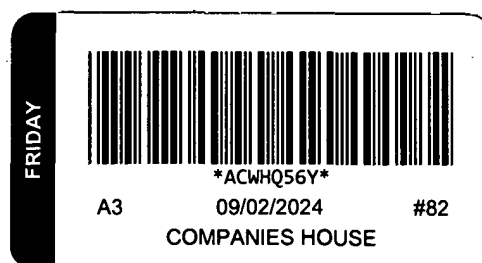


Parkdean Resorts UK Limited

Annual report and financial statements

Registered Number 05729719

31 December 2022



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Strategic report

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

Principal activity

The principal activity of Parkdean Resorts UK Limited (the 'Company') is to act as an agent on behalf of the Richmond UK Holdco Limited group (the 'Group'). The Group owns and operates award winning holiday parks, operating under the Parkdean Resorts brand.

The Company enters into supply agreements with major suppliers for the benefit of the trading entities in the Group, provides employees for those companies and acts as a booking agent for holiday bookings for the Group.

Business review

The Company's result for the year comprised revenue of £124,620,000 (2021: £116,967,000), earnings before interest, tax, depreciation, amortisation and exceptional items ('EBITDA') of £35,419,000 (2021: £32,964,000) and a profit after tax of £638,000 (2021: profit of £15,498,000). The Company had net assets of £506,046,000 as at 31 December 2022 (2021: £505,423,000).

Section 172(1) statement

The directors confirm their adherence to s172(1) of the Companies Act 2006. Given the inter-dependence of the entities within the Group, compliance was achieved by the Group and full details are set out in the consolidated financial statements of the Group.

Principal risks and uncertainties

The principal risks and uncertainties are integrated with those of the Group and are not managed separately. All of the key business risks and uncertainties disclosed in the consolidated financial statements of the Group are also applicable to the Company.

Key performance indicators

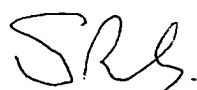
The key performance indicators used by the Group are revenue and EBITDA. A reconciliation of EBITDA to operating profit is included on the face of the profit and loss account.

Future developments

The directors are confident in the growing UK staycation market which remains an extremely attractive option for UK holidaymakers, and represents a great opportunity for those who are interested in owning a holiday home.

The Board are confident of a successful trading year for the Group for the year ending 31 December 2023.

By order of the Board



Steve Richards
Director

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

6 February 2024

Directors' report

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

Proposed dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2022 (2021: *£nil*).

Directors

The directors who held office during the year, and up to the date of signing, were as follows:

Ian Kellett
Steve Richards

Steve Richards and Ian Kellett were also directors of the ultimate UK parent undertaking at the balance sheet date, Richmond UK Top Holdco Limited.

Another Group company effected and maintained insurance for the directors against liabilities as officers in relation to the Company.

Employees

The Company recognises that the contribution made by its employees is crucial to its success. Substantial investment is therefore made in the training, development and motivation of employees with particular attention on ensuring customer satisfaction and the achievement of high standards of service. The Company endorses the application of equal opportunities policies to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation. The Company gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a handicapped or disabled person. Where an existing employee becomes disabled, the Company's policy is to provide continuing employment under normal terms and conditions wherever possible. Wherever practicable the employee will continue to be employed in the same job or, if this is not practicable, every effort will be made to find an alternative job and provide appropriate training.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2021: *£nil*).

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate governance

The Group continues to operate under the Wates Corporate Governance Principles for large private companies. In line with adherence to s172(2) of Companies Act 2006, the Group has continued to actively engage with employees and consider their interests in the year, has had regard to the Company's business relationships with suppliers, customers and others, and made key decisions in the year with these stakeholders' interests in mind. All information regarding the Wates Principles and further information regarding s172(2) is available in the consolidated financial statements of the Group.

Streamlined energy and carbon reporting

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Company is exempt from reporting under these regulations as the Company's figures have been included in the report disclosed in the consolidated financial statements of the Group.

Directors' report *(continued)*

Going concern

The principal activity of Parkdean Resorts UK Limited (the 'Company') is to act as an agent on behalf of the Richmond UK Holdco Limited group (the 'Group'). It is also a cross guarantor for the Richmond UK Holdco Limited group's (the 'Group') banking facility and cash flow forecasts are managed on a Group basis. The Company is reliant on the Group to provide cash to meet its obligations as they fall due.

In order to conclude on the appropriateness of adopting the going concern basis of accounting in preparing these financial statements, the directors have assessed the financial position of the Company and the Group at the end of the year, and they have also considered the projected future trading and cash flows of the business and the financing facilities available, alongside the principal risks facing the Group that could threaten its business model, trading performance, solvency or liquidity.

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.

The directors have assessed the risks and performance of the Company and the Group using the evidence available to them. Forecasts and projections have been prepared against the various covenants required to be met within the new borrowing facilities together with a range of sensitivities modelled to allow for reasonable changes in trading performance, and these show that the Group has headroom over the outlook period. In the normal course of business the Company will require ongoing funding to manage its working capital cycle via funding from its parent and fellow subsidiary companies within the Richmond UK Top Holdco Limited Group, in order to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

Richmond UK Top Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts currently due to the Group, which at balance sheet date amounted to £295.8m 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 therefore concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group and Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Directors' report *(continued)*

Events since the balance sheet date

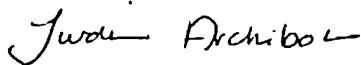
Following the balance sheet date, the Group extended the Revolving Credit Facility with an expiry date of the earlier of March 2024 and 3 months before the maturity of the first lien secured syndicated facility.

The Group then initiated the process of refinancing the First Lien and Revolving Credit Facility – see note 29 Post balance sheet events for more details.

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



Judith Archibold
Secretary

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

6 February 2024

Statement of directors' responsibilities in respect of the annual report and the financial statement

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website (www.parkdeanresorts.co.uk/corporate). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Parkdean Resorts UK Limited

Opinion

We have audited the financial statements of Parkdean Resorts UK Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and loss account and other comprehensive income, Balance sheet, 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 2022 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 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 minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

Independent auditor's report to the members of Parkdean Resorts UK Limited *(continued)*

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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the simplistic and easily verifiable revenue stream.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to cash accounts.

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, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors 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.

Firstly, 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 and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, employment law and company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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 Parkdean Resorts 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 5, 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.

Independent auditor's report to the members of Parkdean Resorts UK Limited *(continued)*

The purpose of our audit work and to whom we owe our 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.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

7 February 2024

Profit and loss account and other comprehensive income
for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Revenue	2	124,620	116,967
Gross profit		124,620	116,967
Administrative expenses		(127,894)	(108,600)
Other operating income	3	5,711	8,870
Operating profit		2,437	17,237
<i>Analysed as:</i>			
EBITDA ⁽¹⁾		35,419	32,964
Depreciation	5	(6,587)	(5,595)
Amortisation	5	(5,488)	(3,475)
Loss on disposal		(481)	-
Exceptional items	4	(20,426)	(6,657)
Operating profit		2,437	17,237
Other interest receivable and similar income	8	70	65
Interest payable and similar charges	9	(220)	(259)
Profit before tax		2,287	17,043
Tax	10	(1,649)	(1,545)
Profit for the financial year		638	15,498

⁽¹⁾ EBITDA refers to earnings before interest, tax, depreciation, amortisation and exceptional items.

The Company has no items of comprehensive income other than the results for the current year or prior year disclosed above; accordingly a separate statement of other comprehensive income has not been included. All of the activities of the Company are classified as continuing.

Balance sheet
at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Property, plant and equipment	11		20,801		17,616
Right-of-use assets	12		2,428		2,770
Intangible assets	13		12,774		9,502
Investments	14		798,790		798,790
Deferred tax asset	20		662		2,326
			<u>835,455</u>		<u>831,004</u>
Current assets					
Stocks	15	6,926		4,860	
Debtors (including £220,245,000 (2021: £nil) due after more than one year)	16	246,729		265,653	
Cash		13,214		28,420	
		<u>266,869</u>		<u>298,933</u>	
Creditors: amounts falling due within one year	17	(593,678)		(621,545)	
Net current liabilities			<u>(326,809)</u>		<u>(322,612)</u>
Total assets less current liabilities			<u>508,646</u>		<u>508,392</u>
Creditors: amounts falling due after more one year	18		(2,600)		(2,969)
Net assets			<u><u>506,046</u></u>		<u><u>505,423</u></u>
Capital and reserves					
Called up share capital	22		12		12
Share premium account			92,501		92,501
Capital contribution reserve	23		371,226		371,226
Profit and loss account			42,307		41,684
Shareholder's funds			<u><u>506,046</u></u>		<u><u>505,423</u></u>

These financial statements were approved by the Board of directors on 6 February 2024 and were signed on its behalf by:



Ian Kellett
Director

Company registered number: 05729719

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	12	92,501	371,226	26,175	489,914
IFRS 16 deferred tax transitional adjustment (note 20)	-	-	-	11	11
Total comprehensive income for the year					
Profit for the year	-	-	-	15,498	15,498
Balance at 31 December 2021	<u>12</u>	<u>92,501</u>	<u>371,226</u>	<u>41,684</u>	<u>505,423</u>
Balance at 1 January 2022	12	92,501	371,226	41,684	505,423
IFRS 16 deferred tax transitional adjustment (note 20)	-	-	-	(15)	(15)
Total comprehensive profit for the year					
Profit for the year	-	-	-	638	638
Balance at 31 December 2022	<u>12</u>	<u>92,501</u>	<u>371,226</u>	<u>42,307</u>	<u>506,046</u>

Notes

(forming part of the financial statements)

1. Accounting policies

Parkdean Resorts UK Limited (the 'Company') is a private company registered in England and Wales and domiciled in the UK. The registered number is 05729719 and the registered office is 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

1.1 Basis of preparation

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

The presentation currency of these financial statements is pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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

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, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's UK parent undertaking at the balance sheet date, Richmond UK Holdco Limited includes the Company in its consolidated financial statements. The consolidated financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and are available to the public and may be obtained from 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

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

- cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Richmond UK Holdco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of 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 periods presented in these financial statements.

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

Notes (continued)

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

Application of IFRIC agenda decisions

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision on the clarification of accounting in relation to the configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) as follows:

- amounts paid to the cloud vendor for configuration and customisation that are not distinct from access to the cloud software are expensed over the SaaS contract term;
- in limited circumstances, other configuration and customisation costs incurred in implementing SaaS arrangements may give rise to an identifiable intangible asset, for example, where code is created that is controlled by the entity; and
- in all other instances, configuration and customisation costs will be expensed as the customisation and configuration services are received.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The principal activity of Parkdean Resorts UK Limited (the 'Company') is to act as an agent on behalf of the Richmond UK Holdco Limited group (the 'Group'). It is also a cross guarantor for the Richmond UK Holdco Limited group's (the 'Group') banking facility and cash flow forecasts are managed on a Group basis. The Company is reliant on the Group to provide cash to meet its obligations as they fall due.

In order to conclude on the appropriateness of adopting the going concern basis of accounting in preparing these financial statements, the directors have assessed the financial position of the Company and the Group at the end of the year, and they have also considered the projected future trading and cash flows of the business and the financing facilities available, alongside the principal risks facing the Group that could threaten its business model, trading performance, solvency or liquidity.

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.

The directors have assessed the risks and performance of the Company and the Group using the evidence available to them. Forecasts and projections have been prepared against the various covenants required to be met within the new borrowing facilities together with a range of sensitivities modelled to allow for reasonable changes in trading performance, and these show that the Group has headroom over the outlook period. In the normal course of business the Company will require ongoing funding to manage its working capital cycle via funding from its parent and fellow subsidiary companies within the Richmond UK Top Holdco Limited Group, in order to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

Notes (continued)

1. Accounting policies (continued)

1.3 Going concern (continued)

Richmond UK Top Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts currently due to the Group, which at balance sheet date amounted to £295.8m 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 therefore concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group and Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

1.4 Classification of financial instruments issued by the Company

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
- 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.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.5 Non-derivative financial instruments

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

Investments in equity and debt securities

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits

Notes (continued)

1. Accounting policies (continued)

1.5 Non-derivative financial instruments (continued)

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.6 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the 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 (see note 25).

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	15-50 years
Leasehold land	Unexpired lease period
Leasehold buildings	Shorter of the unexpired period of the lease or 50 years
Plant and equipment	3-25 years
Fixtures and fittings	5-15 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.8 Right-of-use assets

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of each right-of-use asset. The estimated useful lives are as follows:

Right-of-use assets	The period of the lease contract unless ownership is transferred at the end of the lease period, whereby the estimated useful life would be determined in accordance with property, plant and equipment (see note 1.7)
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1.9 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group 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	3-5 years
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Notes (continued)

1. Accounting policies (continued)

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value. The cost of caravan, lodge and chalet holiday home stock is valued by using specific identification of their individual costs as the items are not ordinarily interchangeable. For other stock items the cost is based on the first-in first-out principle. Cost includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition. Net realisable value of used caravan stock is determined with reference to trade published guides. A provision is made for obsolete, slow moving or defective items where required.

1.11 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

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.

1.12 Revenue

Revenue represents the amounts derived from the provision of management and other administrative services to companies within the Group. The transaction prices of these management charges are based on pre-agreed terms and are not dependent on the Company's costs incurred. All services are transferred over time and revenue is recognised in line with this.

1.13 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and the Company will comply with the attached conditions. Government grants are deferred and recognised in the profit and loss account over the period necessary to match them with the costs that they are intended to compensate. Amounts recognised in the profit and loss account are presented under the heading 'Other operating income'. There are no unfulfilled contingencies attaching to the government assistance that has been recognised.

Notes (continued)

1. Accounting policies (continued)

1.14 Expenses

Operating lease payments

Short-term leases, low-value leases and leases of intangible assets continue to be accounted for as operating leases and are recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives received for such short term leases are recognised in profit or loss as an integral part of the total lease expense.

Other interest receivable and interest payable

Interest payable and other charges comprise interest payable, finance charges on shares classified as liabilities and leases under IFRS 16 *Leases* recognised in profit or loss using the effective interest method and unwinding of the discount on provisions that are recognised in profit or loss. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income comprise interest receivable on funds invested and dividend income.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Exceptional items

Exceptional items are items of income or expenditure which the directors consider to be unusual in nature and/or size such that their separate presentation assists a reader of the financial statements in understanding the Company's performance.

1.15 Tax

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 in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit 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 periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: the initial recognition of goodwill; 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.

1.16 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.

Lessee accounting

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

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, less any lease incentives received.

Notes (continued)

1. Accounting policies (continued)

1.16 Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 re-measurements 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.

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 rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably 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 reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the re-measurement being recorded in profit or loss.

2. Revenue

All revenue was derived from the Company's principal activity, which is acting as an agent for and providing services to the trading companies within the Group. All operations occurred within the UK. All services are transferred over time and revenue is recognised in line with this.

3. Other operating income

Included in the profit and loss account are the following:

	2022	2021
	£000	£000
Government grants	-	3,534

Government grants relate to income claimed by the Company as part of the Coronavirus Job Retention Scheme of £nil (2021: £55,000), the Local Restrictions Support Grants of £nil (2021: £1,081,000), the Coronavirus Restart Grant of £nil (2021: £911,000) and the Kickstart scheme of £nil (2020: £1,487,000).

Also within other operating income are rebates received.

Notes (continued)

4. Exceptional items

Included in the profit and loss account are the following:

	2022 £000	2021 £000
Strategic projects		
Cloud configuration and customisation costs	5,708	-
Advisory costs associated with aborted sale process	8,138	5,200
Restructuring	1,966	496
Costs associated with aborted new park project	2,407	-
Other strategic project costs	952	-
Legal costs	1,255	-
COVID-19 costs:		
Professional fees in relation to business interruption insurance claim	-	824
Directly attributable expenses relating to COVID-19	-	137
	<u>20,426</u>	<u>6,657</u>

Cloud configuration and customisation costs

Cloud configuration and customisation costs relate to the material spend in relation to the Group's digital transformation programme, which included the once in a lifetime implementation of Salesforce and Ceridian Dayforce, that have now been expensed following the adoption of the IFRIC agenda decision. The costs meet the Group's policy for exceptional costs.

Advisory costs associated with aborted sale process

Advisory costs associated with aborted sale process relate to the material spend in relation to the potential sale of the Group by its private equity owners which was ongoing throughout 2021 and 2022.

Restructuring

Restructuring costs relate to internal restructuring in Q4 2022.

Costs associated with aborted new park project

Costs of £2.4m relating to an aborted project to acquire and develop a new holiday park.

Other strategic project costs

Other strategic project costs in 2022 relate to an aborted asset tracking project which was trialled during the year.

Legal costs

Legal costs associated with disputes and enquiries that are considered exceptional in nature.

COVID-19 costs

In the prior year the business suffered additional professional fees for COVID-19 advisory services. For example, the Group's business interruption insurance claim due to the first national lockdown in 2020 continued into the current year, with a final settlement reached in October 2021.

Notes (continued)

5. Expenses and auditor's remuneration

Included in the profit and loss account are the following:

	2022 £000	2021 £000
Depreciation of property, plant and equipment (note 11)	6,077	5,027
Depreciation of right-of-use assets (note 12)	510	568
Amortisation of intangible assets (note 13)	5,488	3,475
Loss on disposal of property, plant and equipment	499	-
Profit on disposal of right-of-use assets	(18)	-
Operating lease rentals relating to short-term leases and low-value assets (note 12)	32	132
	<u>6,077</u>	<u>5,027</u>

The audit fee was borne by another Group undertaking and was not recharged to the Company in the current or prior years.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company, 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 parent undertaking at the balance sheet date, Richmond UK Holdco Limited.

6. Employee disclosure

The average number of people employed by the Company (including directors) during the year, analysed by category, was as follows:

	2022 Number	2021 Number
Established	788	686
Seasonal	9	40
	<u>797</u>	<u>726</u>

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	38,417	44,076
Social security costs	4,292	4,840
Contributions to defined contribution plans (note 21)	651	571
	<u>43,360</u>	<u>49,487</u>

Notes (continued)

7. Directors' remuneration

Remuneration was paid to the directors in respect of their services to the Company and its subsidiaries in the current year as follows:

	2022 £000	2021 £000
Directors' remuneration (paid by other Group companies)	1,063	1,838
Amounts receivable under long-term incentive schemes	199	309
	<u>1,262</u>	<u>2,147</u>

The aggregate amount of remuneration and amounts receivable under long-term incentive schemes of the highest paid director was £699,000 (2021: £1,221,000) and no pension contributions (2021: £nil) were made by the Group on their behalf.

There are no retirement benefits accruing for directors (2021: £nil)

8. Other interest receivable and similar income

	2022 £000	2021 £000
Bank interest receivable	<u>70</u>	<u>65</u>

9. Interest payable and similar charges

	2022 £000	2021 £000
Interest payable on lease liabilities	220	239
Other interest payable	-	20
Total interest payable	<u>220</u>	<u>259</u>

Notes (continued)

10. Tax

Recognised in the profit and loss account

	2022 £000	2021 £000
Current tax		
Adjustments in respect of prior periods	-	940
Deferred tax		
Origination and reversal of temporary differences	1,253	3,726
Effects of changes in tax rates	396	(528)
Adjustments in respect of prior periods	-	(2,593)
Deferred tax expense (note 20)	1,649	605
Total tax expense	1,649	1,545

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit for the year	638	15,498
Total tax expense	1,649	1,545
Profit excluding tax	2,287	17,043
Effects of:		
Tax using the UK corporation tax rate of 19% (2021: 19%)	435	3,238
Non-deductible expenses	2,250	155
Transfer pricing adjustments	(3,090)	(2,947)
Group relief surrendered	2,458	3,470
Movement in respect of intangibles	-	-
Super deduction	(567)	(224)
Adjustments in respect of prior periods	-	(1,653)
Effects of changes in tax rates	396	(528)
Effects of loss carry back	-	-
IFRS 16 transitional adjustment credited to equity	(15)	(15)
Non-qualifying depreciation	(218)	49
Total tax expense	1,649	1,545

Factors affecting current and future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021. The deferred tax balances at the balance sheet date have been calculated at the tax rate that is expected to apply to the reversal of the related difference.

Notes *(continued)*

11. Property, plant and equipment

	Land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2022	500	28,052	767	29,320
Additions	-	9,485	460	9,944
Transfers to other Group undertakings	-	(26)	-	(26)
Disposals	(500)	(181)	-	(681)
At 31 December 2022	-	37,330	1,227	38,557
Depreciation				
At 1 January 2022	-	11,462	242	11,704
Charge for year	-	5,922	155	6,077
Disposals	-	(19)	(6)	(25)
At 31 December 2022	-	17,365	391	17,756
Net book value				
At 31 December 2022	-	19,965	836	20,801
At 1 January 2022	500	16,591	525	17,616

At 31 December 2022 there were £755,000 assets under construction (2021: £1,893,000) included within plant and equipment. Assets under construction relate to improvements to properties, caravans, lodges and site facilities not completed at the reporting date. These amounts are not depreciated. No borrowing costs are included in respect of these assets.

Notes (continued)

12. Right-of-use assets

	Land and buildings £000	Plant and equipment £000	Total £000
Cost			
Balance at 1 January 2022	4,136	206	4,342
Additions	126	62	188
Disposals	(80)	-	(80)
Re-measurement	32	-	32
Balance at 31 December 2022	4,214	268	4,482
Depreciation			
Balance at 1 January 2022	1,406	166	1,572
Depreciation charge for the year	479	31	510
Disposals	(28)	-	(28)
Balance at 31 December 2022	1,857	197	2,054
Net book value			
At 31 December 2022	2,357	71	2,428
At 1 January 2022	2,730	40	2,770

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which Parkdean Resorts UK Limited is a lessee:

	2022 £000	2021 £000
Leases under IFRS 16		
Depreciation charge on right-of-use assets	510	568
Interest on lease liabilities	220	239
Expenses relating to short-term leases (included in administrative expenses)	17	64
Expenses relating to low-value assets that are not short-term leases (included in administrative expenses)	15	68

Notes *(continued)*

13. Intangible assets

	Software £000
Cost	
Balance at 1 January 2022	15,865
Additions	8,887
Disposals	(127)
Balance at 31 December 2022	24,625
Amortisation and impairment	
Balance at 1 January 2022	6,363
Amortisation charge	5,488
Balance at 31 December 2022	11,851
Net book value	
At 31 December 2022	12,774
At 1 January 2022	9,502

Software

Software represents licences to use third-party programmes and development of on-premises solutions.

Notes (continued)

14. Investments

	Shares in Group undertakings 2022 £000	Shares in Group undertakings 2021 £000
Cost and net book value at 1 January and 31 December	798,790	798,790

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership 2022
Church Point (Leisure) Limited*	England and Wales ¹	Ordinary	100%
Crossco (1461) Limited	England and Wales ¹	Ordinary	100%
Hayling Island Holiday Park Limited*^	England and Wales ¹	Ordinary	0%
GB Holiday Parks Limited*	England and Wales ¹	Ordinary	100%
Lake District Leisure Pursuits Limited*	England and Wales ¹	Ordinary	100%
Manor Park Holiday Park Limited*	England and Wales ¹	Ordinary	100%
Midland Road Finance Limited*	England and Wales ¹	Ordinary	100%
Newquay Holiday Parks Limited*	England and Wales ¹	Ordinary	100%
Park Resorts Limited*	England and Wales ¹	Ordinary	100%
Park Resorts Transport Limited*	England and Wales ¹	Ordinary	100%
Parkdean Caravan Parks Limited*	England and Wales ¹	Ordinary	100%
Parkdean Holidays Limited*	England and Wales ¹	Ordinary	100%
Parkdean Holiday Parks Limited*	England and Wales ¹	Ordinary and preference	100%
Parkdean Properties Limited*	England and Wales ¹	Ordinary	100%
PD Parks Limited	England and Wales ¹	Ordinary	100%
Premier Dawn Properties Limited*	England and Wales ¹	Ordinary	100%
Southerness Holiday Village Limited*	Scotland ²	Ordinary	100%
South Lakeland Parks Limited*	England and Wales ¹	Ordinary	100%
Southview Leisure Park Limited*	England and Wales ¹	Ordinary	100%
South Lakeland Group Limited*	England and Wales ¹	Ordinary	100%
Upperbay Limited*	England and Wales ¹	Ordinary	100%
Wemyss Bay Caravan Park Limited*	England and Wales ¹	Ordinary	100%
Weststar Holidays Limited*	England and Wales ¹	Ordinary	100%

*Shares not held directly by Parkdean Resorts UK Limited.

^The Group disposed of 100% of the shares in Hayling Island Holiday Park Limited in March 2022.

The registered offices of the subsidiary undertakings disclosed above are as follows:

¹ 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET; and

² C/O Womble Bond Dickinson (UK) LLP, 2 Sempole Street, Edinburgh, United Kingdom, EH3 8BL.

15. Stocks

	2022 £000	2021 £000
Caravans	6,926	4,824
Other stock	-	36
	<u>6,926</u>	<u>4,860</u>

Notes (continued)

16. Debtors

	2022 £000	2021 £000
Trade debtors	1,792	826
Amounts owed by Group undertakings	231,856	254,359
Prepayments and accrued income	8,075	7,987
Other debtors	4,955	2,481
Corporation tax receivable	51	-
	<u>246,729</u>	<u>265,653</u>

Included within amounts owed by Group undertakings is £220,245,000 (2021: £nil) expected to be recovered in more than 12 months. All other trade and other debtors are expected to be received within 12 months. Amounts owed by Group undertakings are repayable on demand.

17. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	22,654	28,069
Obligations under third party leases (note 19)	465	511
Amounts owed to Group undertakings	527,656	556,621
Other creditors	2,767	1,691
Accruals	7,168	14,421
Contract liabilities	17,953	19,363
Other taxes and social security costs	15,015	869
	<u>593,678</u>	<u>621,545</u>

Amounts owed to Group undertakings are interest free and repayable on demand.

18. Creditors: amounts falling due after one year

	2022 £000	2021 £000
Obligations under third party leases (note 19)	<u>2,600</u>	<u>2,969</u>

19. Reconciliation of liabilities arising from financing activities

	2022 £000	2021 £000
At 1 January	3,480	3,746
Cash flows	(785)	(799)
Lease additions	187	21
Lease disposals	(69)	(10)
Re-measurement	32	283
Interest payable	220	239
At 31 December	<u>3,065</u>	<u>3,480</u>

Notes (continued)

20. Deferred tax

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	2022 £000	2021 £000
Property, plant and equipment	1,869	526
Temporary trading differences	(35)	(51)
Corporate interest restriction	(279)	(2,673)
Losses carried forward	(2,104)	-
Right-of-use assets – transition to IFRS 16	(113)	(128)
Deferred tax assets	<u>(662)</u>	<u>(2,326)</u>

Movement in deferred tax assets during the current year

	1 January 2022 £000	Recognised in profit or loss £000	IFRS 16 transitional adjustment £000	31 December 2022 £000
Property, plant and equipment	526	1,343	-	1,869
Temporary trading differences	(51)	16	-	(35)
Corporate interest restriction	(2,673)	2,394	-	(279)
Losses carried forward	-	(2,104)	-	(2,104)
Right-of-use assets – transition to IFRS 16	(128)	-	15	(113)
	<u>(2,326)</u>	<u>1,649</u>	<u>15</u>	<u>(662)</u>

Movement in deferred tax (assets)/liabilities during the prior year

	1 January 2021 £000	Recognised in profit or loss £000	IFRS 16 transitional adjustment £000	31 December 2021 £000
Property, plant and equipment	(136)	662	-	526
Temporary trading differences	-	(51)	-	(51)
Corporate interest restriction	(2,285)	(388)	-	(2,673)
Losses carried forward	(382)	382	-	-
Right-of-use assets – transition to IFRS 16	(117)	-	(11)	(128)
	<u>(2,920)</u>	<u>605</u>	<u>(11)</u>	<u>(2,326)</u>

21. Employee benefits

Defined contribution pension plans

The Company contributes to a number of defined contribution personal pension plans.

The total expense relating to these plans in the current year was £605,000 (2021: £571,000).

Notes (continued)

22. Share capital

	2022 £000	2021 £000
<i>Allotted, called up and fully paid</i>		
1,221,031,657 Ordinary shares (2021: 1,221,031,657) of £0.00001 each	12	12
	<u>12</u>	<u>12</u>
Shares classified in shareholder's funds	12	12
	<u>12</u>	<u>12</u>

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.

23. Capital contribution reserve

During 2017, the Group undertook a corporate restructuring to simplify the corporate structure. As a result of this exercise, Parkdean Resorts Limited contributed the receivable of £371,226,000 owed by PD Parks Limited to the Company and this was recognised as a capital contribution.

24. Capital commitments

During the year ended 31 December 2022 the Company had capital commitments to purchase property, plant and equipment for which no provision had been made at the balance sheet date of £Nil (2021: £10,343,000).

25. Guarantees and contingent liabilities

The Company is a party to a cross guarantee in respect of the bank borrowings of certain members of the Group. The aggregate unprovided potential liability of the Company at the balance sheet date was £753,500,000 (2021: £688,500,000). The borrowings of certain members of the Group are secured on substantially all of the assets of Richmond UK Holdco Limited and its direct and indirect subsidiaries, including those of the Company.

26. Ultimate parent undertaking

The Company's immediate parent undertaking is Parkdean Resorts Limited, whose ultimate UK parent undertaking is Richmond UK Top Holdco Limited. Richmond UK Top Holdco Limited is indirectly controlled by Onex Partners IV LP, a private equity fund which is indirectly controlled by Onex Corporation. Onex Corporation is a Canadian headquartered private equity investment firm listed on the Toronto Stock Exchange.

The largest group the Company's balances are consolidated in is Richmond UK Top Holdco Limited, and the smallest group the Company's balances are consolidated in is Richmond UK Holdco Limited. The financial statements of both groups are available at 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

Notes (continued)

27. Accounting estimates and judgements

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on estimated market values. Actual outcomes could vary from these estimates.

Impairment of stocks

Holiday home stock is compared to Glass's Guide which is the industry guide for retail and trade values for holiday home stock. Impairments between carrying value and Glass's Guide 'trade' values are taken to the profit and loss account.

Impairment of trade and other debtors

A full review of aged debtors is completed and all irrecoverable amounts are fully provided for.

Impairment of investments

Investments are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on the estimated market value of the entities held as investments. Actual outcomes could vary from these estimates.

Present value of lease liabilities

For leases falling under IFRS 16 *Leases*, the lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease where this can be readily determined. However discount rates implicit in the leases cannot be readily determined in most cases and an appropriate discount rate needs to be identified. For portfolios of leases with similar characteristics, discount rates are calculated using observable market inputs if available. Where this is not possible, the discount rates are based on the Group's incremental borrowing rates or interest rates from market transactions as deemed appropriate.

28. Change in accounting policy and prior year restatement

In April 2021, the IFRS Interpretations Committee ('IFRIC') published an agenda decision on the clarification of accounting in relation to the configuration and customisation costs incurred in implementing Software-as-a-Service ('SaaS') as follows:

- amounts paid to the cloud vendor for configuration and customisation that are not distinct from access to the cloud software are expensed over the SaaS contract term;
- in limited circumstances, other configuration and customisation costs incurred in implementing SaaS arrangements may give rise to an identifiable intangible asset, for example, where code is created that is controlled by the entity; and
- in all other instances, configuration and customisation costs will be expensed as the customisation and configuration services are received.

Due to the nature of this agenda decision and the level of spend incurred in relation to the Group's digital transformation programme, the Company's accounting policy in relation to such customisation and configuration costs was reviewed and changed in 2021 to align with the IFRIC guidance issued in relation to SaaS costs previously capitalised.

Notes *(continued)*

29. Post balance sheet events

On 14 April 2023, the Company received a dividend of £247,460,815 from its subsidiaries and declared a dividend of £266,437,126 to its Parent Company, Parkdean Resorts Limited.

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.