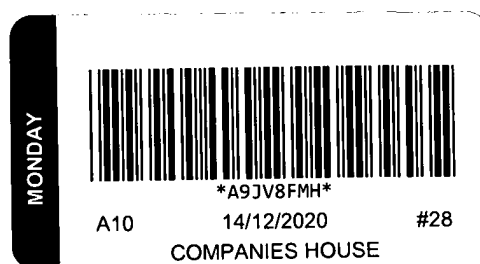

FORAY 989 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



FORAY 989 LIMITED

COMPANY INFORMATION

Directors	J E Bentall P C Flaum I S MacMillan
Registered number	03297594
Registered office	1 Park Lane Hemel Hempstead Hertfordshire HP2 4YL
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY

FORAY 989 LIMITED

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FORAY 989 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their strategic report for the year ended 31 December 2019. The financial statements are prepared in GBP sterling (£), which is the functional currency of the company.

Principal activity and review of the business

The company provides management services and arranges and provides finance for other group undertakings.

The company's profit for the year after taxation amounted to £124,572,000 (2018 - £146,399,000).

Shareholders' funds decreased from £72,291,000 to £63,863,000 because of the profit realised for the year of £124,572,000 less dividends paid of £133,000,000.

Future outlook

The COVID-19 crisis will have a significant adverse impact on the business because of site closures and uncertainty over when trading will return to normal levels. However, the company has the support of its parent company which has access to significant unutilised banking facilities.

FORAY 989 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The company recognises a variety of financial and market based risks, including the impact of COVID-19, exposure to fluctuating interest risks, changing economic conditions, technological and industry based risks, the competitive environment and regulatory changes. These, either singularly or collectively, may affect revenue, cost structure or the value of assets within the business, and are all difficult to quantify.

The main financial risks arising from the company's business are liquidity and cash flow risk and credit risk, and policies with respect to these risks are described below. There is no currency exposure as all material transactions and financial instruments are in sterling.

COVID-19

The company, like many others, is being affected by the impact that the COVID-19 outbreak is having on the UK's economy, mainly through the short-term closure of all of our sites. The ongoing spread of the virus and closure of our sites could adversely affect the company's trading performance. The full impact of COVID-19 is hard to predict at the present time although it is likely to have a significant impact on the company's short term profitability and cash flows. The company's cash flow risk is mitigated by the availability of significant bank and other borrowings by its ultimate parent company, Bourne Leisure Holdings Limited.

- **Liquidity and cash flow risk**

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The company aims to mitigate liquidity and cash flow risk by managing its cash generation. The company also manages liquidity and cash flow risk by utilising its cash resources.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Other risks

- **IT risk and cyber security**

The company has various IT systems and applications, the obsolescence or failure of which could impede trading. Failure to put in place adequate preventative measures, if attacked, could lead to data loss or the inability to use the IT systems for a prolonged period. The IT strategy is focused on ensuring the long-term stability of operating systems and data security, whilst keeping pace with the changing face of consumer IT expectations. We continue to strengthen IT security to mitigate the increasing risk of cyber security threats.

- **People and succession**

Attracting and maintaining talented team members and investing in their training and development are essential to the efficiency and sustainability of the company. Succession planning is embedded across the company and is proactively managed.

Section 172 statement - The Directors' approach

A statement explaining how the directors have regard to the matters set out in Section 172(1) of the Companies Act 2006 is included within the accounts of its ultimate holding company, Bourne Leisure Holdings Limited.

FORAY 989 LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I S MacMillan', written in a cursive style.

I S MacMillan
Director

Date: 4 May 2020

FORAY 989 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019. The financial statements are prepared in GBP sterling (£), which is the functional currency of the company.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year and up to the date of this report were:

J E Bentall
P C Flaum
I S MacMillan (appointed 1 January 2019)
D F King (resigned 1 January 2019)

Dividends

The company paid an ordinary dividend of £133,000,000 (2018 - £140,000,000) during the year.

FORAY 989 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern

The COVID-19 virus has had an effect on the company as it has on virtually all businesses and will continue to do so over the coming weeks and months. Following the Government's advice, Bourne closed its sites to holiday makers during the third week of March and to holiday home owners a few days later. The board is monitoring this closely, but at this stage it is too early to fully understand and quantify its impact on trading, given the uncertainty of the timing of reopening of the group's sites and the possible initial restrictions in place when they do reopen.

The financial statements are prepared under the going concern basis. The directors believe this is appropriate as the company's ultimate parent undertaking, Bourne Leisure Holdings Limited, has given an undertaking to provide such support as is necessary in the foreseeable future to enable the company to meet its liabilities as they fall due. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Post balance sheet events

Coronavirus (COVID-19) spread to the UK in January 2020 leading to a pandemic, with a rapid increase in cases in March. Bourne closed its sites to holiday makers during the third week of March and to holiday home owners a few days later. Uncertainty around the scale, timing and impact of the Coronavirus pandemic means it is impossible to give meaningful guidance for the trading result in the year ahead. However, the Bourne group has prepared various financial models with different scenarios for the possible length of site closures and the level of sales when they do reopen. In May 2020, the Bourne group extended its banking facilities for a further year to 25 May 2022 and the banks suspended the testing of the financial covenant calculations until the testing date of 31 December 2021 because of the impact of COVID-19 on the business. The existing covenants have been replaced by two alternative tests including a minimum liquidity requirement and an EBITDA threshold test. The group has also qualified for the joint HM Treasury and Bank of England lending facility, called the Covid Corporate Financing Facility. The directors continue to adopt the going concern basis in preparing the annual report and financial statements.

FORAY 989 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I S MacMillan', is written in a cursive style.

I S MacMillan
Director

Date: 4 May 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORAY 989 LIMITED

Opinion

We have audited the financial statements of Foray 989 Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Effects of COVID-19

We draw attention to Notes 1 and 12 of the financial statements which describe the economic disruption the company is facing as a result of COVID-19 which is impacting customer demand. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORAY 989 LIMITED (CONTINUED)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORAY 989 LIMITED (CONTINUED)

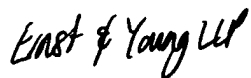
Auditor's responsibilities for the audit of the financial statements

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

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

USE OF OUR REPORT

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



Rachel Savage (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

London

4 May 2020

FORAY 989 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Administrative (expenses) / Income		(2,058)	2,890
Operating (loss)/profit		(2,058)	2,890
Income from shares in group undertakings		128,000	144,000
Profit before tax	2	125,942	146,890
Tax (charge) / credit on profit	3	(1,370)	(491)
Profit for the financial year		124,572	146,399
Other comprehensive income for the year		-	-
Total comprehensive income for the year		124,572	146,399

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 13 to 21 form part of these financial statements.

FORAY 989 LIMITED
REGISTERED NUMBER:03297594

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Non-Current Assets			
Investments in subsidiaries	5	124,949	124,949
		<u>124,949</u>	<u>124,949</u>
Current assets			
Debtors: amounts falling due after one year	8	-	1,370
		<u>-</u>	<u>1,370</u>
Creditors: amounts falling due within one year	6	(61,086)	(45,970)
		<u>(61,086)</u>	<u>(45,970)</u>
Net current liabilities		<u>(61,086)</u>	<u>(44,600)</u>
Total assets less current liabilities		<u>63,863</u>	<u>80,349</u>
Creditors: amounts falling due after more than one year	7	-	(8,058)
		<u>-</u>	<u>(8,058)</u>
Net assets		<u><u>63,863</u></u>	<u><u>72,291</u></u>
Capital and reserves			
Called up share capital	9	62,930	62,930
Profit and loss account		933	9,361
		<u>63,863</u>	<u>72,291</u>
		<u><u>63,863</u></u>	<u><u>72,291</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



I S MacMillan
Director

Date: 4 May 2020

The notes on pages 13 to 21 form part of these financial statements.

FORAY 989 LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	62,930	9,361	72,291
Profit for the year	-	124,572	124,572
Dividends: Equity capital	-	(133,000)	(133,000)
At 31 December 2019	<u>62,930</u>	<u>933</u>	<u>63,863</u>

The notes on pages 13 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	62,930	2,962	65,892
Profit for the year	-	146,399	146,399
Dividends: Equity capital	-	(140,000)	(140,000)
At 31 December 2018	<u>62,930</u>	<u>9,361</u>	<u>72,291</u>

The notes on pages 13 to 21 form part of these financial statements.

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Accounting convention

Foray 989 Limited is a limited company incorporated in England. The registered office is 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling which is the functional currency and are rounded to the nearest £'000.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2017. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The financial statements were authorised for issue by the board of directors on 4 May 2020.

1.2 Going concern

The COVID-19 virus has had an effect on the company as it has on virtually all businesses and will continue to do so over the coming weeks and months. Following the Government's advice, Bourne closed its sites to holiday makers during the third week of March and to holiday home owners a few days later. The board is monitoring this closely, but at this stage it is too early to fully understand and quantify its impact on trading, given the uncertainty of the timing of reopening of the group's sites and the possible initial restrictions in place when they do reopen. Further details of the actions taken by the Bourne group are disclosed in the accounts of the ultimate parent undertaking, Bourne Leisure Holdings Limited.

The financial statements are prepared under the going concern basis. The directors believe this is appropriate as the company's ultimate parent undertaking, Bourne Leisure Holdings Limited, has given an undertaking to provide such support as is necessary in the foreseeable future to enable the company to meet its liabilities as they fall due. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Group financial statements

Under section 405 the company has not presented consolidated financial statements as these are included in the financial statements of the ultimate parent undertaking. Accordingly, the financial statements present information regarding the company as an individual undertaking and not as a group.

1.4 Cash flow statement

The company has taken advantage of the exemption conferred by FRS 102 from presenting a cash flow statement as it is a wholly owned subsidiary of a UK parent undertaking.

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.5 Related party transactions

The company has taken advantage of the exemption allowed by FRS 102 and has not disclosed any related party transactions with entities of the group.

1.6 Revenue recognition

The company acts as an investment holding company and does not generate revenue.

1.7 Pensions

Pension contributions are made to defined contribution schemes for certain directors and employees. These contributions are charged to the income statement as they are incurred.

1.8 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

1.8.1 Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability / (asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

1.8.2 Investments

Investments in subsidiaries are included in the statement of financial position of the company at the cost at the date of acquisition. Impairments are made where, in the opinion of the directors, there has been permanent diminution in the carrying value of any investment.

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.8.3 Financial instruments

Financial instruments, or component parts of financial instruments, that exhibit the characteristics of a liability are recognised as a liability in the balance sheet, net of issue costs. The fair value of such liabilities on issuance is determined using a market rate for an equivalent instrument, and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The corresponding interest or dividends on those financial instruments are charged as interest expense in the profit and loss account.

Financial instruments, or component parts of financial instruments, that evidence a residual interest in the assets of an entity after deducting all of its liabilities, are included in shareholders' equity, net of issue costs.

1.8.4 Share - based payment awards (Long Term Incentive Plans)

Cash-settled transactions

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in the income statement.

The liabilities for long term incentive plans include estimates and the actual costs and timing of future cash flows are dependent on future profitability. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

1.9 Dividends

The company paid an ordinary dividend of £133,000,000 (2018 - £140,000,000) during the year.

2. Profit on ordinary activities before taxation

Directors' remuneration is borne by fellow subsidiaries. The directors are directors of the ultimate parent undertaking and their remuneration has been borne by fellow subsidiaries and disclosed in the financial statements of the ultimate parent undertaking. The company had no employees in the year, other than the directors.

In 2015 a long-term incentive plan was introduced for directors and senior employees. At 31 December 2019 £nil (2018 £8,058,000) has been accrued in relation to the estimated liability in respect of this scheme. Bourne Leisure Holdings Limited, the company's immediate and ultimate parent undertaking, has the right to terminate the arrangement in 2020 and annually thereafter following the termination of the scheme in 2019.

Auditors' remuneration was £4,000 (2018 - £4,000).

FORAY 989 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Taxation

	2019 £000	2018 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	1,370	491
Total deferred tax	1,370	491
Taxation on profit on ordinary activities	1,370	491

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%). The differences are reconciled below:

	2019 £'000	2018 £'000
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	23,929	27,909
Income / expenses not deductible for tax purposes	(22,398)	(27,360)
Adjustments to tax charge in respect of previous periods - deferred tax	-	-
Tax rate difference	(161)	(58)
Tax charge per accounts	1,370	491

Factors that may affect future tax charges

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. In March 2020 the Chancellor announced that the tax rate would remain at 19%, however, this rate had not been substantively enacted at the reporting date (31 December 2019).

4. Dividends

	2019 £000	2018 £000
Dividends paid on ordinary shares	133,000	140,000
	133,000	140,000

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	124,949
At 31 December 2019	<u>124,949</u>
Net book value	
At 31 December 2019	<u>124,949</u>
At 31 December 2018	<u>124,949</u>

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Investments in subsidiaries (continued)

The company holds investments in the shares of subsidiary undertakings, all of which are wholly owned and incorporated in Great Britain, unless otherwise stated, as follows:

These subsidiaries are registered at 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL, except for those incorporated elsewhere, as stated below.

<u>Owned directly</u>	<u>Activities</u>
Bourne Leisure Limited	Holding company
<u>Owned indirectly</u>	
Colaingrove Limited	Holding company
Evergreen Finance Limited	Finance company
Guardian Shield Insurance Limited*	
(incorporated in Guernsey)	Insurance company
Bridge Street (Nominees) Limited	Dormant
Melesey Limited	Administrative services
Bourne Holidays Transport Services Limited	Transportation services
Leisure Employment Services Limited	Dormant
Haven Leisure Limited	Caravan park operator
Palmhall Limited	Caravan park operator
Celtic Haven Limited	Operation of holiday park
Bourne Holidays Limited	Hotel operator
Heythrop Park Limited	Hotel operator
Butlins Skyline Limited	Operation of holiday parks
Butlins Development Limited	Hotel developer
Butlins Operations Limited	Hotel operator
Butlins Property (Hotel) Limited	Property rental company
BL Park Lane Limited**	
(incorporated in the Isle of Man)	Property rental company
Amtree Farm Development Limited	Dormant
B L (British Holidays) Limited	Dormant
Berwick Holiday Centre Limited	Dormant
Bourne Leisure Group Limited	Dormant
Butlins Limited	Dormant
Far Grange Park and Golf Club Limited	Dormant
Flamborough Holidays Limited	Dormant
Greenacres Holiday Park Limited	Dormant
Haggerston Castle Limited	Dormant
Bourne Leisure (Hopton) Limited	Dormant
Kiln Park Estates Limited	Dormant
JPB Leisure Limited	Dormant
Lakeland Holiday Park Limited	Dormant
Leisure Services Agency Limited	Dormant
Rockley Sands (Estates) Limited	Dormant
SLC (Bourne) Limited	Dormant
Seton Sands Holiday Centre Limited***	Dormant
Warner Holidays Limited	Dormant

Registered addresses of overseas subsidiaries

* Maison Trinity, Trinity Square, St Peter Port, Guernsey GY1 4AT

** First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF

***Longniddry, East Lothian, EH32 0QF

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	61,086	45,970
	<u>61,086</u>	<u>45,970</u>

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

7. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Accruals	-	8,058
	<u>-</u>	<u>8,058</u>

Accruals relate to a long term incentive plan (note 10).

8. Deferred taxation

	2019 £000	2018 £000
At beginning of year	1,370	1,861
(Charged) / credited to profit or loss	(1,370)	(491)
At end of year	<u>-</u>	<u>1,370</u>

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Deferred taxation (continued)

The deferred tax provided at 17% (2018 - 17%) is made up as follows:

	2019 £000	2018 £000
Short term timing differences	-	1,370
	<u>-</u>	<u>1,370</u>

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. These rates have been used to measure deferred tax assets and liabilities where applicable.

In March 2020 the Chanecellor announced that the tax rate would remain at 19%, however, this rate had not been substantively enacted at the reporting date and it has not been used in the measurement of deferred tax.

9. Share capital

	2019 £000	2018 £000
Authorised, allotted, called up and fully paid		
62,930,000 (2018 - 62,930,000) Ordinary Shares shares of £1.00 each	62,930	62,930
26,250 (2018 - 26,250) 'G' ordinary shares shares of £0.01 each	-	-
	<u>62,930</u>	<u>62,930</u>

On 24 September 2015 the 70,000 A ordinary shares of £1 each, 420,000 B ordinary shares of £1 each and 59,000,000 preference shares of £1 each were all redesignated as ordinary shares of £1 each.

On 24 September 2015 the company issued 26,250 G ordinary shares of £0.01 each. On 9 May 2016 the company purchased 5,000 G ordinary shares of £0.01 each at a cost of £500.

FORAY 989 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Long term incentive plan

Bourne Leisure Holdings Limited group introduced a long term incentive plan in 2015 "The 2015 LTIP" for certain senior executives. The 2015 LTIP was designed to reward sustainable growth in shareholder value above a minimum rate.

The primary method of settlement is cash. The scheme primarily vests when the participant leaves the scheme. After 3 years, the participant is entitled to a cash element of the reward up to a maximum 10% of the participant's plan value each year. All awards were exercised during 2019 at a cost of £10,166,000, £8,058,000 of which was accrued in the previous year.

The fair value of the plan awards accruing are measured using the valuation model described in the terms and conditions of the scheme agreement weighted for expected future growth. The liability for the scheme at the year end was £nil (2018: £8,058,000) (Note 7).

The expense recognised by the company during the year was £2,058,000 (2018: credit of £2,890,000).

11. Events after the reporting period

Coronavirus (COVID-19) spread to the UK in January 2020 leading to a pandemic, with a rapid increase in cases in March. Bourne closed its sites to holiday makers during the third week of March and to holiday home owners a few days later. Uncertainty around the scale, timing and impact of the Coronavirus pandemic means it is impossible to give meaningful guidance for the trading result in the year ahead. However, we have prepared various financial models with different scenarios for the possible length of site closures and the level of sales when they do reopen. In May 2020, the group extended the repayment date of its banking facilities for a further year to 25 May 2022 and the banks suspended the testing of the financial covenant calculations until the testing date of 31 December 2021 because of the impact of COVID-19 on the business. The existing covenants have been replaced by two alternative tests including a minimum liquidity requirement and an EBITDA threshold test. The group has also qualified for the joint HM Treasury and Bank of England lending facility, called the Covid Corporate Financing Facility. The directors continue to adopt the going concern basis in preparing the annual report and financial statements.

12. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Bourne Leisure Holdings Limited, a company registered in England and Wales. Their registered address is 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.

Copies of the group financial statements, which include this company, are available from 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.