

Company Registration No. 06458827

Away Resorts Limited

Report and Financial Statements

for the year ended 31 December 2019

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Away Resorts Limited

Report and financial statements 31 December 2019

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Away Resorts Limited

Officers and professional advisers

Directors

C Castledine
G Lashley
N Ryder

Secretary

N Ryder

Registered Office

575-599 Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7DX

Bankers

National Westminster Bank
42 Market Square
Aylesbury
Buckinghamshire
HP20 1TR

Solicitors

Freeths LLP
Colmore Plaza
20 Colmore Plaza
Birmingham
B4 6AT

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Away Resorts Limited

Strategic report (continued)

Objective and Strategy

The principal objective of Away Resorts Limited (the "Company") is the provision of management services for its subsidiary undertakings which own and operate UK holiday parks in order to provide an operational framework that allows them to maximise shareholder value.

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

Business review

The Company's results for the year comprised: turnover £4,942,000 (2018: £3,782,000), operating loss of £129,000 (2018: £982,000) and net loss after interest and tax of £5,615,000 (2018: 9,711,000).

The Company is continuing to seek acquisition opportunities to add to the Away Resorts portfolio. The Company has established systems and controls to enable the Company to provide management services to a number of parks in order to facilitate the growth of the group by acquisition.

On 9th August 2019 the group, headed by the Company's parent company, Willoughby (880) Limited, was sold to Archer Bidco Limited. As part of the disposal, Away Resorts Limited repaid its entire senior debt, funded by its own cash and a £37.1m advance from Archer Bidco Limited. The unamortised loan fees in the Company of £562,619 were written off in full. As part of the group restructure, the main debt financing for the group was transferred to Archer Bidco Limited, resulting in a reduction in finance costs for the Company.

During the year, there were some significant cost pressures, notably due to higher wages, which were affected by the increase in staff, utility costs due to national pricing effects, and marketing expenditure that contributed to an increase in administration expenses and a decrease in operating profit.

The national lockdown in response to COVID-19 has had a significant impact on the trading for second quarter of 2020, although the business is expected to recover quickly post the lifting of trading restrictions.

Future developments and post balance sheet events

The impact of the COVID-19 pandemic and the temporary closure in 2020 of the parks within the group to holiday homeowners and holidaymakers has resulted in a reduction in the profitability of the business in the forthcoming period. Investments have been made in the provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customers. On the 4th July 2020, with the exception of Mill Rythe, the parks have reopened for trading and a significant investment has been made to installing safeguarding measures to protect our customers and staff. Please see note 19 for subsequent event disclosures and the Mill Rythe statutory accounts and Archer Topco Limited consolidated accounts for more information.

Going concern

As at 31 December 2019 the Company had net liabilities of £35,927,000 (2018: £30,313,000) and net current liabilities of £104,731,000 (2018: £59,828,000). Excluding intercompany debt, the Company has a net asset position of £65,578,000 (2018: £31,187,000) and net current liabilities of £3,226,000 (2018: £37,511,000).

On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation and the impacts of COVID-19 have been taken into consideration as part of the going concern assessment. As at the date of signing these financial statements:

1. On 24th March 2020, as a result of the COVID-19 pandemic and in accordance with emergency legislation, the parks owned by the Group were closed to holidaymakers and owners, and the operations of the parks were temporarily suspended during the national lockdown period. Following government guidance, the parks, except Mill Rythe reopened on 4th July 2020 in England and 11th July for Wales. Significant investment has been made to installing safeguarding measures to protect our customers and staff, except Mill Rythe (see paragraph 3 below).

Away Resorts Limited

Strategic report (continued)

Going concern (continued)

2. Excellent customer service is key to our success and decisions were made to maintain high standards with our holiday homeowners and holiday makers that recognised and reflected the exceptional nature of the circumstances. Holidaymakers due to enjoy holidays at the park during the lockdown period were offered full refunds or the transfer of their booking to a later date. Holiday homeowners were given credits against their annual fees. Regular communication was provided by senior management to our customer base.
3. Planning permission has been obtained to redevelop Mill Rythe Holiday Park, which is owned by the subsidiary company Mill Rythe Ltd, from a catered chalet park to a static caravan park in keeping with the remaining portfolio. Initially the plan was to close the park for redevelopment in July 2021. However due to the impact of COVID-19 and subsequent operational restrictions under social distancing, management have decided that the park will not reopen before being redeveloped. Management intend to start work on the redevelopment once the main impact of the COVID-19 pandemic has passed and there is confidence that business will not be further disrupted.
4. The company utilised the government furlough scheme to safeguard the employees' positions for the longer term. Key management and support staff were retained on park to manage customer relationships and maintain the estate. The health implications on our furloughed employee base were recognised and all staff were communicated with regularly, and the online training portal was made available to them to improve their skill set in the period. Employees who continued working through the lockdown maintained the necessary level of operations to protect the estate.

The directors have reviewed the company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends to 31 December 2024. These projections indicate that the company will continue to be able to meet its liabilities as they fall due.

However, the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements. The bank facility is also secured by the assets held by the Group and its subsidiaries.

The directors have concluded that whilst the group has sufficient liquidity for the foreseeable future the ongoing discussions over bank covenants represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further, the Company has also received confirmation from its ultimate parent undertaking, Archer Topco Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Principal risks and uncertainties

Global pandemics

As demonstrated during the national lockdown in 2020, the business would be significantly affected by a global pandemic. Investments have been made in the provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customers. Please refer to the going concern note for managements detailed risk assessment in response to COVID-19.

Competition

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

Away Resorts Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Quality of customer service

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

Availability of financing partners

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

Information systems

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

Retention of key personnel

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

Variability of weather conditions

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

Political risks

The Company's trading policies align with sector best practice, and it is an approved operator under the NCC. As a result, any tightening of the legislative environment should not adversely affect how the business operates.

The Company trades solely within the UK and although the uncertainty surrounding the Brexit process is not helpful, there is no specific identified risk associated with this.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including interest rate risk, cash flow risk, credit risk and liquidity risk. The Company's activities do not expose it to significant commodity price risk.

Interest rate risk

The Company finances its operations mainly through borrowings. The Company borrows at both fixed and floating rates of interest and uses interest rate swaps where necessary to generate the desired interest profile and to manage the Company's exposure to interest rate fluctuations. The Company's interest rate and maturity profiles have been set out in note 15. The fair value of the Company's financial liabilities equates to its book value.

Credit risk

The Company's principal financial assets are inter-Company debtors with subsidiary undertakings. The recovery of these balances is underpinned by the underlying assets of the subsidiary companies, being UK holiday parks.

Liquidity risk

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance. Please refer to the going concern note for management's detailed risk assessment in response to COVID-19.

Away Resorts Limited

Strategic report (continued)

Section 172 statement

The Board has a duty under s172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so, to have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term,
- (b) The interests of the Company's employees,
- (c) The needs to foster the Company's business relationships with suppliers, clients and others,
- (d) The impact of the Company's operations on the community and the environment,
- (e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) The needs to act fairly as between members of the Company.

During the year the Board has considered its duties under s172 and how it fulfils its obligations therefore in respect of the following key stakeholder groups:

Shareholders

The Board is appointed by the shareholders to oversee, govern and make decisions on their behalf and so directly responsible for protecting and managing their interests in the Company. It does this by setting the strategies, policies and corporate governance structures described elsewhere in these financial statements. Refer to the Strategic Report where principal risks and future developments have been discussed further, including going concern.

Employees

The Company is committed to supporting the principle of equal opportunities and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic origin, gender, marital status, disability, religion, age or sexual orientation. The Company's aim is to recruit, train and promote the best person for the job and to create a working environment free from unlawful discrimination, victimisation and harassment, and in which all employees are treated with dignity and respect. Refer to the Strategic Report: Principal risks and uncertainties for the policy on job retention as well as to the Directors Report for the section on the Company's investment in its employees.

The Group undertakes employee engagement surveys to get feedback on culture and wider matters of importance to employees and offers training and development opportunities, enabling employees to improve their professional competencies within a bespoke Holiday Hero training programme.

The recruitment, training, career development and promotion of less able persons are fully and fairly considered having regard to the aptitudes and abilities of each individual. Efforts are made to enable employees who become less able during employment to continue their career with the Company and, if necessary, appropriate training is provided.

The Company insists on the highest standard of professionalism and integrity from our employees who are expected to refrain from any conduct or behaviours that could be perceived unfavourably.

The Company's Health & Safety Policy guides the Company's direction and approach to responsible health and safety management. To ensure a consistent approach to maintaining the health, safety and well-being of all persons who might be affected by the activities within an office, all locations commit to implementing standards prescribed by the Policy. Our policy during the national lockdown period as a result of COVID-19 is detailed in the table at the end of this report.

Customers

The Company's customers are vital to the success of the business and it is important that we deliver with integrity the best possible level of service. Refer to the Strategic Report: Principal risks and uncertainties for the policy on quality of customer service have been discussed further. We are aligned with and focussed on our customers' satisfaction and care about their holiday experience. We know that long lasting relationships depend on this and our Net Promotor Score, which confirms our status as 'world-class', is an important indicator of customer satisfaction when compared against the wider hospitality sector. Further details surrounding our customer service approach can be found on our website.

Away Resorts Limited

Strategic report (continued)

Section 172 statement (continued)

Suppliers

The Company has developed a responsible purchasing policy to include consideration of items such as environment, diversity, health and safety and the modern slavery trade. Further details surrounding our procurement strategy can be found on our website.

It is the Company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on timely submission of valid invoices. In absence of agreed terms, the Company's policy is to pay within 30 days from receipt of a valid invoice. Our policy during the national lockdown period as a result of COVID-19 is detailed elsewhere in the report.

The wider community

The Company's approach to business includes a deeply held sense of responsibility to the environment and communities in which we operate. The Company seeks to engender good relationships with local councils and is an active member of the community. Recycling is in place at both holiday parks and at head office and regular fundraising takes place for various community causes. Away Resorts has a zero tolerance approach to any form of modern slavery and is committed to acting ethically, with integrity and transparency in all business dealings, and to safeguard against any form of modern slavery taking place within the business or our supply chain.

Away Resorts Limited

Strategic report (continued)

Key decisions made in the year as summarised below:

| Significant events/decisions | Key matter(s) affected S.172 | Actions and impact |
|---|--|--|
| Acquisition of the parent company by Archer Bidco Limited | Shareholders | - Shareholder consultation took place in accordance with governance requirements. |
| Development of systems and data warehouse | Customers, employees | - Better understanding of customer behaviours and preferences has improved customer experience. - Increased availability of data has improved employees' ability to carry out their roles more effectively. - Improved efficiency to deal with GDPR information requests. |
| Launch of sales systems | Customers | - The Company's product offering to customers has improved following clearer understanding of sales pipelines and enabled a greater personalisation of the customer journey. |
| Extension of employee support systems | Employees | - Introduction of online training platform has provided a consistent approach to Group wide training requirements. - Introduction of health benefits scheme to support employees and close family. |
| COVID-19 Post Balance Sheet Event | Shareholders, Suppliers, Employees, Customers, Lenders | - All parks closed during the national COVID-19 lockdown and Mill Rythe Holiday Park has remained closed with the intention of carrying out redevelopment works earlier than originally planned - Existing committed facilities were utilised to ensure the group had sufficient liquidity to cover liabilities. - Suppliers were communicated with to agree suitable terms during the lockdown period. - 665 out of 796 employees across the Group were placed in the governments job-retention scheme from 28th March 2020 with a gradual and staggered return to work during June and July as the parks were allowed to reopen from July 4th. Where appropriate staff have been encouraged to work from home and workspaces have been reconfigured to enable social distancing. - Partial refunds and special debt collection terms were put in place with private holiday homeowners. Refunds or alternative dates were provided for all holidays. |

Approved by the Board of Directors
and signed on behalf of the Board



N Ryder
Director
28 August 2020

Away Resorts Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

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 staff with particular attention to 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. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find an alternative job and provide appropriate training.

Post balance sheet events

Material post balance sheet events are disclosed in note 19 of the financial statements.

Matters covered in the strategic report

Disclosure of the Company's review of business, future development, going concern and the Company's financial risk management objectives and policies are included in the Strategic Report, including details of the impact of COVID-19 and the decisions made by management to safeguard the business, its employees and customers.

Directors and their interest

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

C Castledine
G Lashley
N Ryder

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

According to the register of directors' interests, no rights to subscribe for shares or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

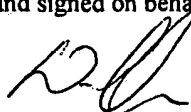
The directors confirm that:

- in so far as each of the directors is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

BDO LLP were appointed as auditor during the year, and a resolution to re-appoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



N Ryder
Director
28 August 2020

Away Resorts Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Away Resorts Limited

Opinion

We have audited the financial statements of Away Resorts Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 loss 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 1 which states that the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements as a result of the impact of the COVID -19 Pandemic.

Discussions with the group's bankers to amend the terms of borrowing and to waive the forecasted covenant breaches are ongoing and have not yet been finalised. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. 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.

Independent auditor's report to the members of Away Resorts Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 and Director's 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Away Resorts Limited

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.



Dominic Stammers
Senior Statutory Auditor
for and on behalf of BDO LLP
Statutory Auditor, Chartered Accountants
London
Date: 28 August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Away Resorts Limited

Statement of comprehensive income For the year ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|--------------------|
| Turnover | 3 | 4,942,057 | 3,782,156 |
| Cost of sales | | - | - |
| Gross profit | | 4,942,057 | 3,782,156 |
| Administrative expenses | | (5,070,697) | (4,764,073) |
| Operating loss | | (128,640) | (981,917) |
| Finance income | 7 | 71,355 | 18,176 |
| Interest payable and similar charges | 8 | (5,619,880) | (8,685,272) |
| Loss before taxation | 4 | (5,677,165) | (9,649,013) |
| Tax credit / (expense) | 9 | 62,464 | (62,464) |
| Loss and total comprehensive expense for the financial year | | <u>(5,614,701)</u> | <u>(9,711,477)</u> |
| Loss and total comprehensive expense for the financial year attributable to: | | | |
| Owners of the parent | | <u>(5,614,701)</u> | <u>(9,711,477)</u> |

All results are derived from continuing operations.

The notes on pages 16 to 26 form part of these financial statements.

Away Resorts Limited**Company no: 06458827****Statement of financial position
31 December 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|----------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 838,341 | 732,844 |
| Investments | 11 | 67,965,818 | 67,965,818 |
| | | <u>68,804,159</u> | <u>68,698,662</u> |
| Current assets | | | |
| Stock | 12 | - | 231,552 |
| Debtors | 13 | 545,386 | 703,368 |
| Cash at bank and in hand | | 3,298,507 | 21,917,745 |
| | | <u>3,843,893</u> | <u>22,852,665</u> |
| Creditors: amounts falling due within one year | 14 | <u>(108,575,342)</u> | <u>(82,681,086)</u> |
| Net current liabilities | | <u>(104,731,449)</u> | <u>(59,828,421)</u> |
| Total assets less current liabilities | | <u>(35,927,290)</u> | <u>8,870,241</u> |
| Creditors: amounts falling due after more than one year | 15 | - | (39,182,830) |
| Net liabilities | | <u>(35,927,290)</u> | <u>(30,312,589)</u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 2 | 2 |
| Profit and loss account | | <u>(35,927,292)</u> | <u>(30,312,591)</u> |
| Total equity shareholders' deficit | | <u>(35,927,290)</u> | <u>(30,312,589)</u> |

These financial statements were approved and authorised for issue by the Board of Directors on 28 August 2020

Signed on behalf of the Board of Directors



N Ryder

Director

The notes on pages 16 to 26 form part of these financial statements.

Away Resorts Limited

Statement of changes in equity For the year ended 31 December 2019

| | Called up share capital £ | Profit & Loss account £ | Total £ |
|---|------------------------------------|----------------------------------|--------------|
| At 1 January 2018 | 2 | (20,601,114) | (20,601,112) |
| Loss and total comprehensive income for the year | - | (9,711,477) | (9,711,477) |
| At 31 December 2018 | 2 | (30,312,591) | (30,312,589) |
| Loss and total comprehensive expense for the year | - | (5,614,701) | (5,614,701) |
| At 31 December 2019 | 2 | (35,927,292) | (35,927,290) |

The notes on pages 16 to 26 form part of these financial statements.

Away Resorts Limited

Notes to the financial statements Year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Company information

Away Resorts Limited is a Company domiciled in England and Wales; registration number 06458827. The registered office is 575-599 Maxted Road, Hemel Hempstead, Hertfordshire, HP2 7DX.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 1(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(aXiii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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

Going concern

The directors have reviewed the Company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the Company's finances, contracts and likely future demand trends. The Company has a net current liabilities position of £104,731,000 (2018: £59,828,000) and a net liabilities position of £35,927,000 (2018: £30,313,000).

The directors have reviewed the company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends to 31 December 2024. These projections indicate that the company will continue to be able to meet its liabilities as they fall due.

However, the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements as a result of the impact of the COVID-19 Pandemic. The bank facility is also secured by the assets held by the Group and its subsidiaries.

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

1. Accounting policies (continued)

Going concern (continued)

The directors have concluded that whilst the group has sufficient liquidity for the foreseeable future the ongoing discussions over bank covenants represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further, the Company has also received confirmation from its ultimate parent undertaking, Archer Topco Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

| | |
|---------------------|--------------|
| Plant and machinery | 3 to 4 years |
|---------------------|--------------|

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Taxation

The tax charge for the year represents the sum of the tax currently payable and deferred tax based on the taxable profit for the year.

Current tax is recognised for the amounts of Corporation Tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on all timing differences at the reporting date, except as otherwise indicated. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenditure in tax assessment in periods different from those in which they are recognised in the financial statements. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

1. Accounting policies (continued)

Lease assets

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of management services to customers.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amounts charged to the profit and loss account represent the contribution payable to the scheme in respect of the accounting year.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Financial assets

Loans, prepayments and loans to fellow group undertakings

Prepayments are measured at transaction cost. Loans made to fellow group undertakings are initially measured at fair value net of transaction costs and then they are subsequently measured at amortised cost using the effective interest rate less impairment.

Financial liabilities

Loans and secured notes

Loans and secured notes are initially measured at fair value, net of transaction costs. They are then subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on the basis of the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the effective life of the financial liability, or (where appropriate) a shorter period, to the net carrying value on initial recognition.

Where loans have been received at below market terms from fellow group undertakings at the direction of this Company's parent, the difference between the proceeds and fair value is taken to capital contributions within equity.

Finance costs

Finance costs, comprising interest payable on loans, secured notes and the costs incurred in connection with the arrangements of borrowings are recognised in profit or loss using the effective interest rate method.

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

1. Accounting policies (continued)

Financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, 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.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

As required by FRS 102 the directors have considered the impact of the COVID-19 pandemic on the financial statements. The World Health Organisation declared a global health emergency in January 2020 and a global pandemic in March 2020 and as the impact by the balance sheet date was limited to areas in China which do not have an impact on the operations or results of the Company, this has been treated as a non-adjusting post balance sheet event. The result of this is that the financial impact of the pandemic has not been considered in the estimates or judgements.

In preparing these financial statements, the directors have made the following judgements:

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

Other key sources of estimation uncertainty

Tangible fixed assets (see note 10)

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Segmental information

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

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

Turnover, analysed by category, was as follows:

| | 2019 £ | 2018 £ |
|-----------------------|------------------|------------------|
| Rendering of services | 4,942,057 | 3,782,156 |
| | <u>4,942,057</u> | <u>3,782,156</u> |

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

4. Loss before taxation

Loss before taxation is stated after charging:

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets | 320,614 | 246,469 |
| Hire of other assets – operating leases | 44,811 | 88,053 |
| Auditor's remuneration – audit services | 63,000 | 62,250 |
| Exceptional costs | 141,734 | 454,447 |

Exceptional expenses relate to one-time professional, advisory and other fees associated with the settlement of debt in the year.

The analysis of auditor's remuneration is as follows:

| | 2019 £ | 2018 £ |
|----------------------------|-----------|-----------|
| Audit of the Company | 5,000 | 4,500 |
| Audit of the subsidiaries | 58,000 | 57,750 |
| Total auditor remuneration | 63,000 | 62,250 |

5. Remuneration of directors

The directors have been remunerated by parent Company, Archer Bidco Limited and Willoughby (880) Limited.

6. Staff number and costs

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

| | 2019 Number | 2018 Number |
|----------------------|----------------|----------------|
| Directors | 3 | 3 |
| Administrative staff | 63 | 56 |
| | 66 | 59 |

The aggregate payroll costs of these persons were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 2,431,177 | 2,011,252 |
| Social security costs | 239,187 | 261,277 |
| Other pension costs | 38,696 | 18,702 |
| | 2,709,060 | 2,291,231 |

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

6. Staff number and costs (continued)

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £38,696 (2018: £18,702), £nil (2018: £nil) of this amount being unpaid at the year end.

7. Finance income

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| <i>Finance assets held at amortised cost</i> | | |
| Bank interest receivable | 71,355 | 18,176 |

8. Interest payable and similar charges

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| <i>Financial liabilities held at amortised cost</i> | | |
| On bank loans and overdrafts | 2,025,413 | 5,843,701 |
| Amortisation of debt issue cost | 240,496 | 1,515,887 |
| Write-off of debt issue costs | 562,619 | - |
| Interest on intercompany loan | 2,791,352 | 1,325,684 |
| | <u>5,619,880</u> | <u>8,685,272</u> |

9. Taxation

| | 2019 £ | 2018 £ |
|------------------------------------|-----------------|---------------|
| UK Corporation Tax | (62,464) | 62,464 |
| Total current tax | <u>(62,464)</u> | <u>62,464</u> |
| Deferred tax credit | - | - |
| Deferred taxation | - | - |
| Tax on loss on ordinary activities | <u>(62,464)</u> | <u>62,464</u> |

Away Resorts Limited

Notes to the financial statements (continued)

Year ended 31 December 2019

9. Taxation (continued)

Factors affecting the tax credit for the current year:

The current tax credit for the year is lower than the standard rate of Corporation Tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

Reconciliation of effective tax rate

| | 2019 £ | 2018 £ |
|--|-------------|-------------|
| Loss before tax | (5,677,165) | (9,649,013) |
| Current tax at 19.00 % (2018: 19.00%) | (1,078,661) | (1,833,312) |
| Chargeable gains | - | 327,991 |
| Fixed asset differences | 2,320 | - |
| Expenses not deductible for tax purposes | 27,367 | (38,926) |
| Unrecognised deferred taxation | 15,531 | (316,983) |
| Group relief granted | 1,071,465 | 1,923,694 |
| Tax charge in respect to previous period | (62,464) | - |
| Other adjustments | (38,022) | - |
| Total tax in income statement | (62,464) | 62,464 |

A deferred tax asset of £41,593 (2018: £27,697) has not been recognised within the accounts due to uncertainty over recoverability.

10. Tangible fixed assets

| | Plant and machinery £ | Assets under construction £ | Total £ |
|---------------------------------|-----------------------------|-----------------------------------|------------|
| Cost | | | |
| At 1 January 2019 | 1,365,505 | 16,870 | 1,382,375 |
| Additions | 404,779 | 21,332 | 426,111 |
| Reclassification | 15,220 | (15,220) | - |
| At 31 December 2019 | 1,785,504 | 22,982 | 1,808,486 |
| Accumulated depreciation | | | |
| At 1 January 2019 | 649,531 | - | 649,531 |
| Charge for the year | 320,614 | - | 320,614 |
| At 31 December 2019 | 970,145 | - | 970,145 |
| Net book value | | | |
| At 31 December 2019 | 815,359 | 22,982 | 838,341 |
| At 31 December 2018 | 715,974 | 16,870 | 732,844 |

Tangible fixed assets with a carrying value of £838,341 (2018: £732,844) are pledged as security for the Company's bank loans.

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

11. Fixed asset investments

Shares in
and long-
term loans to
subsidiary
undertakings
£

Cost at 1 January 2019 and 31 December 2019

67,965,818

The undertakings, all of which are incorporated in England and Wales and have the same registered office as the Company as disclosed on page 1, in which the company or group hold 100% interest in the ordinary share capital at the period end are as follows.

| Subsidiary undertakings | Country of incorporation | Principal activity | Class of share |
|--------------------------------------|--------------------------|---------------------------------|----------------|
| Away Resorts (Transport) Limited | UK | Provision of transport services | Ordinary |
| Barmouth Bay Holiday Park Limited | UK | Operation of holiday parks | Ordinary |
| Mersea Island Holiday Park Limited | UK | Operation of holiday parks | Ordinary |
| Mill Rythe Limited | UK | Operation of holiday parks | Ordinary |
| Sandy Balls Estate Limited | UK | Operation of holiday parks | Ordinary |
| Tattershall Lakes Limited | UK | Operation of holiday parks | Ordinary |
| Whitecliff Bay Holiday Park Limited | UK | Operation of holiday parks | Ordinary |
| Whitecliff Bay Hotel Company Limited | UK | Dormant | Ordinary |

12. Stock

| | 2019 £ | 2018 £ |
|------------------|-----------|----------------|
| Goods for resale | <u>-</u> | <u>231,552</u> |

Stock recognised in cost of sales during the year as an expense was £nil (2018: £nil).

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

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

13. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Prepayments and accrued income | 375,376 | 518,716 |
| Trade debtors | 70,338 | 542 |
| Other debtors | 99,672 | 184,110 |
| | <u>545,386</u> | <u>703,368</u> |

14. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|--------------------|-------------------|
| Amounts due to group undertakings | 101,505,718 | 61,500,053 |
| Trade creditors | 5,236,879 | 4,184,979 |
| Other taxation and social security | 1,647,427 | 16,811,119 |
| Other creditors | 75,871 | 19,622 |
| Accruals and deferred income | 109,447 | 165,313 |
| | <u>108,575,342</u> | <u>82,681,086</u> |

The amount due to group undertakings is repayable on demand and is therefore reflected within creditors due within one year. Where the amount due to group undertakings resulted from funding for investment, interest is charged on amounts due per agreements as follows: loan from Willoughby (880) Limited of £7.4m at 4.5% per annum and loan from Archer Bidco Limited of £37.1m at 10% per annum. Other amounts due to group undertakings do not incur interest charges.

15. Creditors: amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|--------------------------------------|-------------------|-------------------|
| Bank loans | - | 39,182,830 |
| | <u>2019 £</u> | <u>2018 £</u> |
| Debt can be analysed as falling due: | | |
| Between one and two years | - | - |
| Between two and five years | - | - |
| Over 5 years | - | 40,000,000 |
| | - | 40,000,000 |
| Less issue costs | - | (817,170) |
| Net debt | - | <u>39,182,830</u> |

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

15. Creditors: amounts falling due after more than one year (continued)

In August 2019, as part of the acquisition of the group by Archer Topco Limited, the company repaid all its outstanding loans. Capitalised costs of £240,496 were amortised and £562,619 worth of debt issue costs were written off and expensed through the income statement (note 8).

In the year, interest was payable at a contracted margin of 7% above LIBOR. Interest costs of £2,025,413 (2018: - £5,843,701) were expensed through profit and loss.

16. Called up share capital

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| <i>Allotted, called up and fully paid</i> | | |
| 2 (2018 – 2) ordinary shares of £1 each (authorised 1,000, allotted 2) | <u>2</u> | <u>2</u> |

Ordinary shares rank equally in terms of rights to dividends, repayments of capital and voting.

17. Reserves

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

Profit and loss account – includes current and prior period retained profits and losses.

18. Commitments

(a) Capital commitments at 31 December 2019 were £nil (2018: £nil).

(b) The Company's future minimum commitments under non-cancellable operating leases are as follows:

| | 2019 £ | 2018 £ |
|----------------------------|----------------|----------------|
| Within one year | 58,757 | 53,528 |
| Between two and five years | 78,029 | 63,416 |
| Over five years | - | - |
| | <u>136,786</u> | <u>116,944</u> |

19. Subsequent events

The impact of the COVID-19 pandemic and the temporary closure in 2020 of the parks to holiday homeowners and holidaymakers has resulted in a reduction in the profitability of the business in the forthcoming period. Details of the impact of COVID-19 and the decisions made by management to safeguard the business, its employees and customers, are detailed in the Strategic Report.

One park, Mill Rythe Holiday Village, has been temporarily closed and planned renovations brought forward for in 2020/21. The Company has assessed whether the closure of the park would give rise to impairment of the investment in the subsidiary entity. As at the date of these accounts, management does not anticipate an impairment. Full disclosure of the Mill Rythe Holiday Park can be found in the company accounts and the accounts its intermediate parent company Willoughby (880) limited.

Away Resorts Limited

Notes to the financial statements (continued) Year ended 31 December 2019

20. Ultimate parent Company and parent undertaking of larger group of which the Company is a member

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

The smallest group in which the results of the company are consolidated is that headed by Willoughby (880) Limited, incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Archer Topco Limited, incorporated in Jersey and registered at the Jersey Financial Services Commission, 14-18 Castle Street, St Helier, Jersey, JE4 8TP.