

Center Parcs (Holdings 3) Limited

---

## **Financial statements**

52 weeks ended 20 April 2023

### **Center Parcs (Holdings 3) Limited**

**Annual report and financial statements**

**For the 52 weeks ended 20 April 2023**

**Company registration number: 07647130**

FRIDAY



\*ACF1L6KX\*

A05

27/10/2023

#27

COMPANIES HOUSE

---

## **Financial statements**

**52 weeks ended 20 April 2023**

<b>Contents</b>	<b>Page</b>
Strategic report	1
Directors' report	3
<i>Independent auditor's report to the members</i>	6
Income Statement	9
Statement of Changes in Equity	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the financial statements	13

---

## **Strategic report**

### **For the 52 weeks ended 20 April 2023**

The Directors present their Strategic report on the Company for the 52 weeks ended 20 April 2023 (2022: 52 weeks ended 21 April 2022).

#### **Review of the business**

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

The Company did not trade during the current or prior period, its only income and expenses arising as a result of its investment in subsidiary undertakings and the holding of certain debt instruments.

The results of the Company for the period show a loss of £45.7 million (2022: profit of £379.6 million).

During the current period, the Company issued £324.0 million tranche A6 and £324.0 million tranche A7 secured notes as set out in note 10. Some of the proceeds of these new notes were used to settle the Group's tranche A2 secured notes. None of the A2 secured notes were issued by the Company.

On 18 April 2023 the Company undertook a capital reduction pursuant to which its share premium account was reduced by £119.9 million to £nil.

An impairment review was undertaken as at 20 April 2023 which identified an impairment of £182.4 million to the carrying value of the investment in Center Parcs (Operating Company) Limited (21 April 2022: reversal of impairment of £372.2 million).

*During the period, on 14 April 2023, the Company purchased two additional shares in Center Parcs (Operating Company) Limited and two additional shares in CP Longleat Village Limited at premiums of £386.3 million and £67.0 million respectively, as set out in note 7.*

During the period, on 5 July 2022, the Company sold one of its investments, Comet Refico Limited, to another subsidiary undertaking, Center Parcs (Operating Company) Limited. This sale resulted in a profit on disposal for the Company of £15.1 million, as set out in note 7.

#### **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.

## **Strategic report**

### **For the 52 weeks ended 20 April 2023 (continued)**

#### **Section 172 Statement and our stakeholders**

We report here on how our Directors have discharged their duties under Section 172 of the Companies Act 2006 and this statement reflects the contribution by the Company to the performance of the Center Parcs business.

Section 172 sets out the matters to which the Directors must have regard to in performing their duty to promote the success of the Company for the benefit of its shareholders, which includes having regard to other stakeholders and the likely consequences of any decision in the longer term. The Board considers it crucial that the Company maintains a reputation for high standards of business conduct.

As a subsidiary holding Company within the wider Center Parcs Group, the Directors consider the impact of the Company's activities on its shareholders and its subsidiaries that have an active interest in and are affected by the performance of the Company's investments and financial instruments. The Directors continuously monitor the Company's performance considering its purpose and objective and regularly report and consult with its stakeholders on a wide range of matters, both financial and non-financial, with the aim of maximising investment returns for the benefit of its shareholders. The Company is dedicated to upholding Group policies and to maintaining the highest level of business conduct and governance.

The Company does not have customers, employees, suppliers and does not directly engage with the community or directly impact on how the Group monitors and manages the Group's operations and their impact on the environment. There is only one shareholder, Center Parcs (Holdings 2) Limited, and the Directors are the same for both companies.

The principal board decisions approved during the year were made in line with the short and long-term strategic objectives of both the Company and the parent company, Center Parcs (Holdings 1) Limited.

Approved by the board and signed on its behalf by



K Jamieson  
**Director**  
30 June 2023

## **Directors' report**

### **For the 52 weeks ended 20 April 2023**

The Directors present their report and the audited financial statements for the 52 weeks ended 20 April 2023 (2022: 52 weeks ended 21 April 2022). The registration number of the Company is 07647130.

#### **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**

During the current period, the Company declared and paid dividends per share of £56.0 million, totalling £392.0 million to its parent company, Center Parcs (Holdings 2) Limited (2022: no dividends declared or paid).

No dividends were paid between the financial year-end and the date of signing of the financial statements.

#### **Going concern**

The Directors have received confirmation that Center Parcs (Holdings 1) Limited will provide sufficient support to the Company to allow it to meet its debts as they fall due over the 12 months from the date of signing these financial statements. On this basis the financial statements have been prepared on the going concern basis.

Brookfield, the Company's ultimate parent shareholder, has confirmed that it is exploring strategic alternatives which may, or may not, result in a transaction. The Directors have satisfied themselves that any such transaction would have no impact on the going concern position of the Company.

#### **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	
K Jamieson	(appointed 12 December 2022)
Z B Vaughan	(resigned 14 April 2023)
B T Annable	
A Colasanti	
J B Hyler	(appointed 24 April 2023)

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 20 April 2023 and as at the date of the report.

## **Directors' report**

### **For the 52 weeks ended 20 April 2023 (continued)**

#### **Energy and Carbon Regulation**

The UK energy use of the Company and the associated GHG emissions are disclosed within the Directors report of the Center Parcs (Holdings 1) Limited Group and are not managed separately.

#### **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.

#### **Business Relationships**

The Company's only business relationships are those within the Center Parcs Group.

#### **Statement of disclosure of information to auditor**

In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Directors' report is approved, the following applies:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) she/he has taken all the steps that she/he ought to have taken as a Director in order to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Directors' report**  
**For the 52 weeks ended 20 April 2023 (continued)**

**Independent auditor**

Deloitte LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'K. Jamieson', written in a cursive style.

K Jamieson  
**Director**  
30 June 2023

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

# **Independent auditor's report to the members of Center Parcs (Holdings 3) Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Center Parcs (Holdings 3) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 20 April 2023 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards.

### **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 Financial Reporting Council's (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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Center Parcs (Holdings 3) Limited (continued)**

## **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities, 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 on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosure in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **Independent auditor's report to the members of Center Parcs (Holdings 3) Limited (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

### **Report on other legal and regulatory requirements**

#### **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 the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the Directors' report.

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

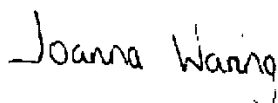
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

#### **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.



Joanna Waring FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom

30 June 2023

## Independent auditors' report to the members of Center Parcs (Holdings 3) Limited (continued)

	Note	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
Gain on disposal of investments		15.1	-
Impairment of investments		(182.4)	-
Reversal of impairment of investments		-	372.2
<b>Operating (loss)/profit</b>	2	<b>(167.3)</b>	372.2
Finance expense	4	(4.7)	(4.1)
Income from Group undertakings	5	125.4	11.5
<b>(Loss)/profit before taxation</b>		<b>(46.6)</b>	379.6
Taxation	6	0.9	-
<b>(Loss)/profit for the period attributable to equity shareholders</b>	13	<b>(45.7)</b>	379.6

All amounts relate to continuing activities.

The Company has no recognised income or expenses other than the (loss)/profit for the period above and so no Statement of Comprehensive Income is presented.

The notes on pages 13 to 27 form part of these financial statements.

## Statement of Changes in Equity

For the 52 weeks ended 20 April 2023

	Attributable to owners of the parent			
	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 21 April 2022	-	119.9	840.7	960.6
<b>Comprehensive expense</b>				
Loss for the period	-	-	(45.7)	(45.7)
<b>Transactions with owners</b>				
Dividends	-	-	(392.0)	(392.0)
Capital reduction	-	(119.9)	119.9	-
<b>At 20 April 2023</b>	<b>-</b>	<b>-</b>	<b>522.9</b>	<b>522.9</b>

	Attributable to owners of the parent			
	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 22 April 2021	-	119.9	461.1	581.0
<b>Comprehensive income</b>				
Profit for the period	-	-	379.6	379.6
At 21 April 2022	-	119.9	840.7	960.6

The notes on pages 13 to 27 form part of these financial statements.

**Balance Sheet**

As at 20 April 2023

	Note	20 April 2023 £m	21 April 2022 £m
<b><u>Assets</u></b>			
<b>Non-current assets</b>			
Investments	7	1,254.0	1,042.9
		1,254.0	1,042.9
<b>Current assets</b>			
Trade and other receivables	8	2.9	-
Cash and cash equivalents		9.9	11.2
		12.8	11.2
<b><u>Liabilities</u></b>			
<b>Current liabilities</b>			
Trade and other payables	9	(83.7)	(74.3)
<b>Net current liabilities</b>		<b>(70.9)</b>	<b>(63.1)</b>
<b>Non-current liabilities</b>			
Borrowings	10	(660.2)	(19.2)
		(660.2)	(19.2)
<b>Net assets</b>		<b>522.9</b>	<b>960.6</b>
<b><u>Equity</u></b>			
Ordinary shares	12	-	-
Share premium	13	-	119.9
Retained earnings	13	522.9	840.7
<b>Total equity</b>		<b>522.9</b>	<b>960.6</b>

The financial statements on pages 9 to 27 were approved by the board of Directors on 30 June 2023 and were signed on its behalf by:



K Jamieson  
Director

**Center Parcs (Holdings 3) Limited**  
Registered no. 07647130

The notes on pages 13 to 27 form part of these financial statements.

## Cash Flow Statement

for the 52 weeks ended 20 April 2023

	Note	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
<b>Cash flows from operating activities</b>			
Operating (loss)/profit		(167.3)	372.2
Gain on disposal of investments	2	(15.1)	-
Impairment of investments	2	182.4	-
Reversal of impairment of investments	2	-	(372.2)
<b>Net cash from operating activities</b>		-	-
<b>Cash flows from investing activities</b>			
Sale of subsidiary undertaking	7	74.9	-
Dividends received	5	125.4	11.5
<b>Net cash from investing activities</b>		200.3	11.5
<b>Cash flows used in financing activities</b>			
Proceeds from external borrowings	10	192.1	-
Issue costs on secured debt	10	(0.9)	-
Interest paid		(0.8)	(0.7)
Dividends paid	13	(392.0)	-
<b>Net cash used in financing activities</b>		(201.6)	(0.7)
<b>Net movement in cash and cash equivalents</b>		(1.3)	10.8
Cash and cash equivalents at the start of the period		11.2	0.4
<b>Cash and cash equivalents at the end of the period</b>		9.9	11.2

The notes on pages 13 to 27 form part of these financial statements.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023

### 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 are consistent with the prior period.

#### 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 have received confirmation that the UK parent company, Center Parcs (Holdings 1) Limited, will provide sufficient support to the Company to allow it to meet its debts as they fall due over the 12 months from the date of signing these financial statements, 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.

#### Critical judgements in applying the Group's accounting policies

No critical judgements have been made in the current or prior years.

## **Notes to the financial statements**

**for the 52 weeks ended 20 April 2023 (continued)**

### **1. Accounting policies (continued)**

#### **Key assumptions and significant judgements (continued)**

##### Key sources of estimation uncertainty

##### *Impairment test for investment carrying values (note 7):*

Determining whether the carrying value of investments is impaired requires an estimation of the value in use of each investee. The value in use calculation requires the Company to estimate future cash flows expected to arise from the investee and a suitable discount rate in order to calculate present value. A third party expert was engaged to determine an appropriate discount rate range.

#### **Investments in subsidiary undertakings**

Investments are stated at cost, less any provision for impairment. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

#### **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.

#### **Cash and cash equivalents**

For the purposes of the balance sheet and 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.

#### **Share premium**

The amount by which the cash received by the Company in respect of a share issue exceeds the nominal value of those shares is recorded within share premium.

#### **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.



## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 1. Accounting policies (continued)

#### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **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.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 1. Accounting policies (continued)

#### New standards and interpretations

A number of new standards, amendments and interpretations were effective for the first time in the current period. None of these have significantly impacted the financial statements of the Company and are unlikely to have a material impact in the future.

The International Accounting Standards Board (IASB) has issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to the standards as part of their annual improvement process.

IFRS 17	Insurance Contracts	
	New accounting standard	1 January 2023
IAS 1	Presentation of Financial Statements	
	Classification of Liabilities as Current or Non-current	1 January 2023
IAS 12	Income Taxes	
	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1	Presentation of Financial Statements	
	Amended by Non-current Liabilities with Covenants	1 January 2024

### 2. Operating (loss)/profit

Operating (loss)/profit is stated after (charging)/crediting the following:

	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
Gain on disposal of investments (note 7)	15.1	-
Impairment of investments (note 7)	(182.4)	-
Reversal of impairment of investments (note 7)	-	372.2

Auditor's remuneration of £0.3 million (2022: £0.3 million) is included within the financial statements of Center Parcs (Operating Company) Limited, a fellow Group undertaking. This includes £2,000 (2022: £2,000) in respect of Center Parcs (Holdings 3) Limited and £0.2 million (2022: £nil) in respect of non-audit work for the Company.

### 3. Employees

The Company has no employees other than the Directors (2022: none). No salaries or wages have been paid to employees, including the Directors, during the period (2022: £nil).

### 4. Finance expense

	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
Interest payable to Group undertakings	3.3	3.3
Loan note interest payable	1.4	0.8
<b>Total finance expense</b>	<b>4.7</b>	<b>4.1</b>

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 5. Income from Group undertakings

	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
Dividends receivable	125.4	11.5

During the period, Center Parcs (Operating Company) Limited declared and paid dividends on its ordinary shares totalling £112.4 million (2022: £nil).

During the period, CP Longleat Village Limited declared and paid dividends on its ordinary shares totalling £13.0 million (2022: £11.5 million declared and paid).

### 6. Taxation

#### (a) Taxation

The tax credit for the period is £0.9 million (2022: £nil).

#### (b) Factors affecting the tax charge

The tax assessed for the period is higher (2022: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2022: 19%). The corporation tax rate changed to 25% on 1 April 2023, however 19% is considered the pervasive rate for the period due to the minimal time period the new rate was in effect. The difference is reconciled below:

	52 weeks ended 20 April 2023 £m	52 weeks ended 21 April 2022 £m
<b>(Loss)/profit before taxation</b>	<b>(46.6)</b>	379.6
(Loss)/profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	(8.9)	72.1
Impairment of investments not deductible for tax	34.7	-
Reversal of impairment of investments not subject to tax	-	(70.7)
Gain on disposal of investments not subject to tax	(2.9)	-
Income from subsidiary undertakings not subject to tax	(23.8)	(2.2)
Group relief not paid for	-	0.8
<b>Tax credit for the period (note 6(a))</b>	<b>(0.9)</b>	-

As at the balance sheet date the Company has an unrecognised deferred tax asset of £1.0 million (2022: £1.0 million) which has no expiry date. This relates to carried forward interest expenses restricted under the Corporate Interest Restriction regime which are not forecast to be utilised in the foreseeable future. Deferred tax is calculated at a rate of 25% (2022: 25%).

#### Change of corporation tax rate

The corporation tax rate changed to 25% on 1 April 2023 however 19% is considered the pervasive rate for the period due to the minimal time period the new rate was in effect.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 7. Investments

	Investments in subsidiary undertakings £m
<b>Cost</b>	
At 22 April 2021	1,638.6
Disposal	(370.9)
At 21 April 2022	1,267.7
Equity contributions	453.3
Disposal	(59.8)
<b>At 20 April 2023</b>	<b>1,661.2</b>
<b>Impairment</b>	
At 22 April 2021	(967.9)
Reversal of impairment in the prior period	372.2
Disposal	370.9
At 21 April 2022	(224.8)
<i>Impairment in the current period</i>	<i>(182.4)</i>
<b>At 20 April 2023</b>	<b>(407.2)</b>
<b>Net book value</b>	
At 22 April 2021	670.7
At 21 April 2022	1,042.9
<b>At 20 April 2023</b>	<b>1,254.0</b>

Investments at 20 April 2023 relate to 100% of the ordinary shares of Center Parcs (Operating Company) Limited, CP Longleat Village Limited, Carp (UK) 1 Limited, Center Parcs (UK) Group Limited and CP Woburn (Operating Company) Limited.

Investments at 21 April 2022 related to 100% of the ordinary shares of Center Parcs (Operating Company) Limited, CP Longleat Village Limited, Carp (UK) 1 Limited, Center Parcs (UK) Group Limited, CP Woburn (Operating Company) Limited and Comet Refico Limited.

All subsidiaries are registered in England and Wales. The Directors believe that the carrying value of investments is supported by the fair value of the investee and its subsidiary businesses.

During the period, on 14 April 2023, the Company purchased two additional shares in Center Parcs (Operating Company) Limited and two additional shares in CP Longleat Village Limited at premiums of £386.3 million and £67.0 million respectively.

The disposal in the current year relates to the sale of Comet Refico Limited on 5 July 2022 to a subsidiary undertaking, Center Parcs (Operating Company) Limited. This sale resulted in a profit on disposal for the Company of £15.1 million.

The disposal in the prior year related to investments which had been liquidated. The impact on the net book value of investments was £nil.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 7. Investments (continued)

The principal activity of Center Parcs (Operating Company) Limited is the operation of the UK Center Parcs villages at Sherwood, Elveden, Longleat and Whinfell Forests and the administration of the Center Parcs UK head office function at New Ollerton in Nottinghamshire. The company made a loss of £39.7 million in the 52 weeks ended 20 April 2023 (2022: profit of £168.3 million) and its net assets at that date were £361.1 million (2022: net assets of £127.4 million).

An impairment review was undertaken as at 20 April 2023 which identified an impairment of £182.4 million to the carrying value of the investment in Center Parcs (Operating Company) Limited (21 April 2022: reversal of impairment of £372.2 million). This was determined using a value-in-use calculation. The key assumptions of the value-in-use calculation are Adjusted EBITDA margin, growth rates and the discount rate. The long-term growth rate applied is 3.0% (2022: 3.0%) and the pre-tax discount rate applied is 12.4% (2022: 10.6%).

As at 20 April 2023, a 0.25% increase in the discount rate used would have resulted in a reduction to the valuation of approximately £72.0 million (2022: £90.0 million).

The principal activity of CP Longleat Village Limited is that of an intermediate holding company. The company made a pre-tax profit of £34.9 million in the 52 weeks ended 20 April 2023 (2022: pre-tax profit of £11.5 million) and its net assets at that date were £154.8 million (2022: £65.9 million).

Carp (UK) 1 Limited is a dormant company. Its net assets at 20 April 2023 were £nil (2022: £nil).

The principal activity of Center Parcs (UK) Group Limited is that of an intermediate holding company. The company made a pre-tax profit of £nil in the 52 weeks ended 20 April 2023 (2022: £nil) and its net assets at that date were £nil (2022: £nil).

The principal activity of CP Woburn (Operating Company) Limited is the operation of the UK Center Parcs village at Woburn Forest. The company made a profit of £30.7 million in the 52 weeks ended 20 April 2023 (2022: profit of £13.1 million) and its net assets at that date were £120.4 million (2022: net assets of £77.0 million).

The registered office for all subsidiary undertakings is the same as the Company (One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP).

### 8. Trade and other receivables

	2023 £m	2022 £m
Amounts owed by Group undertakings	2.9	-

Amounts owed to Group undertakings at 20 April 2023 are due from CP Elveden Village Limited and CPUK Finance Limited.

All amounts owed by Group undertakings are unsecured and repayable on demand. The fair value of trade and other receivables are equal to their book value.

Details of movements during the period in respect of amounts owed from Group undertakings are set out in note 14.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 9. Trade and other payables

	2023 £m	2022 £m
Amounts owed to Group undertakings	79.5	74.2
Accruals	4.2	0.1
	<b>83.7</b>	<b>74.3</b>

Amounts owed to Group undertakings at 20 April 2023 are due to Comet Refico Limited, Center Parcs (Operating Company) Limited and CP Whinell Village Limited.

The balance due to Comet Refico Limited represents the following:

- A loan of £40.9 million (2022: £40.9 million) that attracts interest at a rate of 8% per annum. Interest is not compounded on this loan.
- Unpaid interest of £36.6 million (2022: £33.3 million) in respect of the above loan.

All amounts owed to Group undertakings are unsecured and repayable on demand. The fair value of trade and other payables are equal to their book value.

Details of movements during the period in respect of amounts owed to Group undertakings are set out in note 14.

### 10. Borrowings

	2023 £m	2022 £m
<b>Non-current</b>		
Secured debt	<b>660.2</b>	<b>19.2</b>

The secured debt is part of an overall £2,562.5 million (2022: £1,914.5 million) facility made available to the Group. Of this £2,562.5 million, £440.0 million was settled by the Group after the balance sheet date on 24 April 2023. The loans detailed below represent the issue proceeds recharged to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

All assets of the Company are pledged as security under a whole business securitisation debt structure.

	2023 £m	2022 £m
<b>Secured debt</b>		
Tranche A4	8.3	8.3
Tranche A5	11.0	11.0
Tranche A6	324.0	-
Tranche A7	324.0	-
Unamortised debt costs	(7.1)	(0.1)
	<b>660.2</b>	<b>19.2</b>

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 10. Borrowings (continued)

The maturity of the Company's borrowings is as follows:

Secured debt	Less than 1 year £m	2 – 5 years £m	Greater than 5 years £m	Premium and deferred issue costs £m	Total £m
As at 21 April 2022	-	8.3	11.0	(0.1)	19.2
<b>As at 20 April 2023</b>	<b>-</b>	<b>332.3</b>	<b>335.0</b>	<b>(7.1)</b>	<b>660.2</b>

The maturity profile reflects the expected maturity date of each tranche of secured debt.

All of the above amounts are denominated in £ sterling.

#### Secured debt

On 20 November 2018 the Group issued a further £100.0 million of tranche A4 secured notes via a tap issue, at a premium of £3.2 million; this premium is being amortised over the period to expected maturity and amortisation of £nil (2022: £nil) was credited to the income statement during the period. On the same date the Group issued £379.5 million of New Class A5 notes. Details of the tranches of the secured debt applicable to the Company are as follows:

The tranche A4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 3.588% and the interest rate from expected maturity to final maturity is 4.244%.

The tranche A5 notes have an expected maturity date of 28 August 2028 and a final maturity date of 28 February 2047. The interest rate to expected maturity is fixed at 3.690% and the interest rate from expected maturity to final maturity is 4.190%.

The tranche A6 notes have an expected maturity date of 28 August 2027 and a final maturity date of 28 August 2047. The interest rate to expected maturity is fixed at 5.876% and the interest rate from expected maturity to final maturity is 6.376%. The Company issued £324.0 million of tranche A6 notes during the period.

The tranche A7 notes have an expected maturity date of 28 August 2031 and a final maturity date of 28 August 2047. The interest rate to expected maturity is fixed at 6.136% and the interest rate from expected maturity to final maturity is 6.636%. The Company issued £324.0 million of tranche A7 notes during the period.

All of the notes include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date.

All tranches of debt are subject to financial covenants.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 10. Borrowings (continued)

#### Reconciliation of opening and closing secured debt

	2023 £m	2022 £m
Secured debt at the beginning of the period	19.2	19.1
Deferred issue costs incurred during the period		
- Proceeds from external borrowings	648.0	-
- Cash settled	(0.9)	-
- Deducted from proceeds	(2.6)	-
- Accrued	(3.5)	-
Amortisation of deferred issue costs	-	0.1
<b>Secured debt at the end of the period</b>	<b>660.2</b>	<b>19.2</b>

#### Cash movements in respect of external borrowings

During the period the Company received £192.1 million which represents the excess cash received on 17 April 2023, after the following transactions had taken place:

	2023 £m
Proceeds from issue of tranche A6 and A7 secured notes	648.0
Deferred issue costs deducted from the proceeds at source	(2.6)
Investment in subsidiary undertakings (note 7)	(453.3)
<b>Net funds received</b>	<b>192.1</b>

The cash was held by CPUK Finance Limited in relation to the proceeds from the secured notes above in a restricted account which resulted in the actual cash not being able to flow through the Company. CPUK Finance Limited is a company set up with the sole purpose of issuing debt secured on assets owned by the Center Parcs (Holdings 1) Limited Group and is therefore treated as a fellow subsidiary of the Company, see note 14.

As a result of the restricted cash, payment direction letters were in place to represent the above transactions.



## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 11. Financial instruments

#### Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. As at 20 April 2023 and 21 April 2022 all of the Company's financial assets were classified as those measured at amortised cost and all of the Company's financial liabilities were categorised as other financial liabilities.

	2023 £m	2022 £m
<b>Financial assets</b>		
Amounts owed by Group undertakings	2.9	-
Cash and cash equivalents	9.9	11.2
	<b>12.8</b>	<b>11.2</b>
	2023 £m	2022 £m
<b>Financial liabilities</b>		
Borrowings	660.2	19.2
Other payables	79.5	74.2
	<b>739.7</b>	<b>93.4</b>

#### Fair value of borrowings

The fair value of the Company's gross borrowings (before unamortised debt issue costs) at 20 April 2023 was £659.1 million (2022: £19.9 million).

#### Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities based on expected maturity dates are:

	At 20 April 2023 £m	At 21 April 2022 £m
<b>Secured debt</b>		
In less than one year	39.6	0.7
In one to two years	39.6	0.7
In two to five years	438.0	9.9
In more than five years	402.0	11.5
	<b>919.2</b>	<b>22.8</b>

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 11. Financial instruments (continued)

#### Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 1 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior periods.

#### Fixed rate interest

At the balance sheet date, all of the Company's debt was at fixed rates of interest.

#### Financing risk management

The financing risks of the Company are integrated with the financing 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 these financial statements.

### 12. Share capital

	2023 £m	2022 £m
<b>Allotted and fully paid</b>		
Seven ordinary shares of £1 each	-	-

#### 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.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 13. Share premium and retained earnings

	Share premium £m	Retained earnings £m
At 21 April 2022	119.9	840.7
Loss for the period	-	(45.7)
Dividends	-	(392.0)
Capital reduction	(119.9)	119.9
<b>At 20 April 2023</b>	<b>-</b>	<b>522.9</b>

During the current period, the Company declared and paid dividends per share of £56.0 million, totalling £392.0 million to its parent company, Center Parcs (Holdings 2) Limited. Of this £392.0 million, £120.9 million was paid on 30 August 2022, £4.0 million was paid on 13 December 2022, £80.0 million was paid on 21 February 2023 and £187.1 million was paid on 19 April 2023.

On 18 April 2023 the Company undertook a capital reduction pursuant to which its share premium account was reduced by £119.9 million to £nil.

	Share premium £m	Retained earnings £m
At 22 April 2021	119.9	461.1
Profit for the period	-	379.6
At 21 April 2022	119.9	840.7

### 14. 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 21 April 2022 £m	Movement in 52 weeks £m	Balance at 20 April 2023 £m
Comet Refico Limited	(74.2)	(3.3)	(77.5)
CP Elveden Village Limited	-	0.4	0.4
CP Whinfell Village Limited	-	(0.4)	(0.4)
Center Parcs (Operating Company) Limited	-	(1.6)	(1.6)
CPUK Finance Limited	-	2.5	2.5

The movement on the balance due to Comet Refico Limited in the period represents interest payable.

The movement on the balance due from CP Elveden Village Limited in the period represents taxation group relief paid for.

The movements on the balance due from CP Whinfell Village Limited in the period represents £0.5 million of taxation group relief paid for and £0.9 million of cash transferred to the Company.

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 14. Related party transactions (continued)

The movement on the balance due to Center Parcs (Operating Company) Limited in the period represent cash transferred to the Company.

The movement on the balance due from CPUK Finance Limited during the period represents amounts owed to the Company.

	Balance at 22 April 2021 £m	Movement in 52 weeks £m	Balance at 21 April 2022 £m
Comet Refico Limited	(70.9)	(3.3)	(74.2)

The movement on the balance due to Comet Refico Limited in the prior period represented interest payable.

### 15. 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 £2,562.5 million (21 April 2022: £1,914.5 million). Of this £2,562.5 million, £440.0 million was settled by the Group after the balance sheet date on 24 April 2023.

### 16. Subsidiary Undertakings

The share capitals of all subsidiary undertakings are designated as ordinary shares. All shareholdings represent 100% of the equity and voting rights. The following subsidiary undertakings are held directly by Center Parcs (Holdings 3) Limited:

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Woburn (Operating Company) Limited	Operation of one holiday village	England and Wales
Center Parcs (UK) Group Limited	Intermediate holding company	England and Wales
CP Longleat Village Limited	Intermediate holding company	England and Wales
Carp (UK) 1 Limited	Dormant	England and Wales

## Notes to the financial statements

for the 52 weeks ended 20 April 2023 (continued)

### 16. Subsidiary Undertakings (continued)

The following subsidiary undertakings are held by other subsidiary undertakings of the Company:

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs Limited	Employee services provider	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfell Village Limited	Investment property company	England and Wales
*Comet Refico Limited	Non-trading	England and Wales
SPV1 Limited	Intermediate holding company	England and Wales
SPV2 Limited	Investment company	England and Wales
Centrepark Limited	Dormant	England and Wales
Center Parcs (Jersey) 1 Limited	Dormant	Jersey

\* Comet Refico Limited was sold to Center Parcs (Operating Company) Limited, another subsidiary undertaking, in the current period (note 7).

### 17. Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Brookfield Corporation (formerly Brookfield Asset Management Inc.), a company incorporated in Canada. The name of the ultimate parent company and controlling party was changed from Brookfield Asset Management Inc. to Brookfield Corporation on 9 December 2022.

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

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 (the registered office of that company).