

SPV2 Limited

Financial statements

52 weeks ended 21 April 2022

SPV2 Limited

Annual report and financial statements

For the 52 weeks ended 21 April 2022

Company registration number: 07620891

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Financial statements

52 weeks ended 21 April 2022

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Strategic report

For the 52 weeks ended 21 April 2022

The Directors present their strategic report on the Company for the 52 weeks ended 21 April 2022 (2021: 52 weeks ended 22 April 2021).

Review of the Business

The Company's principal activity is that of an investment company.

The Company continues to hold an interest in an operating lease agreement in respect of land used by Longleat Property Limited, a related party.

The results of the Company for the period show a result of £nil (2021: £nil).

The Center Parcs (Holdings 1) Limited Directors' have prepared the financial statements of the Group on a going concern basis as they consider the actions taken to date, the Group's current liquidity position and the contingency plans in place for additional funding will allow the Group to continue to trade.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Center Parcs (Holdings 1) Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the Business review of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

Key performance indicators

The key performance indicators (KPIs) and financial risk management of the Company are integrated with those of the Center Parcs (Holdings 1) Limited Group and are not assessed separately. An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is presented within the Business review of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

Approved by the board and signed on its behalf by



C G McKinlay
Director
1 July 2022

Directors' report

For the 52 weeks ended 21 April 2022

The Directors present their report and the unaudited financial statements for the 52 weeks ended 21 April 2022 (2021: 52 weeks ended 22 April 2021) which have been prepared in accordance with United Kingdom adopted international accounting standards.

The registration number of the Company is 07620891.

Future developments

No changes to the nature of the business are anticipated.

Financial risk management objectives

Details of financial risk management objectives can be found under the heading 'Key performance indicators', found in the strategic report, and form part of this report by cross-reference.

Dividends

The Directors have not proposed the payment of a dividend (2021: no dividends proposed or paid).

Going concern

The Directors of Center Parcs (Holdings 1) Limited have confirmed that they will continue to make funds available to the Company to enable it to meet its debts as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the balance sheet.

As described in note 1, the Directors have prepared the financial statements on a going concern basis as they believe the actions taken to date, together with the Group (companies headed by Center Parcs (Holdings 1) Limited, the "Group"), current liquidity position and contingency plans to secure additional funding, will allow the Group to continue its activities.

Directors

The Directors who served during the period and up to the date of this report, unless otherwise stated, were as follows:

M P Dalby (resigned 22 April 2022)
C G McKinlay
Z B Vaughan
B T Annable
A Colasanti

The Group headed by Center Parcs (Holdings 1) Limited maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against its Directors and Officers that may be incurred as a result of their position within the Company and the companies within the Group. The Directors and Officers have the benefit of an Indemnity provision in accordance with the Company's Articles of Association. These indemnities were in place for the whole of the period ended 21 April 2022 and as at the date of the report.

Directors' report

For the 52 weeks ended 21 April 2022 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

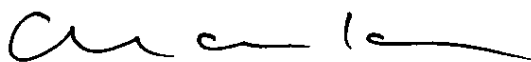
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under company law the Directors must not approve the 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, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

Approved by the board and signed on its behalf by



C G McKinlay
Director
1 July 2022

The registered address of the Company is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Income Statement

For the 52 weeks ended 21 April 2022

	Note	52 weeks ended 21 April 2022 £m	52 weeks ended 22 April 2021 £m
Revenue		0.9	0.9
Administrative expenses		(0.9)	(0.9)
Operating result		-	-
Finance income	2	0.9	0.8
Finance expense	2	(0.9)	(0.8)
Result before taxation		-	-
Taxation	4	-	-
Result for the period attributable to equity shareholders		-	-

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the result for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 8 to 16 form part of these financial statements.

Statement of Changes in Equity

For the 52 weeks ended 21 April 2022

	Attributable to owners of the parent	
	Share capital £m	Total £m
At 22 April 2021 and 23 April 2020	-	-
Comprehensive income		
Result for the period	-	-
At 21 April 2022	-	-

The notes on pages 8 to 16 form part of these financial statements.

Balance Sheet

As at 21 April 2022

	Note	21 April 2022 £m	22 April 2021 £m
Assets			
Non-current assets			
Finance lease receivables	5	15.3	15.3
		15.3	15.3
Non-current liabilities			
Lease liabilities	6	(15.3)	(15.3)
Net assets		-	-
Equity			
Share capital	8	-	-
Total equity		-	-

Statements:

- (a) For the 52 weeks ended 21 April 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- (b) The members have not required the Company to obtain an audit in accordance with section 476 (1) of the Companies Act 2006.
- (c) The Directors acknowledge their responsibilities for:
- Ensuring the Company keeps accounting records in accordance with Section 386; and
 - Preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the period and of its profit and loss for the period in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements on pages 4 to 16 were approved by the board of Directors on 1 July 2022 and were signed on its behalf by:



C G McKinlay
Director

SPV2 Limited
Registered no. 07620891

The notes on pages 8 to 16 form part of these financial statements.

Cash Flow Statement

For the 52 weeks ended 21 April 2022

	Note	52 weeks ended 21 April 2022 £m	52 weeks ended 22 April 2021 £m
Cash flows from operating activities			
Operating profit		-	-
Finance rental income received		-	0.1
Interest received		0.9	0.8
Net cash from operating activities		0.9	0.9
Cash flows used in financing activities			
Interest paid	6	(0.9)	(0.8)
Repayment of lease liabilities	6	-	(0.1)
Net cash used in financing activities		(0.9)	(0.9)
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at the start of the period		-	-
Cash and cash equivalents at end of the period		-	-

The notes on pages 8 to 16 form part of these financial statements.

Notes to the financial statements

For the 52 weeks ended 21 April 2022

1. Accounting policies

General information

The Company is a private company limited by shares, which is incorporated and domiciled in the UK, and is registered in England and Wales. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP. The principal activity of the Company is set out in the strategic report. The Company's functional currency is £ Sterling.

Statement of compliance

These financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies disclosed have been applied consistently to both periods presented.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis. The Company's accounting reference date is 22 April.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

Going concern

The Directors of Center Parcs (Holdings 1) Limited have confirmed that they will continue to make funds available to the Company to enable it to meet its debts as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the balance sheet, therefore the going concern of the Company is considered as part of the overall going concern of the Group. The Group financial statements and those of the Company have been prepared on a going concern basis.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The Directors do not consider that there are any critical account judgements or key sources of estimation uncertainty.

Financial instruments

The Company classifies its financial assets into two categories, being those measured at amortised cost and those measured at fair value. Where assets are measured at fair value gains and losses are recognised either in the income statement or in other comprehensive income, depending on the nature of the asset. Financial assets are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the nature of the financial instrument acquired. Other financial liabilities are carried at amortised cost using the effective interest rate method.

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

1. Accounting policies (continued)

Investments

The cost of investments, including loans to associated companies, is their purchase cost. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

Revenue recognition

Rental payments on operating leases (net of any incentives due to the lessee and including minimum contractual rental increases) are credited to the income statement on a straight-line basis. All revenue relates to the primary business and arose in the United Kingdom.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognises a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company calculates an appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liabilities whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

1. Accounting policies (continued)

Leases (continued)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability. The related payments are recognised as an administrative expense in the consolidated income statement in the period in which the event or condition that triggers those payments occurs.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to reporting periods so as to represent a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

1. Accounting policies (continued)

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The tax currently payable is based on the taxable profit for the year. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

New standards and interpretations

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 21 April 2022. None of these have had, or are expected to have, a significant impact on the financial statements of the Company.

2. Net finance costs

	52 weeks ended 21 April 2022 £m	52 weeks ended 22 April 2021 £m
Finance expense		
Interest expense on lease liabilities	(0.9)	(0.8)
Total finance expense	(0.9)	(0.8)
Finance income		
Interest income on finance leases	0.9	0.8
Total finance income	0.9	0.8
Net finance costs	-	-

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

3. Employees

The Company has no employees other than the Directors (2021: none). No salaries or wages have been paid to employees, including the Directors, during the period (2021: £nil).

4. Taxation

(a) Taxation

The tax charge for the period is £nil (2021: £nil).

(b) Factors affecting the tax charge

The current tax assessed for the period is the same as that resulting from applying the standard rate of corporation tax in the UK of 19% (2021: 19%) to the result for the period.

There is no deferred tax, either recognised or unrecognised, at the balance sheet date (2021: £nil).

Change of corporation tax rate and factors that may affect future tax charges

It was announced in the 3 March 2021 Budget that the standard rate of corporation tax in the UK will increase from 19% to 25% with effect from April 2023. This was substantively enacted on 24 May 2021.

5. Finance lease receivables

	2022 £m	2021 £m
Non-current finance lease receivables	15.3	15.3

The Company acts as an intermediate lessor to lease land to Longleat Property Limited, a related party. The leases are required to be remeasured every five years due to incremental increases in the rent receipts.

Maturity analysis of finance lease payments

	2022 £m	2021 £m
Less than one year	0.9	0.9
One to two years	0.9	0.9
Two to three years	0.9	0.9
Three to four years	0.9	0.9
Four to five years	0.9	0.9
More than five years	41.9	42.9
Total undiscounted lease payments receivable	46.4	47.4
Impact of discounting	(31.1)	(32.1)
Net investment in the lease	15.3	15.3

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

6. Leases

Lease liabilities

Current and prior period disclosures for the Company, as required by IFRS 16 'Leases' are as follows:

	At 21 April 2022 £m	At 22 April 2021 £m
Maturity analysis – contractual undiscounted cashflows		
Within one year	0.9	0.9
In more than one year but less than five years	3.6	3.6
In more than five years	41.9	42.9
Total undiscounted lease liabilities	46.4	47.4
Lease liabilities included in the balance sheet		
Current	-	-
Non-current	15.3	15.3
Total lease liabilities	15.3	15.3
Amounts recognised in the income statement		
Interest on lease liabilities	0.9	0.8
Total recognised in the income statement	0.9	0.8
	At 21 April 2022 £m	At 22 April 2021 £m
Amounts recognised in the cashflow statement		
Repayment of lease liabilities	-	(0.1)
Interest on lease liabilities	(0.9)	(0.8)
Total recognised in the cashflow statement	(0.9)	(0.9)

The Company holds leases for land that are required to be remeasured every five years due to incremental increases in the rent payments.

When measuring lease liabilities, the Company discounted lease payments using appropriate incremental borrowing rates. The weighted average rate applied is 5.80% (2021: 5.80%). The Company has no operating lease commitments.

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

7. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. As at 21 April 2022 and 22 April 2021, all of the Company's financial assets were classified as those measured at amortised cost. All of the Company's financial liabilities were categorised as other financial liabilities.

Financial assets	2022 £m	2021 £m
Finance lease receivables	15.3	15.3
	15.3	15.3
Financial liabilities	2022 £m	2021 £m
Lease liabilities	15.3	15.3
	15.3	15.3

8. Share capital

	2022 £m	2021 £m
Allotted and fully paid		
One ordinary share of £1	-	-

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

9. Working capital and non-cash movements

	52 weeks ended 21 April 2022 £m	52 weeks ended 22 April 2021 £m
Decrease in trade and other receivables	-	1.5
Decrease in trade and other payables	-	(1.5)
	-	-

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

10. Related party transactions

The following movements on accounts with related parties occurred in the period reported in these financial statements. All companies are members of the Group headed by Center Parcs (Holdings 1) Limited.

	Balance at 22 April 2021 £m	Movement in 52 weeks £m	Balance at 21 April 2022 £m
Longleat Property Limited			
- Lease receivable	15.3	-	15.3

In the current period, the Company invoiced rent of £0.9 million to Longleat Property Limited, which was settled on invoice.

	Balance at 23 April 2020 £m	Movement in 52 weeks £m	Balance at 22 April 2021 £m
Longleat Property Limited			
- Trading balance	1.5	(1.5)	-
- Lease receivable	15.4	(0.1)	15.3
Center Parcs (Operating Company) Limited	(1.5)	1.5	-

The movement on the trading balance with Longleat Property Limited in the 52 weeks ended 22 April 2021 represents rent invoiced of £0.4 million and a cash settlement of the remaining balance of £1.9 million. An additional £0.4 million of rent was invoiced and settled in the period.

The movement on the balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 22 April 2021 represents funds advanced to the Company of £0.4 million and a cash settlement of the remaining balance of £1.9 million.

11. Contingent liabilities

The Company, along with other members of the group headed by Center Parcs (Holdings 1) Limited, is an obligor in securing the Group's external borrowings of £1,914.5 million (22 April 2021: £1,909.5 million).

Notes to the financial statements

For the 52 weeks ended 21 April 2022 (continued)

12. Ultimate parent company and controlling parties

The immediate parent company is SPV1 Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The largest group in which the results of the Company are consolidated is that headed by Brookfield Asset Management Inc. The consolidated financial statements of Brookfield Asset Management Inc. are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3 (registered office).

The smallest group in which the results of the Company are consolidated is that headed by Center Parcs (Holdings 1) Limited. A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP (registered office).