increase the asset would lead to an overstatement in the asset value. Therefore, an impairment of £6.1m (2020: £nil) was recognised, of which £5.9m was a reversal of previously recognised gains in the revaluation reserve, and £0.2m was an impairment to the profit and loss.

### 12 Fixed asset investments

	Shares in group undertakings	
	2021 £'000	2020 £'000
<b>Cost</b>		
At beginning of year	58,759	58,759
Additions	1,840	-
Disposals	-	-
At end of year	60,599	58,759
<b>Provisions</b>		
At beginning of the year	(964)	-
Impairment	-	(964)
At end of year	(964)	(964)
<b>Net book value</b>	<b>59,635</b>	<b>57,795</b>

## NOTES (continued)

### 12 Fixed asset investments (continued)

The Company has 100% interest in the ordinary share capital of the following companies, all of which are registered in England and Wales:

Subsidiary undertakings (all shareholdings are in ordinary shares)	Registered Address	Principal Activity
Martello Beach Limited	**	Non-Trading
The South Devon Holiday Parks Limited	**	Non-Trading
Ladycroft Limited	**	Non-Trading
Hammerton Caravan Group Limited	**	Non-Trading
Hammerton Leisure Limited	**	Non-Trading
Seaview Holiday Park Limited	**	Non-Trading
Golden Sands Limited	**	Dormant
Crumpwood Limited	**	Dormant
Coghurst Hall Holiday Village Limited	**	Dormant
Harts Holiday Village Limited	**	Dormant
Marlie Farm Holiday Village Limited	**	Dormant
Cinque Ports Leisure Homes Limited	**	Dormant
Harts Holiday Camps Limited	**	Dormant
Evengain Limited	**	Micro entity
WSG Operating Company Limited*	**	Micro entity
Bay View Park Limited	**	Non-trading
Park Holidays UK Finance Limited*	**	Micro entity

\* Investments held indirectly, all other subsidiary undertakings are held directly.

\*\* All subsidiaries are registered at Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

### 13 Acquisitions

#### Acquisitions in the current year

##### Bay View Holiday Park

On 22 February 2021 Park Holidays UK Limited acquired the entire share capital of Bay View Park Limited ("Bay View") for a cash consideration of £1,167,000. Total funding required for the acquisition amounted to £1,840,000, including redemption debt of £673,000, as shown in the table below. Redemption debt is debt specifically agreed to be paid by Park Holidays UK Limited on behalf of Bay View.

Funding	£'000
<b>Redemption debt funding</b>	
Redemption debt	673
<b>Total redemption debt funding</b>	<b>673</b>
<b>Equity funding</b>	
Ordinary share capital	1,167
<b>Total equity funding</b>	<b>1,167</b>
<b>Total funding</b>	<b>1,840</b>

Bay View Holiday Park is located in Pevensey Bay, East Sussex, less than a mile from the Pevensey Bay Holiday Park operated by Park Holidays UK Limited. Featuring a 9-hole golf course, the Bay View Holiday Park was seen as an attractive addition to the Park Holidays UK Limited portfolio, in terms of extra capacity, considerable development opportunity and in widening the spectrum of entertainment offerings.

## NOTES (continued)

### 13 Acquisitions (continued)

#### Acquisitions in the current year (continued)

##### Bay View Holiday Park (continued)

Shortly after acquisition, the assets and liabilities of the Bay View Holiday Park were combined and subsumed into Park Holidays UK Limited's Pevensey Bay Holiday Park along with property simultaneously purchased from the owners of Bay View. Incorporating the newly acquired land and holiday park facilities the enlarged Pevensey Bay Holiday Park is in a strong position to greatly develop its new, much larger footprint and generate long term benefits for the Park Holidays UK portfolio, including more opportunities for caravan sales.

The Bay View Holiday Park contributed a profit of £221,000 to the Group's profit in the period from purchase date to 31 December 2021. This was without generating any caravan sale revenue. If the park had traded for a full year, revenue would have been an estimated £448,000 and earnings before interest, tax, depreciation and amortisation ('EBITDA') would have been an estimated £221,000. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to Park Holidays UK Limited.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	1,167
<b>Total consideration</b>	<b>1,167</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Customer Lists	-
Property Plant and Equipment	1,937
Inventories	1
Debtors and prepayments	109
Cash	2
Trade and other creditors	(693)
Accruals and deferred income	(92)
Lease liability	(97)
<b>Total identifiable net assets</b>	<b>1,167</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

There was no contingent consideration, and the business combination was achieved in a single stage.

Acquisition expenses of £59,000 arose as a result of the transaction. These Administrative expenses are one-off costs and identified separately in the Group's financial statements by being presented in columnar format in the Income Statement under Non-underlying items and detailed in Note 7 Non-underlying items.

##### Bridge Leisure Group

On the 18th of May 2021, the Tiger Topco 1 Group acquired Bridge Leisure, a leading UK holiday park operator comprising 9 holiday parks, via its wholly owned subsidiary undertaking Tiger Bidco Limited ("Bidco"). The parks acquired are spread across the South-West, Peak District, Yorkshire, and Scotland, expanding the geography of the Park Holidays portfolio. This acquisition has widened the scope for other acquisitions which may have previously been operationally impractical due to location.

Shortly after acquisition, the assets and liabilities of the Bridge parks were transferred across into Park Holidays UK Limited. The trade and assets, excluding the land, buildings, deferred tax, cash and lease liabilities were transferred. Silver Sands Leisure Park Limited, Turnberry Holiday Park Limited, Trevella Caravan Company Limited, Sand Le Mere Caravan Park Limited and Bowland Fell Park Limited were transferred at book value. The trade and assets, excluding land, buildings, deferred tax, cash and lease liabilities, of Bridge Leisure Parks Limited and Seaview Holiday Village Limited were transferred at their fair values.



## NOTES (continued)

### Acquisitions in the current year (continued)

#### Bridge Leisure Group (continued)

Subsequent to the acquisition the nine Bridge holiday parks were added as new venues on the Park Holidays UK website. The nine Bridge parks contributed £8,174,000 of earnings before interest, tax, depreciation and amortisation ('EBITDA'). If the Bridge Group had traded for a full year revenue would have been an estimated £31.5m and EBITDA would have been an estimated £8.6m.

### Acquisitions in the prior year

#### Wood Farm Holiday Park

On the 27 November 2020 the Company acquired the trade and assets of Wood Farm Holiday Park for £6,080,065, satisfied in cash. The business runs a holiday park in Dorset and was acquired to expand the portfolio of the Group. The park contributed a loss of £23,037 to the Group's profit in the period from purchase to 31 December 2020. If the park had traded for a full year revenue would have been an estimated £3,627,668 and net profit an estimated £1,120,465. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group. There are no measurement period adjustments to be made with respect to this acquisition in the future, the accounting treatment presented here is final.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	6,080
<b>Total consideration</b>	<b>6,080</b>

#### Recognised amounts of identifiable assets acquired and liabilities assumed

Customer Lists	20
Property Plant and Equipment	6,330
Site fee creditors	(216)
Deferred income	(33)
Other creditors and accruals	(21)
<b>Total identifiable net assets</b>	<b>6,080</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

#### Pakefield Holiday Park

On the 16 December 2020 the trade and assets of Pakefield Holiday Park for £4,500,000, satisfied in cash. The business runs a holiday park in Suffolk and was acquired to expand the portfolio of the Group. The park contributed a loss of £35,532 to the Group's profit in the period from purchase to 31 December 2020. If the park had traded for a full year revenue would have been an estimated £3,244,907 and net profit would have been an estimated £1,024,328. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group. There are no measurement period adjustments to be made with respect to this acquisition in the future, the accounting treatment presented here is final.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

## NOTES (continued)

### Acquisitions in the prior year (continued)

#### Pakefield Holiday Park (continued)

Consideration	£'000
Cash on completion	4,500
<b>Total consideration</b>	<b>4,500</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Customer Lists	135
Property Plant and Equipment	5,682
Inventories	24
Debtors and prepayments	23
Cash	2
Site fee creditors	(17)
Deferred income	(31)
Lease liability	(1,318)
<b>Total identifiable net assets</b>	<b>4,500</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

### 14 Inventories

	2021 £'000	2020 £'000
Finished goods	23,215	14,272

Finished goods recognised as cost of sales in the year amounted to £37,930,663 (2020: £30,263,573). The write-down of inventories to net realisable value amounted to an upwards valuation of £181,315 (2020: upwards £142,013). There were no reversals of write-downs in the year.

### 15 Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables	11,094	8,554
Amounts owed by group undertakings with common control	195,710	182,234
Other receivables	3,459	3,545
Corporation tax	1,562	1,000
Prepayments	7,661	3,453
Accrued income	1,585	707
	<b>221,071</b>	<b>199,493</b>

Contract assets of £1,585k existed within accrued income at the year-end (2020: £707,000).

### 16 Trade and other payables: amounts falling due within one year

	2021 £'000	2020 £'000
Trade payables	24,004	13,670
Amounts owed to group undertakings with common control	104,574	99,337
Corporation tax	-	307
Taxation and social security	748	620
Other payables	11,673	4,003
Lease liabilities	3,362	2,083
Contract liabilities	55,719	43,617
Accruals	19,854	10,126
	<b>219,934</b>	<b>173,763</b>

## NOTES (continued)

### 17 Provisions

	Coronavirus costs £'000	Total £'000
Balance at 1 January 2021	1,338	1,338
Provisions made during the year	423	423
Provisions released during the year	(100)	(100)
<b>Balance at 31 December 2021</b>	<b>1,661</b>	<b>1,661</b>
Current	1,661	1,661
Non-current	-	-
	<b>1,661</b>	<b>1,661</b>

The coronavirus costs provision relates to additional costs due to the impact of the coronavirus. The costs primarily relate to repossessions which had not yet been actioned by the finance houses at the year end. The timing and amount of outflow of resources are uncertain at the balance sheet date and are therefore based on estimates of the timing and amount of outflow.

### 18 Trade and other payables: amounts falling after more than one year

	2021 £'000	2020 £'000
Lease liabilities	230,533	220,054

### 19 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	2021 £'000	2020 £'000
Tangible fixed assets	112,852	34,337
Intangible assets	29	29
<b>Deferred tax liabilities</b>	<b>112,881</b>	<b>34,366</b>

Movement in deferred tax during the year

	1 January 2021 £'000	Recognised in profit and loss £'000	Recognised in reserves £'000	31 December 2021 £'000
Tangible fixed assets	34,337	2,009	76,506	112,852
Intangible assets	29	-	-	29
<b>Deferred tax liabilities</b>	<b>34,366</b>	<b>2,009</b>	<b>76,506</b>	<b>112,881</b>

Movement in deferred tax during the prior year

	1 January 2020 £'000	Recognised in profit and loss £'000	Recognised in reserves £'000	31 December 2020 £'000
Tangible fixed assets	28,504	3,293	2,540	34,337
Intangible assets	29	-	-	29
<b>Deferred tax liabilities</b>	<b>28,533</b>	<b>3,293</b>	<b>2,540</b>	<b>34,366</b>

### 20 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £453,000 (2020: £300,000).

## NOTES (continued)

### 21 Capital and Reserves

	No. of £1 shares '000	Ordinary shares £'000
At the start of the year	9,486	9,486
At the end of the year	9,486	9,486

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Revaluation reserve

Where property, plant and equipment is revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve. A desktop revaluation was carried out on the 31 December 2021 which resulted in a gain which partially reversed previous impairments in the profit and loss and partially went directly to other comprehensive income. The total increase in value was £268.3m of which £261.9m was recognised in other comprehensive income, and £6.3m was recognised as a gain in the profit and loss, reversing previous impairments.

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset.

#### Capital contribution reserve

The capital contribution reserve is used to recognise the grant date fair value of joint beneficial interests in parent company shares issued to senior employees via the Park Holidays Employee Benefit Trust.

### 22 Leases

#### (A) Leases as a lessee

The Company leases many assets including land and buildings and equipment. Information about leases for which the Company is a lessee is presented below.

#### Right of use assets

	Land and Buildings £'000	Plant and Machinery £'000	Other assets £'000	Total £'000
Balance at 1 January 2021	354,619	3,197	4,367	362,183
Additions	19,710	345	6,588	26,643
Revaluation	211,335	-	-	211,335
Depreciation charge for the year	(1,260)	(467)	(1,018)	(2,745)
Increases due to lease liability remeasurement	6,086	-	-	6,086
Impairment	(6,236)	-	-	(6,236)
Balance at 31 December 2021	584,254	3,075	9,937	597,266

## NOTES (continued)

### 22 Leases (continued)

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2021 £'000	2020 £'000
Leases under IFRS 16		
Interest on lease liabilities	9,612	9,166
Expenses related to short-term leases	228	59
Expenses related to leases of low-value assets accounted; excluding short-term leases of low value assets	44	145

#### (i) Property leases

The Company leases land and buildings for office space and storage facilities. At the point of transition, the periods on these leases range from two to eighty years.

#### (ii) Extension options

One of the leases was for a term of fifteen years with a break clause after ten years. However, the Company are reasonably certain that the break clause will not be exercised and therefore the lease liability is based on a term of fifteen years instead of ten.

#### (iii) Other leases

The Company leases vehicles and equipment, with lease terms of three to seven years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company monitors the use of these vehicles and equipment and reassess the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets.

The Company also leases IT equipment with contract terms of three to five years. These leases are short term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

#### (iv) Sale-and-leaseback

In 2017, the Company entered into a series of sale and leaseback agreements, secured on the land of 16 parks, and in 2018 entered into another series of sale and leaseback agreements, secured on the land of 6 further parks. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period. This sale-and-leaseback transaction enabled the Company to access more capital while continuing to use the land where the parks are based. The rent is adjusted each year in line with RPI.

#### (v) Lease Maturity

Lease liabilities	2021 £'000	2020 £'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	11,280	9,604
One to five years	40,306	36,258
More than five years	1,065,392	1,042,673
Total undiscounted lease liabilities at 31 December	1,116,978	1,088,535
Lease liabilities included in the statement of financial position at 31 December	233,895	222,137
Current	3,362	2,083
Non-current	230,533	220,054

## NOTES (continued)

### 22 Leases (continued)

#### (B) Leases as a lessor

The Company leases out the use of the lake at one of its parks which, at the point of transition, had a remaining lease term of 26 years and the use of retail and café premises at another park which both have a remaining lease term of less than 3 years.

All leases are classified as operating leases because none of them transfer substantially all of the risks and rewards incidental to ownership of the assets to the lessees.

Lease income from lease contracts in which the Company acts as a lessor is as below.

	2021 £'000	2020 £'000
<i>Operating lease</i>		
Lease income	41	22

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 £'000	2020 £'000
Less than one year	15	36
One to two years	13	15
Two to three years	13	13
Three to four years	13	13
Four to five years	13	13
More than five years	231	244
<b>Total undiscounted lease payments</b>	<b>298</b>	<b>334</b>

### 23 Contingencies

Some of the holiday homes sold to customers of the Company are in part funded by third party finance companies. In the event of a default by a customer, the Company may be required to re-purchase a holiday home from the third -party finance company at a price based on an agreed formula. In due course the holiday homes re-purchased under these arrangements are resold in the normal course of business. There have not been any material negative impacts from these re-purchases or subsequent sales in this or recent years. The Company has a corporate credit card facility with Natwest bank with a credit limit of £200,000.

### 24 Share-based payments

#### a) Description and measurement of share-based payment arrangements

In April 2021 the Park Holidays Employee Benefit Trust (the "Trust") was created as part of the Group's management incentive scheme to enable it to attract, retain and motivate certain key employees and executive directors. The Company has taken advantage of the disclosure exemptions provided to it as a subsidiary undertaking of Tiger Topco 1 Limited, whose equity instruments are central to the share-based payment arrangements of the Group's management incentive scheme. Full details of the description, measurement and IFRS 2 disclosures of the share-based payment arrangements are reported in the Annual Report and Financial Statements of the Group. As at the reporting date the weighted average remaining contractual life was 3 months. The weighted average exercise price is also the weighted average fair value at the measurement date.

#### b) Recognition of expense

	2021 £'000	2020 £'000
Equity-settled share-based payments	946	-

### 25 Related party transactions

During the year a member of the key management personnel charged fees to Park Holidays UK for their services as a director through another company, amounting to £0.17m (2020: £0.08m). Directors' remuneration is disclosed in Note 6.

## NOTES (continued)

### 25 Related party transactions (continued)

There were no loans made to key management personnel by the Company. However, a member of the key management personnel did receive a loan from a fellow group undertaking during the year. The loan was to facilitate the purchase of a joint beneficial interest in a number of shares in Tiger Topco 1 Limited as part of the Group's share-based payment arrangements, full details of which are reported in the Annual Report and Financial Statements of the Group.

At 31 December 2021 the balances in the table below existed between the Company and the Group:

	Receivables outstanding		Payables outstanding	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Parent	195,292	182,234	38,899	35,502
Subsidiaries	418	-	65,675	63,835
	195,710	182,234	104,574	99,337

### 26 Ultimate parent company and parent company of larger group

The immediate parent of the Company is CP Equityco Ltd. The Company is a subsidiary undertaking of Tiger Topco 1 Limited which is incorporated in England and Wales. The largest and smallest group in which results of the company are consolidated in the year is that headed by Tiger Topco 1 Limited, incorporated in England and Wales and whose registered office is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

On 8 April 2022, the Tiger Topco 1 Group was acquired by Sun Communities, Inc., a REIT trading on the New York Stock Exchange.

### 27 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The Company believes the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

#### • Revenue (Note 2)

Bundled services are accounted for under IFRS 15 by allocating the observable price to service elements of the bundle and allocating the remaining balance to the caravan sale. Judgement is used in deferring service revenue to future periods to when performance obligations will be met, and in determining the observable price of the services. The deferral calculation is driven by historic data pertaining to customers' utilisation of the services.

#### • Land and Buildings (Note 11)

Land and Buildings are held at a re-valued amount. Revaluations are carried out triennially by an external valuation specialist. The review is carried out to industry required standards looking at all aspects that make up the park including on-site drivers (park quality, location, infrastructure) and financial performance. Management make use of the report prepared by the property valuation company and their judgement when re-valuing company assets. An assessment of fair value in the year is detailed in Note 11.

#### • Inventory valuation (Note 14)

Inventories are stated at the lower of cost and net realisable value with provision being made for obsolete and slow-moving items. Management have based their judgements on the classification of inventory and the item's demand.

## NOTES (continued)

### 27 Accounting estimates and judgements (continued)

#### • Deferred tax (Note 19)

Deferred tax is recognised by the Company when a difference between the Company's assets and/or liabilities accounting value differs to the asset/liabilities tax base. The majority of the deferred tax liability in the financial statements arises from the differences on Freehold and Leasehold Land and Buildings. Management uses professional advice to ascertain the potential tax liability on any future sale of these properties.

#### • Capitalisation of labour costs

Certain staff will spend a percentage of their time working on capital projects. Management use their judgement to allocate the cost of internal labour between capital and expense.

#### • Intangible assets (Note 10)

Intangible assets are valued at the identified values placed on those assets at the date of acquisition. Management have used the report prepared by the valuation company when estimating and assigning values to intangible assets at the acquisition date.

#### • Leases (Note 22)

On estimating the value of finance leases at transition; three discount rates for three different lease periods were calculated. These discount rates took into consideration the value of the leased asset, the interest rates on the Company's existing borrowings and market data at the point of transition. Management deems the discount rates calculated to be reasonable and accurate.

### 28 Post balance sheet events

On 08 April 2022, Sun Communities, Inc., a REIT trading on the New York Stock Exchange, has completed the purchase of the Tiger Topco 1 Group, including Park Holidays UK Limited, for a consideration of £950m.

On 14 April 2022 the Group completed the acquisition of two parks from the Christies Parks Group, Burghead Beach and Lossiemouth Bay park. Consideration for the shares in the business was £7.75m and the business had net assets of approximately £3.5m including £0.4m of land. Each of the two parks is located within nine miles of Elgin in Scotland. The acquisition of the Bridge Leisure group in 2021, which included two parks in Scotland, has unlocked this geographic area of the UK and will act as a platform for further growth in the area.

On 28 April 2022, the Group purchased Waterside park in Bodmin, Cornwall as a trade and assets purchase for a consideration of £10.1m. Waterside Holiday Park occupies a prime inland location less than one mile from the A30 to the southwest of Bodmin and six miles from Padstow. The assets include £9.5m of freehold and leasehold land and buildings.