

Center Parcs (Holdings 1) Limited

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## **Financial statements**

**52 weeks ended 21 April 2022**

### **Center Parcs (Holdings 1) Limited**

**Annual report and financial statements**

**For the 52 weeks ended 21 April 2022**

**Company registration number: 07656429**

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## **Financial statements**

**52 weeks ended 21 April 2022**

### **Contents**

Directors and auditor	1
Strategic report	2
Directors' report	12
Independent auditor's report to the members	20
Group Income Statement	23
Group Statement of Comprehensive Income	23
Balance Sheets	24
Cash Flow Statements	25
Statements of Changes in Equity	26
Notes to the financial statements	27

## **Financial statements**

**52 weeks ended 21 April 2022**

### **Directors and auditor**

#### **Directors**

M P Dalby  
C G McKinlay  
Z B Vaughan  
B T Annable  
A Colasanti

#### **Company Secretary**

R Singh-Dehal

#### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindley Place  
Birmingham  
B1 2HZ

#### **Registered office**

One Edison Rise  
New Ollerton  
Newark  
Nottinghamshire  
NG22 9DP

## **Strategic report**

### **For the 52 weeks ended 21 April 2022**

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

#### **Review of the Business**

The principal activity of the Group is the operation of short break holiday villages. The Center Parcs business operates five holiday villages in the United Kingdom, at Sherwood Forest in Nottinghamshire, Elveden Forest in Suffolk, Longleat Forest in Wiltshire, Whinfell Forest in Cumbria and Woburn Forest in Bedfordshire. Center Parcs targets the premium sector of the UK family short break market, offering an escape from the stresses and strains of modern life and helping families come together.

Center Parcs invests heavily to ensure that we deliver high quality service, accommodation and facilities, combined with an unrivalled array of activities that cater for the most discerning of families, as well as the most changeable of British weather. There is nothing prescriptive about a short break at Center Parcs, with each family free to choose to do as little or as much as they wish. Center Parcs remains a unique proposition for families in the UK market with a history of consistently high occupancy and continued revenue and EBITDA growth, notwithstanding the impact of the Covid-19 pandemic and subsequent closures of the holiday villages. This is combined with enviable guest feedback scores and consistently high levels of returning guests.

Each of the Group's holiday villages is set in a forest environment amongst approximately 400 acres of forest and lakes and is open 365 days per year. Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within the comfortable, quiet and family-friendly setting, the Center Parcs villages provide guests with high-quality accommodation and more than 150 leisure and spa activities. There are over 4,300 units of accommodation across the five villages. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children's pools and jacuzzis. Other on-site experiences include outdoor activities such as cycling, boating and quadbikes; indoor activities such as ten-pin bowling, badminton and pottery; and leisure amenities such as spas, dining and retail.

#### *Covid-19 pandemic*

The Group's holiday villages were open to guests throughout the 52 weeks ended 21 April 2022, albeit with self-imposed accommodation capacity caps in place. As at the date of approving these financial statements, all of the Group's holiday villages remain open and have removed the remaining occupancy caps. Demand for a Center Parcs break remains strong and current forecasts assume occupancy levels consistent with those seen before Covid-19.

Given the absence of any Covid-19 related restrictions in the UK the possibility of a closure of all the UK Center Parcs villages for a sustained period of time is considered to be remote, but the Directors continue to monitor the Government's stance to Covid-19 and would quickly implement operational changes if any restrictions were reintroduced.

## Strategic report

### For the 52 weeks ended 21 April 2022 (continued)

#### Review of the Business (continued)

##### *Going concern*

As described in note 1, the Directors have prepared the financial statements on a going concern basis. Various downside scenarios have been considered and, under these, the Group would continue to meet its working capital and interest commitments and would continue to pass the financial covenant tests in respect of its debt. As such, the consolidated financial statements have been prepared on a going concern basis.

##### *Financial performance*

The results of the Group for the period show a profit after taxation of £22.3 million (2021: loss of £127.8 million). Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation and adjusted items was a profit of £245.6 million (2021: loss of £11.9 million). Adjusted EBITDA is derived from the income statement as follows:

	2022 £m	2021 £m
<b>Revenue</b>	<b>503.4</b>	<b>122.2</b>
Cost of sales	(128.4)	(48.9)
<b>Gross profit</b>	<b>375.0</b>	<b>73.3</b>
Administrative expenses before adjusted items	(129.4)	(85.2)
<b>Adjusted EBITDA</b>	<b>245.6</b>	<b>(11.9)</b>

The prior year results were negatively impacted by the closures of the UK holiday villages in light of the Covid-19 pandemic, as set out in note 5.

During the current period the Group incurred an adjusted loss on the fair value of financial derivatives of £12.1 million. In the prior period the Group incurred an adjusted finance expense of £4.4 million, representing £2.6 million of costs incurred to obtain a covenant waiver in respect of the Group's secured debt and £1.8 million of costs in respect of the proposed refinancing of the Group's remaining tranche B3 secured notes. The Group also recorded an adjusted gain on the fair value of financial derivatives of £25.2 million. Taxation on these items has also been treated as an adjusted item in the current and prior period, as has the impact of the change in applicable deferred tax rate from 19% to 25%.

During the current period the Group issued £255.0 million of new tranche B6 secured notes. Part of the proceeds was used to settle the remaining £250.0 million of tranche B3 notes. During the prior period the Group issued £250.0 million of new tranche B5 secured notes. Part of the proceeds was used to settle £230.0 million of tranche B3 notes. Terms for each of the tranches are set out in note 15 to the financial statements.

## Strategic report

### For the 52 weeks ended 21 April 2022 (continued)

#### Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the period was £503.4 million (2021: £122.2 million).
- Adjusted EBITDA: Earnings before interest, taxation, depreciation, amortisation and adjusted items. Adjusted EBITDA for the period was a profit of £245.6 million (2021: loss of £11.9 million).
- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 80.5% (2021: 22.4%).
- ADR (Average Daily Rate): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of lodge nights sold. ADR for the period was £256.09 (2021: £238.70).
- RevPAL (Rent per available lodge night): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total available number of lodge nights. RevPAL for the period was £206.23 (2021: £53.45).

The key performance indicators for the 52 weeks ended 21 April 2022 reflect the impact of self-imposed occupancy caps that were in place throughout the financial period. The key performance indicators for the 52 weeks ended 22 April 2021 were negatively impacted by the closures of the UK holiday villages as set out in note 5 to the financial statements.

#### Principal risks and uncertainties

The Directors and senior managers adopt a proactive approach to the management of potential risks and uncertainties which could have a material impact on the performance of the business and execution of its growth strategy, and are actively involved in the Group's Risk Committee. In addition to ongoing monitoring, this Risk Committee meets quarterly to oversee risk management arrangements and ensure appropriate processes are put in place to mitigate potential risks and uncertainties. The Fire, Health and Safety Steering Committee also meets bi-monthly to oversee operational risks.

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and execution of its growth strategy. These risks include, but are not limited to:

#### Operational risk factors

##### *Health and safety*

The health, safety and welfare of the Group's guests and employees are central to its operations. The Group is committed to maintaining industry leading standards in health and safety including fire and food safety and adopts a proactive approach to its safety management. All incidents are recorded and reviewed to monitor trends and capture learning points that are then integrated into the business. The Fire, Health and Safety Steering Committee reviews major incidents and is focused on continuous improvement to mitigate the risk.

##### *Business continuity*

The Group operates five holiday villages in the United Kingdom and a significant interruption of any one would have a material impact on the Group. As a result, the Risk Committee supervises comprehensive risk management arrangements including business continuity plans which are regularly tested with the support of external specialists. These arrangements are supported by a broad insurance programme. The revenue loss resulting from the closure of the villages due to the Covid-19 pandemic was not covered by the Group's insurance.

##### *Supply chain*

The Group has a large number of suppliers and prides itself on the quality of its product. The Group could be adversely affected by a fall in the standard of goods or services supplied by third parties or by a failure of a key partner. Quality risks are mitigated via a robust supplier registration system with food and safety further supported by independent advisors. In addition, the Risk Committee considers supply chain contingency arrangements and takes appropriate measures to mitigate this risk.

##### *Contractual arrangements*

The Group has contracts with third parties for the supply of goods and services. Contracts are negotiated at arms' length and the Group does not enter into contracts that are outside the ordinary course of business or those that contain onerous terms. The Group adopts a compliance programme to ensure that it is compliant with its material contractual commitments. There is no single contractual counterparty that is critical to the running of the business. The failure of any critical contractual counterparty is managed through supply chain contingency arrangements (see Supply chain).

## **Strategic report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Principal risks and uncertainties (continued)**

##### Operational risk factors (continued)

###### *Employees*

The Group's performance largely depends on its managers and staff, both on the villages and at head office. The resignation of key individuals or the inability to recruit staff with the right experience and skills could adversely impact the Group's results. To mitigate these issues the Group has invested in training programmes for its staff and has a number of bonus schemes linked to the Group's results and achievement against key performance indicators linked to guest satisfaction that are designed to reward and retain key individuals.

###### *Input price increases*

The Group's margin can be adversely affected by an increase in the price of key costs to the business including, but not limited to, wages, overheads and utilities. The Group takes proactive steps to manage any such increases including cost control, forward buying and budgeting for any increase.

###### *Brand*

The Center Parcs brand could be adversely affected by a serious incident, accident or similar occurrence or just a slow decline in the brand's appeal to consumers. The Group mitigates the risk of a serious incident, accident or similar occurrence by maintaining industry-leading health and safety systems and standards of training. The risk of a slow decline in the brand's appeal is managed through continuous product innovation, marketing campaigns and brand development.

###### *Fraud*

The Group operates five sites across the United Kingdom. Risk of fraud exists in misappropriation of assets, including banking, theft of stock and theft of cash takings. The Group mitigates this risk through the management structure and regular financial review with, and extensive use of, business systems. In addition, the Group's internal audit function undertakes regular reviews of financial controls with particular focus on cash and stock transactions. The Group is also subject to regular external audits.

##### Market risk factors

###### *General Economic conditions*

The disposable income of the Group's guests and/or their holiday preferences are and will be affected by changes in the general economic environment and this may result in a fall in the number of guests and/or a decrease in on-site expenditure. The Group regularly reviews its product offering and engages with guests to ensure it provides value for money to meet guest needs.

###### *Brexit*

To date, the UK's formal exit from the European Union has not had a material impact on the business of Center Parcs. However, we continue to monitor political and economic developments and have plans in place for all eventualities.

###### *Covid-19 pandemic*

The Covid-19 pandemic had a significant impact on the Group's business. Given the absence of any Covid-19 related restrictions in the UK a return to national lockdown and hence a closure of the UK Center Parcs villages for a sustained period of time is considered to be remote. However, were lockdown measures to be re-introduced it could result in a material change in the forecast liquidity position of the Group.

## **Strategic report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Principal risks and uncertainties (continued)**

##### Market risk factors (continued)

###### *Competition*

The Center Parcs brand is synonymous with high quality short breaks in a forest environment but the Group competes for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. The Directors believe that this risk is mitigated by the strength of the Center Parcs brand and the continual investment in the accommodation and central facilities (including retail and restaurants), coupled with the innovation amongst the leisure activities and the responsiveness to guest surveys.

###### *Seasonality and weather*

Demand for short breaks is influenced by the main holiday periods at Easter, the Summer holidays and the Christmas/New year period. This risk is mitigated by online dynamic pricing which encourages demand outside of the peak periods. The accommodation is located within forest environments and a significant number of activities take place outdoors. Therefore, demand may be impacted by the prevailing weather. This risk is minimal because guests tend not to book on impulse and the vast majority of breaks and activities are booked in advance. Additionally, the Group maintains diversity between its indoor and outdoor activities to mitigate this risk.

###### Financial risks

The Directors and senior managers regularly review the financial requirements of the Group and the associated risks. The Group does not use complicated financial instruments and where financial instruments are used they are used to reduce interest rate risk. The Group does not hold financial instruments for trading purposes. The Group finances its operations and developments through a mixture of retained earnings and borrowings as required. Historically, the Group has sought to reduce its cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants.

###### *Interest rate risk*

Principal sources of borrowings are fixed interest rate loan notes.

###### *Liquidity risk*

The Group maintains sufficient levels of cash and committed funding to enable it to meet its medium-term working capital, lease liability and funding obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

During the period Brookfield, the Group's owner, provided funding of £nil (2021: £148.4 million)

###### *Currency risk*

Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible the Group enters into supply contracts denominated in Sterling. The Group does not operate a hedging facility to manage currency risk as it is not considered to be material.

###### *Credit risk*

The Group's cash balances are held on deposit with a number of UK banking institutions. Credit risk in respect of the Group's revenue streams is limited as the vast majority of customers pay in advance.

###### *Financial reporting risk*

The Group's financial systems are required to process a large number of transactions securely and accurately; any weaknesses in the systems could result in the incorrect reporting of financial results and covenant compliance. This risk is mitigated by the production of detailed management accounts which are regularly compared to budgets and forecasts. The Group is also subject to an annual external audit.



## **Strategic report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Section 172 (1) Statement**

Pursuant to the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, we report here on how the Directors have discharged their duties under Section 172 (1) of the Companies Act 2006 ("CA 2006").

Section 172 (1) of the CA 2006 sets out the matters to which the Directors must have regard in performing their duties 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 Directors of the Company (the "Directors") are aware of their responsibilities to promote the success of the Company in accordance with section 172 (1) of the CA 2006 and are keen to ensure proper reflection on stakeholder engagement at Director level. The Directors consider it crucial that the Company and the Group maintains a reputation for high standards of business conduct.

As more particularly detailed in the Company's voluntary Corporate Governance Statement included in the Directors' report, the Company is the indirect parent undertaking for the Group's operating companies, Center Parcs (Operating Company) Limited and CP Woburn (Operating Company) Limited and the Group's principal employing company Center Parcs Limited and as such plays an important role in the governance of the operations of the Group and in particular these companies.

The board of the Company ("the Board") meets quarterly. Where the individuals are Directors of separate legal entities within the Group, they are aware of their responsibilities relating to each of the legal entities. Additionally, a group which comprises of the Chief Executive Officer and the Chief Financial Officer (the "Executive Directors") of the Company along with members of the senior management team, known internally as the Operating Board, (the "Operating Board"), meet monthly to discuss and make operational decisions in relation to the Company and make recommendations to the other operating companies within the Group. The views of the Operating Board are influenced by other stakeholders and the Board takes into account the view of the Operating Board and other stakeholders in their decision-making process. In these meetings feedback from the business areas is considered and reviewed, with a particular focus on the stakeholder groups. The Board and Operating Board also review the quality of stakeholder engagement to ensure that they are receiving sufficient qualitative information to inform the decision-making process.

As the Board considers and makes recommendations which impact the other operating companies (which are then considered and if deemed appropriate, implemented by the other operating companies), it is important that the Board, the Directors and the Operating Board are involved in and aware of the output of stakeholder engagement. The outcome of the stakeholder engagement influences the ongoing review of the long-term strategy and financial planning to ensure the approach delivers long-term growth and protects the Company's reputation for high standards of business conduct. The Directors consider the likely consequences of any decision in the long term and identify stakeholders who may be affected and carefully consider their interests and any potential impact as part of the decision-making process.

## Strategic report

### For the 52 weeks ended 21 April 2022 (continued)

#### Stakeholder engagement

The table below sets out the approach to stakeholder engagement during the year.

Stakeholder group	Why are they important?	What is our approach?
Guests	<p>Understanding what is important to our guests is key to our long-term success.</p> <p>Understanding, acknowledging and appreciating how our guests view our business, product offering and service delivery ensures that we can adapt and change what we do and how we do it to maintain our competitive advantage.</p>	<ul style="list-style-type: none"> <li>• The Board and the Operating Board receive regular reports on our "Delivering Excellent Service" (DES) guest metrics and guest related strategic initiatives. The DES results and other quantitative and qualitative reports are used to inform decisions around operational matters such as, for example, availability of activities, opening hours and staffing levels.</li> <li>• The Operating Board and senior management undertake village visits, to ensure that the guest experience is in line with guest expectations and the strategic objectives.</li> <li>• During the Covid-19 restrictions, keeping our guests safe was a major focus and we continued to adapt our business and villages to reflect relevant legislation, guidance and advice in place at the time. We have listened to our guests' comments about the changes we were required to make during the pandemic and have used these to guide decisions about which adaptations should be retained, e.g. the online "order and pay" app.</li> <li>• We continued to offer the "Book with Confidence" guarantee, to allow our guests the flexibility to change or cancel their booking, should the need arise.</li> <li>• We replaced the optional travel insurance policy with an optional "Flex Your Stay" guarantee, which means for a small fee guests can continue to have the flexibility to change their booking after the pandemic.</li> <li>• We have conducted market research and focus groups with our guests to gain an understanding of the changes they would like to see to our facilities, e.g. accommodation, menus and accessibility of the website. The result of this research flows through to the changes that will be made in the future.</li> </ul>

## Strategic report

### For the 52 weeks ended 21 April 2022 (continued)

#### Stakeholder engagement (continued)

Stakeholder group	Why are they important?	What is our approach?
Employees	<p>The Group's employees' well-being (both physical and mental), levels of engagement and motivation as well as overall commitment are essential for our long-term success.</p> <p>The Group's employing companies are Center Parcs Limited, Center Parcs (Operating Company) Limited and CP Woburn (Operating Company) Limited, all wholly owned subsidiaries of the Company and they provided the services of their employees to the Company and to other Group companies.</p>	<ul style="list-style-type: none"> <li>• The Executive Directors and senior management engage with employees on a wide range of matters through newsletters, employee forums, internal communications and informal meetings.</li> <li>• We believe our engagement methods allow our employees to influence change in relation to matters that affect them, for example the "Return to Work" survey for Head Office employees led to the introduction of a "Dynamic Working" policy.</li> <li>• An independent Employee Assistance Programme is available to all employees to provide initial support and further assistance, if required;</li> <li>• Employees can report any misconduct or unethical behaviour via an independent whistleblowing hotline, either by telephone or online.</li> <li>• The Group is committed to promoting diversity and inclusion across the business and has undertaken benchmarking activities with a view to continue with workshops and drive change in this area.</li> <li>• With the lifting of Covid-19 restrictions we were able to hold our Star Performer and Long Service Awards gala dinners, as a way of recognising and thanking our employees.</li> <li>• We also adapted our recruitment process to enable recruitment to be centralised on the villages and reduce the overall onboarding time. This change was influenced by feedback from candidates and the village employees.</li> <li>• Employee representation on major projects such as the introduction of new time and attendance software.</li> </ul>
Suppliers	<p>Working with a wide range of suppliers to deliver services to our guests is vital for our long-term success.</p>	<ul style="list-style-type: none"> <li>• The Operating Board maintains oversight of the management of our critical suppliers and receives regular reports on their performance. This was of vital importance during the pandemic and guided decisions around supply chain.</li> <li>• All suppliers are managed in line with our Procurement Policy and must comply with our Ethical Trading Policy. This ensures supply risk is managed appropriately and provides oversight of risks such as contractual and financial issues, corporate responsibility, modern slavery and sustainable sourcing and data security.</li> <li>• The supplier on-boarding process is regularly reviewed and feedback from suppliers has led to a more streamlined process.</li> <li>• The Board reviews the actions we have taken to prevent modern slavery in our supply chain and approves the Modern Slavery Statement each year.</li> <li>• The Operating Board regularly reviews the payment practices and policies to ensure they are in line with agreed terms and best practice and approves the Payment Practices Report.</li> </ul>

## Strategic report

### For the 52 weeks ended 21 April 2022 (continued)

#### Stakeholder engagement (continued)

Stakeholder group	Why are they important?	How we engage with them?
Community and environment	Being a responsible member of the community plays a vital part in our long-term success.	<ul style="list-style-type: none"> <li>The Board and the Operating Board receive regular updates on community activities including support for our corporate charity partnership with Together for Short Lives, donated breaks and employee volunteering.</li> <li>Employees are actively encouraged to volunteer and fundraise for our corporate charity. Guests are also able to make donations to our corporate partner, when booking a break. The Board approves matched donations on an annual basis.</li> <li>The Center Parcs Community Fund allows each village and Head Office to sponsor local projects and charities. The Board and Operating Board receives regular updates on the support provided by the Community Fund.</li> <li>We liaise with the communities in the local areas where the villages are situated and take into consideration their views and opinions on activities and events such as the seasonal displays.</li> <li>We are committed to minimising the impact of our business operations on the environment and recognise our responsibility to carefully manage the natural resources.</li> <li>We aim to reduce carbon emissions by 30% by 2030.</li> <li>We have developed an Environmental, Social and Governance section on our website which provides details of our activities in these areas.</li> <li>For further information and details see our climate-related financial disclosures in this Strategic report.</li> </ul>
Shareholder, investors in the funds held by the ultimate parent and debtholders.	We recognise the importance of our shareholder and their representatives having a good understanding of our strategy, business model and culture.	<ul style="list-style-type: none"> <li>The Executive Directors are the primary communication route with the shareholder, outside of regular Board meetings.</li> <li>The Board has quarterly meetings with the shareholder to update on strategic developments and financial targets.</li> <li>Shareholder approval is required for significant capital projects over a certain value.</li> <li>The Group's quarterly results are presented to debt holders and at the half and full year the Chief Financial Officer is available to answer questions during presentations.</li> <li>Corporate reports and stock exchange announcements are published on the website.</li> </ul>

## **Strategic report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Key strategic decisions**

- As Covid-19 continued to impact on our guests, our employees and the communities in which we operate, we adapted our business to reflect relevant legislation, guidance and advice in place at the time. We also provided extensive support for our employees throughout the period of restrictions, focusing on wellbeing and mental health support, as well as practical assistance for working at home and in the subsequent return to office-based activities.
- In April 2021 the Group entered a new partnership with Joules, the lifestyle brand. New stores opened at all six Center Parcs villages in the UK and Ireland.
- On 8 February 2022 the Group announced that Martin Dalby, the Chief Executive Officer ("CEO"), would become the Group's Non-Executive Chair from Friday 22nd April 2022. Taking over the role as CEO is the current Chief Financial Officer ("CFO") Colin McKinlay, who has over four years' experience as CFO of the business and over 25 years' experience in the broader leisure sector. The recruitment process for a new CFO has commenced and, in the meantime, Colin is continuing to perform this role.
- On 17 February 2022 the Group took the decision to close four villages due to red and amber weather warnings for high winds, meaning there was danger to life and localised conditions. This was deemed necessary for the safety of everyone on the villages. Guests who had their entire break cancelled were given the option of a replacement break or a refund.

Approved by the board



C G McKinlay  
Director  
1 July 2022

## **Directors' report**

### **For the 52 weeks ended 21 April 2022**

The Directors present their report and the audited consolidated financial statements for the 52 weeks ended 21 April 2022 (2021: 52 weeks ended 22 April 2021).

The registration number of the Company is 07656429.

Information about the use of financial instruments by the Group is provided in note 17 to the financial statements.

#### **Future developments**

No changes to the nature of the business are anticipated.

#### **Dividends**

No dividends were paid during the 52 weeks ended 21 April 2022 (2021: no dividends paid). The Directors have not proposed the payment of a final dividend.

#### **Directors**

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

M P Dalby  
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 this report.

#### **Employees**

The Group is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age or religion. Center Parcs is an inclusive employer and values diversity among its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

#### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee consultation**

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is principally achieved through formal and informal briefings, the quarterly internal Group magazine 'Center Forward' and annual presentations of the financial results by the CEO. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests, via village and head office council meetings which take place four times a year. In addition, all employees with more than six months' service receive an annual bonus related to the overall profitability of the Group.

#### **Political donations**

No political donations were made in the current or prior period.

## Directors' report

### For the 52 weeks ended 21 April 2022 (continued)

#### Energy and Carbon Regulations

The Group is required to report each period on its UK energy use and the associated GHG emissions which are set out in the table below.

	52 weeks ended 21 April 2022		52 weeks ended 22 April 2021	
	kWh	CO <sub>2</sub> e tonnes	kWh	CO <sub>2</sub> e tonnes
Fuel types:				
Natural Gas	210,253,641	38,510	185,444,570	34,066
Electricity Grid and Renewable	53,600,629	11,381	32,739,588	7,633
Biogas and Biomass	14,010,864	95	9,668,043	55
Petrol and Diesel	3,019,203	758	3,172,290	810
	<b>280,884,337</b>	<b>50,744</b>	<b>231,024,491</b>	<b>42,564</b>
Greenhouse Gas Emissions Intensity Ratio: CO <sub>2</sub> e tonnes per £100,000 of revenue		<b>10.08</b>		<b>34.83</b>

Data has been collected in respect of the period ended 21 April 2022 and reported on a consistent basis with that used for the Group's Energy Savings Opportunity Scheme (ESOS) reporting. The Group holds the ISO14001 Environmental Management System certification.

The Group continues to deliver agreed energy efficiency actions to limit greenhouse gas emissions:

- Progressing and reporting on the Board-approved 2030 Sustainability Strategy with Group-wide targets for energy and carbon reduction, recycling and water efficiency targets, and transition to an electric fleet.
- The implementation of further dedicated Environmental and Sustainability roles within our organisation to support our Sustainability initiatives, both strategically (working with stakeholders to continue to investigate opportunities for large-scale carbon reduction schemes such as Anaerobic Digestion) and to support the collation of relevant data to inform our business and facilitate effective reporting.
- The Sustainability Manager continues to engage with village teams and the Group M&E Manager to drive energy and resource efficiency initiatives across the business and ensures best practice is adopted at all locations. Village EMS groups are actively managing standards, monitoring performance and implementing energy efficiency initiatives whilst working to limit environmental impacts and drive continuous improvement. This supports the organisation's ongoing re-certification of the Environmental Management System to ISO4001 Standard, with all 2021 external audits passed with no non-conformities.
- Engagement with guests to support our overall ethos for energy, waste and water reduction targets.
- Commencement of the installation of Electric Vehicle ('EV') Chargers which will see the provision of c. 100 EV charge points at each village for guest use during their break.

The significant decrease in the Greenhouse Gas Emission Intensity Ratio reflects the closure of the villages due to the Covid-19 pandemic during the prior period. A certain level of energy usage was required to maintain the integrity of the villages even when they were not open to guests.

## **Directors' report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Directors' Responsibilities Statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 Group and Company and of the profit or loss of the Group and 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 Group's and 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 Group's and 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 Group and 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement of disclosure of information to the 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 Group's auditor is unaware; and
- b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

#### **Independent auditor**

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



## **Directors' report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **CORPORATE GOVERNANCE REPORT**

##### **Introduction**

Whilst the Company is not required by the Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations") to include a statement as to which corporate governance code has been applied, the Company has chosen to voluntarily adopt the Wates Corporate Governance Principles for Large Private Companies. This report aims to bring transparency to our governance approach which is aligned to the Wates Principles.

##### **Role of the Company**

The Company is the indirect parent company of the operating companies within the Group, Center Parcs (Operating Company) Limited and CP Woburn (Operating Company) Limited and plays an important role in the governance of these and all other companies within the Group. The narrative below discusses the governance arrangements of the Company and how its governance arrangements interact with governance arrangements of the companies that are required to report by the Regulations to give a holistic view of the Group's governance arrangements.

##### **Purpose and Leadership**

The board of the Company ("the Board"), sets the long-term strategy and monitors the performance of the Group. The Board meets quarterly to discuss the performance of the Group against its strategic objectives and the current and future projects and innovations. The Board for the current financial period consists of the Chief Executive Officer and the Chief Financial Officer of the Company and three shareholder representative Directors. Details of the Directors of the Company who served during the year are included below.

From the start of the new financial period the newly created role of the Non-Executive Chair will provide leadership to the Board, facilitate open debate and challenge and ensure effective decision-making processes are embedded. The Chair will also provide guidance and support to the Chief Executive Officer and other Directors and focus on the areas of governance, strategy, performance and culture. The roles and responsibilities of the Non-Executive Chair and the Chief Executive Officer are clearly set out and approved by the Board.

The Board has delegated oversight of the Group's day-to-day operations and activities to a group, which is known internally as, the Operating Board. The Operating Board meets monthly and consists of the Chief Executive Officer and the Chief Financial Officer of the Company and four members of senior management (the "Operating Board").

The Group's purpose is to be the leading provider of short break holidays in the UK and, over the coming years, to establish a strong presence in Ireland.

The purpose is supported by the strategy which sets out the vision, mission and essence of the Group:

- Our Vision: to be known as the escape where families come together;
- Our Mission: we bring families together by championing free-range family time;
- Our Essence: Center Parcs is family togetherness.

The People Framework supports the strategy and embeds a set of values which are expected to be demonstrated by all, across the business. These values are key to the Group's strategy and achieving the purpose.

The People Framework is embedded across the Group and is supported by a set of behaviours which are expected to be demonstrated by all colleagues:

- Natural – we talk and act like real people;
- Family – we care for and support one another;
- Respectful – we think before we act and empathise with others;
- Confident – we proudly stand by our people, our brand and our product;
- Passionate – we go above and beyond for our guest and each other;
- Always growing – we ask hard questions of ourselves and restlessly look for new answers.

## **Directors' report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Purpose and Leadership (continued)**

These behaviours are key to the Group's culture and are embedded across the business. These behaviours are exhibited by the Directors, the Board and Operating Board and are continually communicated to colleagues through inductions, ongoing training, appraisals and briefings. The Group also seeks to recruit new colleagues that are aligned to these values. The People Framework involves "natural conversations" to talk about the knowledge, skills, experience, qualifications and behaviours that are required to be a member of the Center Parcs family. The appraisal system looks at how the colleague has delivered against these behaviours, as well how they have performed in their role. There is also have a Wellbeing Hub giving all colleagues mobile access to an array of health and wellbeing services, including face-to-face counselling, where needed. Colleagues can report any misconduct or unethical behaviour via an independent whistleblowing hotline, either by telephone or online.

The Board and Operating Board monitor the culture through a bi-annual colleague survey. This gives colleagues the opportunity to provide anonymous feedback and helps the Board and Operating Board to monitor engagement and take action to address any concerns. Details of how engagement with colleagues impacts decision making can be found in the Section 172 Statement within the Strategic reports of the employing companies within the Group, being Center Parcs Limited, Center Parcs (Operating Company) Limited and CP Woburn (Operating Company) Limited.

The Group's approach to stakeholder engagement is reported in the Section 172 (1) section of the Strategic report. This outlines how the Board and Operating Board engaged with principal stakeholder groups, including employees. The Operating Board receives regular reports from key areas of the business and considers how the strategy is delivering the purpose. An example of this can be seen in the long-term capital expenditure plans which look to continually update and improve on village accommodation and facilities in line with guest and employee feedback.

The Group is owned by investment funds advised by Brookfield Asset Management Inc., a Canadian global asset management company.

#### **Board Composition**

During the year, the Board comprised of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and three shareholder representative Directors (the "Directors"). Further details on each Director are provided below.

On 22 April 2022 the Group made the following changes to the composition of the Board; the current CEO, Martin Dalby, was appointed as the Non-Executive Chair of the Group and the current CFO, Colin McKinlay was appointed as the new CEO. Colin McKinlay has over four years' experience as CFO of the Group and over 25 years' experience in the broader leisure sector. Recruitment of a new CFO has commenced and, in the meantime, Colin McKinlay will continue to perform the CFO role.

#### **Martin Peter Dalby — Chief Executive Officer (appointed Non-Executive Chair on 22 April 2022)**

Martin Dalby has served as CEO of Center Parcs since July 2000 and prior to that was Finance Director of Center Parcs from 1997 to 2000 and Financial Controller from 1995 to 1997. Mr. Dalby joined Scottish and Newcastle in 1978 where he held various accounting positions before joining Center Parcs UK in January 1995 as Financial Controller. Mr. Dalby has led the Center Parcs Group through the change of company ownership from Scottish and Newcastle to Deutsche Bank Capital Partners (subsequently MidOcean Partners) as well as the acquisition and integration of Oasis Whinfell Forest. Mr. Dalby led the listing of the business on AIM in December 2003, the transition to the London Stock Exchange's main list on 1 March 2005 and the subsequent purchases by the Blackstone Funds in 2006 and the Brookfield Funds in 2015. In addition, he oversaw the building and opening of both Woburn Forest in 2014 and Longford Forest in 2019.

#### **Colin McKinlay — Chief Financial Officer (appointed Chief Executive Officer on 22 April 2022)**

Colin McKinlay joined Center Parcs in July 2017. Prior to joining Center Parcs, Mr. McKinlay served as Finance Director for TUI Northern Europe, part of the TUI Group, between 2010 and 2017. Mr. McKinlay has held a number of senior financial roles with businesses operating in the travel industry, including serving as Chief Financial Officer at Thomas Cook UK & Ireland between 2004 and 2006. Mr. McKinlay holds a degree in Accountancy & Financial Management from the University of Essex and is ICAEW qualified.

## Directors' report

### For the 52 weeks ended 21 April 2022 (continued)

#### Board Composition (continued)

##### **Zach Vaughan — Board Member**

Zach Vaughan is Managing Partner in Brookfield's Property Group, responsible for Brookfield's European real estate investments. Mr. Vaughan joined Brookfield in the United States in 2012 and relocated to London in 2015. Since joining Brookfield, he has been involved in several M&A and asset transactions including Thayer Lodging, Center Parcs, MPG Office Trust, UK Student Housing, Associated Estates and Interhotels. Before relocating to London he oversaw Brookfield's North American multifamily investments and its operating company, Fairfield Residential. Prior to joining Brookfield, Mr. Vaughan worked at Canada Pension Plan Investment Board (CPPIB) and Reichmann International. Mr. Vaughan received an Honours Economics degree from The University of Western Ontario.

##### **Benedict Tobias Annable— Board Member**

Benedict Annable is a Senior Vice President of Brookfield Property Group and is responsible for advising on all legal aspects of Brookfield's real estate platform, specifically focusing on European acquisitions, dispositions and related financings. Since joining Brookfield in 2018, Mr. Annable has been involved in a number of acquisitions across various asset classes and jurisdictions, including offices, student housing and apart'hotel businesses and assets in the UK, France and Spain. Prior to joining Brookfield, Mr. Annable was a Partner at the law firm of Mishcon de Reya LLP where he focused on acquisitions, disposals, investments and joint ventures, primarily in the real estate sector. Mr. Annable holds a BA (Hons) from Durham University.

##### **Andrea Colasanti – Board Member**

Andrea Colasanti is a Vice President in Brookfield's Property Group, involved in the Asset Management for Brookfield's European real estate investments. Since joining Brookfield in London in 2018, Mr. Colasanti has been involved in several Asset Management activities and transactions for Brookfield's real estate group across hospitality, student housing and logistics in various European countries (UK, France, Germany, Portugal). Before joining Brookfield, Mr. Colasanti worked for PwC, where he focused on financial due diligence and corporate finance in the real estate sector. Mr. Colasanti holds a Bachelor's Degree in Business Administration and a Master's Degree in Economics and Business from Luiss Guido Carli University in Rome.

The Board is committed to improving its diversity in terms of gender, ethnicity, disability and age. The Group has an inclusive environment and is aiming to develop a diverse workforce which should increase diversity at senior levels in the coming years. During the year a diversity and inclusion benchmarking project was undertaken, as the first step to increasing diversity and inclusion across the business.

The Directors have equal voting rights when making decisions, but the shareholder has the casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company's expense. The duties of the Directors are delegated through a series of committees.

The Directors attend and act as chair of relevant committees, so they can challenge and influence a broad range of areas across the Group. The Board ensures that the purpose and strategy align and are embedded and communicated throughout the Group. This can be seen at the regular senior management meetings and the employee forums. Directors update their skills, knowledge and familiarity with the business by meeting with senior management, visiting the villages and by attending appropriate external seminars and training courses.

There is an induction programme for all new Directors which is tailored to their specific experience and knowledge and which provides access to all parts of the business and shareholders. The Board also considers the professional development of the Directors on a regular basis and will arrange for ad-hoc training on matters such as data protection and climate related risks.

The Board has not undergone a self-evaluation or independent effectiveness review however, various Board committees have undergone self-evaluation reviews and the Board will consider this in the future. The self-evaluation reviews of the committees have found the committees to be effective following significant changes that were made in the prior year.

## **Directors' report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Director responsibilities**

The Group and the Company recognise that good corporate governance and transparency is essential for long-term growth. The Company ensures that every decision considers the views and needs of all stakeholders. Whilst the Board has oversight, key decisions are made by the relevant committees and people with the most appropriate knowledge and experience. Each Director has a clear understanding of their accountability and responsibilities. The Directors meet on a quarterly basis. The Directors and senior management complete an Annual Code of Conduct declaration confirming that they have behaved in accordance with the Group's behaviours and values. Senior management are also required to declare any potential conflicts of interest, as they occur, and these are reviewed by the Board.

The primary role of the Non-Executive Chair is to oversee the operation of the Board and the Group's governance structures and in particular to ensure that the Board is effective in setting and implementing the Group's direction and strategy. The Non-Executive Chair is also responsible for ensuring that the Company maintains an appropriate level of dialogue with its stakeholders, in particular the shareholders. The role of the Group Chief Executive Officer is to oversee the operational management of the Group's business, in line with the strategy and long-term objectives set by the Board.

To allow the Board to operate effectively, they have delegated oversight of day-day operations to the Operating Board authority and key areas to committees in particular the Risk Committee, the Safety Management Committee, the Competition Committee and the Data Protection Governance Committee. These committees are chaired by the relevant Director and are attended by the relevant senior management. The Board receives regular reports on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, operational matters, market conditions, data protection and sustainability. Key financial information is collated from the various accounting systems. The finance function is appropriately qualified to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is currently externally audited by Deloitte LLP on an annual basis, and financial controls are reviewed by the internal audit function and the shareholders' internal audit function. The shareholder also receives reports on key financial and operational metrics and corporate governance issues on a quarterly basis and regularly undertake audits for Sarbanes Oxley requirements.

#### **Opportunity and Risk**

The Group and the Company have a proactive approach to the management of opportunity and risk. The Board has overall responsibility for setting the risk appetite for the business and ensuring the overall risk profile is aligned with this. Long-term strategic opportunities are reviewed by the Board on an annual basis, whilst short-term opportunities are reviewed on an ongoing basis.

The Board is also responsible for ensuring that the business maintains sound internal control and risk management systems, as well as reviewing the effectiveness of those systems. The Board receives regular reports, via the Operating Board, on the effectiveness of the systems of internal control and risk management. The Board is satisfied that the systems are embedded within the day-to-day activities of the business and cover all material controls, including financial, operational and compliance controls.

The Operating Board identified the opportunity to enter a new retail partnership with the British lifestyle brand, Joules Limited. New Joules stores have opened on all villages and provide a new and fresh approach to retail for our guests.

The Risk Committee meets quarterly to consider the nature and review the risks facing the business, review the framework to mitigate such risks, and notifies the Board of changes in the status and control of risks. It reviews the key risk registers, challenging and making changes where appropriate and receives reports from its committees. The Risk Committee is chaired by the Chief Executive Officer and attended by the other Executive Director, the Operating Board and other appropriate senior management. Opportunity and risk are also considered by the Safety Management Committee, the Competition Committee and the Data Protection Governance Committee. These committees are chaired by the relevant Director and are attended by the appropriate senior management. The Group's key operational risks and mitigations are outlined in the Strategic report.

## **Directors' report**

### **For the 52 weeks ended 21 April 2022 (continued)**

#### **Remuneration**

The shareholder is involved in the setting of the remuneration strategy and policies that affect the Directors of the Company and the Group as a whole. The strategy takes into account the recruitment framework and long-term incentive plans for senior executives, legislative requirements, best market practice and remuneration benchmarking. Pay is aligned with performance and considers fair pay and conditions across the business. An external benchmarking exercise was undertaken during the year.

The Directors' remuneration is disclosed in note 24. The Group's Gender Pay Report can be found on the Center Parcs website. The Group is an active equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development.

#### **Stakeholder Relationships and Engagement**

The Board considers stakeholder engagement to be a matter of strategic importance and recognises that it is vital for the long-term growth and performance of the Company.

The Non-Executive Chair will be responsible for ensuring that the Company maintains an appropriate level of dialogue with its stakeholders, in particular the shareholders.

The Group's approach to stakeholder engagement is reported in the Section 172 (1) section of the Strategic report. This outlines how the Board and Operating Board engaged with principal stakeholder groups.

Approved by the Board and signed on its behalf by



C G McKinlay  
Director  
1 July 2022

## **Independent auditor's report to the members of Center Parcs (Holdings 1) Limited**

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

#### **Opinion**

In our opinion the financial statements of Center Parcs (Holdings 1) Limited (the 'Parent Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 21 April 2022 and of the Group's profit 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 Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 29. 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 Group and the Parent 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.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls over the going concern assessment process;
- Evaluating the Directors' plans for future actions in relation to the going concern assessment;
- Analysis of the cash flow forecasts produced by management and challenge of the underlying data through comparison to historic trading;
- Assessing the entity's forecast covenants compliance; and
- Assessing the appropriateness of management's disclosures in the financial statements.

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 Group's and Parent Company's ability to continue as a going concern for a period of at least twelve 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 respect of these matters.

## Independent auditor's report to the members of Center Parcs (Holdings 1) Limited (continued)

### **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 Group's and the Parent 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 Group or the Parent 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 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 Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements including UK Companies Act and pension and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty, such as Health and Safety legislation.

We discussed among the audit engagement team and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it is described below:

- Revenue recognition and specifically the risk that there are manual adjustments made to revenue recognised in the general ledger which overrides the recognition of revenue based on data from the bookings or other systems; we have profiled manual journal entries posted to revenue accounts and for a sample of entries have obtained evidence that they are valid and bona fide journal entries and that where revenue has been manually recognised, this is in accordance with IFRS 15.

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 1) Limited (continued)**

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

- reviewing financial statements 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 misstatement 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 Group and of the Parent Company and their 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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*

Joanna Waring FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
1 July 2022



**Group Income Statement**

For the 52 weeks ended 21 April 2022

	Note	52 weeks ended 21 April 2022			52 weeks ended 22 April 2021		
		Before adjusted items £m	Adjusted items £m	Total £m	Before adjusted items £m	Adjusted items £m	Total £m
Revenue	2	503.4	-	503.4	122.2	-	122.2
Cost of sales		(128.4)	-	(128.4)	(48.9)	-	(48.9)
<b>Gross profit</b>		<b>375.0</b>	<b>-</b>	<b>375.0</b>	<b>73.3</b>	<b>-</b>	<b>73.3</b>
Administrative expenses		(129.4)	-	(129.4)	(85.2)	-	(85.2)
Depreciation and amortisation		(62.4)	-	(62.4)	(62.5)	-	(62.5)
Total operating expenses		(191.8)	-	(191.8)	(147.7)	-	(147.7)
<b>Operating profit/(loss)</b>	3	<b>183.2</b>	<b>-</b>	<b>183.2</b>	<b>(74.4)</b>	<b>-</b>	<b>(74.4)</b>
Movement in fair value of financial derivatives	15	-	(12.1)	(12.1)	-	25.2	25.2
Finance income	6	0.2	-	0.2	0.1	-	0.1
Finance expense	6	(105.1)	-	(105.1)	(103.6)	(4.4)	(108.0)
<b>Profit/(loss) before taxation</b>		<b>78.3</b>	<b>(12.1)</b>	<b>66.2</b>	<b>(177.9)</b>	<b>20.8</b>	<b>(157.1)</b>
Taxation	7	(20.3)	(23.6)	(43.9)	33.6	(4.3)	29.3
<b>Profit/(loss) for the period attributable to equity shareholders</b>	20	<b>58.0</b>	<b>(35.7)</b>	<b>22.3</b>	<b>(144.3)</b>	<b>16.5</b>	<b>(127.8)</b>

All amounts relate to continuing activities.

**Covid-19 pandemic**

The financial result for the prior financial period was significantly impacted by closures of the UK Center Parcs villages in line with Government guidance in light of the Covid-19 pandemic. Further analysis is provided in note 5 to the financial statements.

**Group Statement of Comprehensive Income**

For the 52 weeks ended 21 April 2022

	Note	2022 £m	2021 £m
<b>Profit/(loss) for the period</b>		<b>22.3</b>	<b>(127.8)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations	25	0.8	0.2
Tax relating to components of other comprehensive income	18	(0.3)	-
<b>Other comprehensive income for the period</b>	20	<b>0.5</b>	<b>0.2</b>
<b>Total comprehensive income/(expense) for the period</b>		<b>22.8</b>	<b>(127.6)</b>

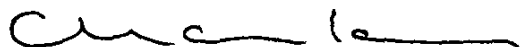
The notes on pages 27 to 61 form part of these financial statements

## Center Parcs (Holdings 1) Limited

### Balance Sheets

		Group		Company	
	Note	As at 21 April 2022 £m	As at 22 April 2021 £m	As at 21 April 2022 £m	As at 22 April 2021 £m
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	8	157.5	157.5	-	-
Other intangible assets	9	136.2	140.0	-	-
Property, plant and equipment	10	1,450.1	1,460.4	-	-
Right-of-use assets	11	31.5	32.1	-	-
Investments in subsidiary undertakings	12	-	-	586.8	586.8
Deferred tax asset	18	-	0.1	-	-
Retirement benefit surplus	25	1.0	-	-	-
		1,776.3	1,790.1	586.8	586.8
<b>Current assets</b>					
Inventories		3.6	3.5	-	-
Trade and other receivables	13	7.6	13.6	-	-
Current tax asset		1.3	1.3	-	-
Cash and cash equivalents		153.0	94.0	-	-
Derivative financial instruments	15	13.1	25.2	-	-
		178.6	137.6	-	-
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings	15	-	(70.0)	-	-
Trade and other payables	14	(227.4)	(196.2)	-	-
		(227.4)	(266.2)	-	-
<b>Net current liabilities</b>		(48.8)	(128.6)	-	-
<b>Non-current liabilities</b>					
Borrowings	15	(1,906.5)	(1,901.0)	-	-
Lease liabilities	16	(37.3)	(36.9)	-	-
Retirement benefit obligations	25	-	(0.6)	-	-
Deferred tax liability	18	(119.0)	(81.1)	-	-
		(2,062.8)	(2,019.6)	-	-
		(335.3)	(358.1)	586.8	586.8
<b>Equity attributable to owners of the parent</b>					
Equity share capital	19	1.0	1.0	1.0	1.0
Share premium	20	119.9	119.9	119.9	119.9
Other reserve	20	(154.0)	(154.0)	-	-
Retained earnings	20	(302.2)	(325.0)	465.9	465.9
<b>Total equity</b>		(335.3)	(358.1)	586.8	586.8

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The profit for the parent company for the period was £nil (2021: £nil). The financial statements on pages 23 to 61 were approved by the Board of Directors on 1 July 2022 and were signed on its behalf by:



C G McKinlay  
Director

Center Parcs (Holdings 1) Limited  
Registered no. 07656429

The notes on pages 27 to 61 form part of these financial statements

## Cash Flow Statements

		Group		Company	
		52 weeks ended 21 April 2022	52 weeks ended 22 April 2021	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	Note	£m	£m	£m	£m
<b>Cash flows from operating activities</b>					
Operating profit/(loss)		183.2	(74.4)	-	-
Depreciation and amortisation	3	62.4	62.5	-	-
Working capital and non-cash movements	21	38.5	39.8	-	-
Difference between the pension charge and contributions	25	(0.8)	(0.9)	-	-
Corporation tax (paid)/refunded	7	(4.9)	6.9	-	-
Payments for taxation group relief	7	(1.8)	-	-	-
<b>Net cash from operating activities</b>		<b>276.6</b>	<b>33.9</b>	<b>-</b>	<b>-</b>
<b>Cash flows used in investing activities</b>					
Purchase of property, plant and equipment		(43.4)	(36.3)	-	-
Purchase of intangible assets		(3.2)	(2.9)	-	-
Sale of property, plant and equipment		0.3	0.1	-	-
Interest received		0.2	0.1	-	-
Investment in subsidiary undertaking	12	-	-	-	(78.4)
<b>Net cash used in investing activities</b>		<b>(46.1)</b>	<b>(39.0)</b>	<b>-</b>	<b>(78.4)</b>
<b>Cash flows (used in)/from financing activities</b>					
Repayment of external borrowings	15	(250.0)	(230.1)	-	-
Proceeds from external borrowings	15	255.0	250.0	-	-
Issue costs on secured debt	22	(3.0)	(4.2)	-	-
Break costs on secured debt	6	(2.7)	(2.5)	-	-
Covenant waiver fees	6	-	(2.6)	-	-
Receipt of working capital facility from shareholder	15	-	70.0	-	-
Repayment of working capital facility to shareholder	15	(70.0)	-	-	-
Interest paid		(100.6)	(96.1)	-	-
Repayment of lease liabilities	16	(0.2)	(0.2)	-	-
Equity contributions	19	-	78.4	-	78.4
<b>Net cash (used in)/from financing activities</b>		<b>(171.5)</b>	<b>62.7</b>	<b>-</b>	<b>78.4</b>
Net increase in cash and cash equivalents		59.0	57.6	-	-
Cash and cash equivalents at beginning of the period		94.0	36.4	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>153.0</b>	<b>94.0</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cash flow to movement in net debt</b>					
Increase in cash and cash equivalents		59.0	57.6	-	-
Cash inflow from movement in debt		(5.0)	(19.9)	-	-
<b>Change in net debt resulting from cash flows</b>		<b>54.0</b>	<b>37.7</b>	<b>-</b>	<b>-</b>
Non-cash movements and deferred issue costs		(0.5)	0.2	-	-
<b>Movement in net debt in the period</b>		<b>53.5</b>	<b>37.9</b>	<b>-</b>	<b>-</b>
Net debt at beginning of the period		(1,807.0)	(1,844.9)	-	-
<b>Net debt at end of the period</b>	22	<b>(1,753.5)</b>	<b>(1,807.0)</b>	<b>-</b>	<b>-</b>

Net debt represents third party borrowings less cash and cash equivalents, as set out in note 22.

The notes on pages 27 to 61 form part of these financial statements.

## Statements of Changes in Equity

<b>Group</b>	<b>Share capital £m</b>	<b>Share premium £m</b>	<b>Other reserve £m</b>	<b>Retained earnings £m</b>	<b>Total equity £m</b>
At 22 April 2021	1.0	119.9	(154.0)	(325.0)	(358.1)
<b>Comprehensive income</b>					
Profit for the period	-	-	-	22.3	22.3
Other comprehensive income	-	-	-	0.5	0.5
<b>At 21 April 2022</b>	<b>1.0</b>	<b>119.9</b>	<b>(154.0)</b>	<b>(302.2)</b>	<b>(335.3)</b>

<b>Group</b>	<b>Share capital £m</b>	<b>Share premium £m</b>	<b>Other reserve £m</b>	<b>Retained earnings £m</b>	<b>Total equity £m</b>
At 23 April 2020	1.0	41.5	(154.0)	(197.4)	(308.9)
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(127.8)	(127.8)
Other comprehensive income	-	-	-	0.2	0.2
<b>Transactions with owners</b>					
Equity contributions	-	78.4	-	-	78.4
<b>At 22 April 2021</b>	<b>1.0</b>	<b>119.9</b>	<b>(154.0)</b>	<b>(325.0)</b>	<b>(358.1)</b>

<b>Company</b>	<b>Share capital £m</b>	<b>Share premium £m</b>	<b>Retained earnings £m</b>	<b>Total equity £m</b>
At 23 April 2020	1.0	41.5	465.9	508.4
<b>Transactions with owners</b>				
Equity contributions	-	78.4	-	78.4
<b>At 22 April 2021 and 21 April 2022</b>	<b>1.0</b>	<b>119.9</b>	<b>465.9</b>	<b>586.8</b>

The notes on pages 27 to 61 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 Group is set out in the strategic report. The Group's and Company's functional currency is £ Sterling.

#### Basis of preparation

These consolidated financial statements for the 52 weeks ended 21 April 2022 (2021: 52 weeks ended 22 April 2021) have been properly prepared in accordance with United Kingdom adopted international accounting standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies disclosed have been applied consistently to both periods presented.

The accounting reference date of Center Parcs (Holdings 1) Limited is 22 April.

#### Going concern

The Group reported a profit for the period of £22.3 million (2021: loss of £127.8 million) and generated operating cash inflows of £276.6 million (2021: £33.9 million). The Group has significant cash balances and current forecasts show continued profitability and cash generation for a period of at least 12 months from the date of approval of these financial statements. These forecasts assume that Covid-19 has no further impact on trading and as such no Government support or shareholder funding is anticipated.

Various downside scenarios have been considered and, under these, the Group would continue to meet its working capital and interest commitments and would continue to pass the financial covenant tests in respect of its debt. As such, the consolidated financial statements have been prepared on a going concern basis.

The Directors have also determined that, over the period of the going concern assessment, there is not expected to be a significant impact on the Group and its operations as a result of climate change.

The specific impact of the Covid-19 pandemic is considered below.

#### Coronavirus (Covid-19) pandemic

The Group's holiday villages were open to guests throughout the 52 weeks ended 21 April 2022, albeit with self-imposed accommodation capacity caps in place. As at the date of approving these financial statements, all of the Group's holiday villages remain open and have removed the remaining occupancy caps. Demand for a Center Parcs break remains strong and current forecasts assume occupancy levels consistent with those seen before Covid-19.

Given the absence of any Covid-19 related restrictions the possibility of a return to national lockdown and hence a closure of all the UK Center Parcs villages for a sustained period of time is considered to be remote. However, were such a closure to be required the Group would immediately introduce measures to preserve liquidity. Measures taken during previous periods included:

- Securing additional funding from the Group's owner, Brookfield. Total funding of £189.9 million was received by the Group.
- A significant element of the Group's cost base relates to wages and salaries. The majority of the Group's staff were furloughed during the period of closure with the Group benefitting from the Government's job retention scheme. The hours of remaining staff undertaking essential activities were reviewed to further reduce costs where possible.
- Guests were incentivised to change the date of their break rather than to cancel and receive a full refund. During the lockdown over 50% of affected guests took the option of moving their break.
- Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.
- Agreed deferrals of certain tax payments.
- Reviewed capital expenditure and delayed certain non-essential projects.

In addition, the Directors negotiated covenant waivers with the holders of the Group's loan notes. The covenant waiver period has now ended.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of Center Parcs (Holdings 1) Limited ('the Company') and entities controlled by the Company. A company controls another entity when it is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a structured entity under IFRS 10 'Consolidated financial statements' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 28. The financial statements of subsidiary undertakings are prepared for the same financial reporting period as the Company.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

On 11 June 2015 the Group acquired CP Woburn (Operating Company) Limited; prior to that date both the Group and CP Woburn (Operating Company) Limited were under the common control of the parent company CP Cayman Midco 1 Limited. The acquisition formed part of a group reconstruction and has been accounted for using merger accounting principles which present the financial statements as if CP Woburn (Operating Company) Limited had always been part of the Group using the pre-combination carrying values.

Under merger accounting principles, the assets and liabilities of CP Woburn (Operating Company) Limited have been consolidated based on their pre-combination book values and the difference between the consideration payable and the book values of the net assets is recorded in equity in the other reserve.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires the Directors 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

##### *Discount rate used to determine the value of the Group's defined benefit pension scheme obligation (note 25):*

The Group's defined benefit pension scheme obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived.

#### Key sources of estimation uncertainty

##### *Useful economic lives and residual values of property, plant and equipment and other intangible assets (notes 9/10):*

The Group reviews the estimated useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. During the current period, the Directors have concluded that no revision is required to either useful economic lives or residual values of these assets, and that residual values exceed carrying values.

##### *Impairment test for goodwill (note 8):*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

##### *Valuation of derivative financial instruments (note 15):*

The valuation of the Group's derivative financial instruments is performed by an appropriate third party expert on a sufficiently regular basis so that the carrying value does not differ significantly from its fair value at the balance sheet date. The valuation requires the third party to estimate credit spreads based on observable traded loans with similar embedded prepayment options.

#### **Revenue**

Revenue relates to accommodation rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Revenue relating to accommodation is recognised on a straight-line basis over the period of the holiday. The performance obligation for non-rental income, and hence the basis for revenue recognition, is when the related product or service is provided to the guest. All revenue is recorded net of VAT.

Payment for accommodation rental income is received in advance of holidays commencing, and is recorded as 'deferred income' within Trade and other payables until the holiday commences. As such, no revenue was recognised during the period the villages were closed as a result of the Covid-19 pandemic.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on an accruals basis. All revenue arises in the United Kingdom.

For disaggregation purposes, revenue as presented in note 2 is split between accommodation and on-site spend.

#### **Cost of sales**

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales. Depreciation and amortisation charges are not considered part of cost of sales.

#### **Operating segments**

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### Adjusted items

Adjusted items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group. Adjusted items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance. Examples of adjusted items include the costs of Group restructures, the impact of the change in applicable deferred tax rate and movements in the fair value of embedded derivatives.

#### Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

#### Other intangible assets

##### Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives, which are generally considered to be either four or seven years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives.

##### Other intangible assets

Other purchased intangible assets are capitalised at cost, amortised on a straight-line basis over their useful economic lives and tested for impairment annually. The brand is not amortised as it is considered to have an indefinite life; the carrying value of the brand is subject to an annual impairment review.

#### Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication at the end of a reporting period that the asset may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### Property, plant and equipment

The Directors chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction) so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, which are typically as follows:

Installations	10 to 20 years
Fixtures and fittings	5 to 10 years
Motor vehicles	4 years
Computer hardware	4 years

Buildings are depreciated to residual value over 50 years. Land is not depreciated. The Group's water boreholes are depreciated on a straight-line basis over 13 years.



## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### Property, plant and equipment (continued)

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

#### Maintenance expenditure

It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

#### Leases

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding 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 Group 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 Group 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 Group remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) 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).
- 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 Group 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.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### Leases (continued)

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 Group 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 and the right-of-use asset. 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.

#### 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.

#### 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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits 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.

#### Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

#### Financial instruments

The Group 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)

#### Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any expected credit losses.

#### Cash and cash equivalents

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

#### 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Borrowing costs

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

#### Early termination costs

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

#### Derivative financial instruments

The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

#### Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

#### Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Governments grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Group with no future related costs are recognised in the income statement in the period in which they become receivable.

## 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.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

#### **Employee benefits**

##### *Pensions*

##### **- Defined contribution pension scheme**

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

##### **- Defined benefit pension scheme**

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability. Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

##### *Profit-sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### *Holiday pay*

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

##### **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 proceeds.

##### **Other reserve**

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 1. Accounting policies (continued)

#### New standards and interpretations

A number of new or revised accounting standards were effective for the first time in the current period. None of these have significantly impacted the financial statements of the Group or 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 standards as part of their annual improvement process.

IFRS 3	Business Combinations	
	Amended by Reference to the Conceptual Framework	1 January 2022
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 16	Property, Plant and Equipment	
	Amended by Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	
	Amended by Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

The Directors do not anticipate that the adoption of any standards listed above will have a material impact on the Group or Company's financial statements in the period of initial application, although the assessment is ongoing.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 2. Segmental reporting

	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Woburn Forest £m	Central Services £m	Total £m
<b>52 weeks ended 21 April 2022</b>							
Revenue	108.0	103.4	96.4	99.1	96.5	-	503.4
EBITDA before adjusted items	61.2	55.3	53.7	52.5	51.4	(28.5)	245.6
Depreciation and amortisation							(62.4)
Operating profit							183.2

	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Woburn Forest £m	Central Services £m	Total £m
<b>52 weeks ended 22 April 2021</b>							
Revenue	21.8	27.0	25.2	24.2	24.0	-	122.2
EBITDA before adjusted items	0.4	3.6	3.5	-	2.3	(21.7)	(11.9)
Depreciation and amortisation							(62.5)
Operating loss							(74.4)

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the five holiday villages that the business operates. Central Services costs are centrally managed administration costs. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.

The primary profit measure used by the Chief Operating Decision Maker is EBITDA before non-adjusted items, being earnings before interest, taxation, depreciation, amortisation and adjusted items. The internal reporting does not disaggregate operating profit or the balance sheet to each operating segment.

The split of revenue by business stream was £325.4 million (2021: £84.3 million) for accommodation and £178.0 million (2021: £37.9 million) for on-site spend.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 3. Operating profit/(loss)

The following items have been included in arriving at the Group's operating profit/(loss):

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Staff costs* (note 24)	127.4	72.5
Cost of inventories	35.2	9.8
Depreciation of property, plant and equipment – owned assets (note 10)	54.8	53.4
Depreciation of right-of-use assets (note 11)	0.6	0.6
Amortisation of intangible assets (note 9)	7.0	8.5
Repairs and maintenance expenditure on property, plant and equipment	12.9	11.1
Loss on disposal of property, plant and equipment	-	0.2
Services provided by the Group's auditor	0.3	0.3

\* In the current period, Government grants of £0.2 million (2021: £37.7 million) were received in respect of the UK Government's Job Retention Scheme to provide immediate financial support as a result of the Covid-19 pandemic. These grants have been recognised as a deduction against staff costs as set out in note 24.

During the period, the Group obtained the following services from the Group's auditor:

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
<b>Charged to the income statement – administrative expenses</b>		
Audit of the parent company, subsidiary and consolidated financial statements	0.3	0.3
<b>Charged to the income statement – finance expense</b>		
Corporate finance services	-	0.2
<b>Deferred cost in respect of the secured debt</b>		
Corporate finance services	-	0.3
	0.3	0.8

The Directors monitor the level of non-audit work undertaken by the auditor and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity. The audit fee above includes £2,000 (2021: £2,000) for the audit of the parent company.

### 4. Adjusted items

The following adjusted items are reflected in the financial statements:

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
<b>Non-operating items</b>		
Movement in fair value of financial derivatives (note 15)	(12.1)	25.2
Finance expense (note 6)	-	(4.4)
Taxation	(23.6)	(4.3)
	(35.7)	16.5

Movements in the fair value of financial derivatives are considered to be adjusted items.

The £4.4 million adjusted finance expense in the prior period represented £2.6 million of costs incurred to obtain a covenant waiver in respect of the Group's secured debt and £1.8 million of costs in respect of the proposed refinancing of the Group's remaining tranche B3 secured notes.

Taxation on these items has also been treated as an adjusted item, as has the impact of the change in applicable deferred tax rate from 19% to 25% in the current financial period.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 5. Results during the Covid-19 pandemic closures

The financial result for the period ended 22 April 2021 was significantly impacted as a result of the Covid-19 pandemic. The Center Parcs villages were closed for a significant proportion of the financial year, in line with Government guidance, and were subject to self-imposed occupancy limits and a reduced guest offering during the periods they were open.

The villages were open on the following dates during the prior financial period:

- 13 July 2020 – 30 October 2020 All five villages open
- 31 October 2020 – 5 November 2020 Four villages open (Sherwood closed)
- 4 December 2020 – 18 December 2020 Four villages open (Sherwood closed)
- 19 December 2020 – 21 December 2020 Three villages open (Sherwood and Woburn closed)
- 12 April 2021 onwards All five villages open

The Group earned no revenue during the closure periods but incurred costs necessary to maintain the quality and structure of the sites. Expenditure incurred during the closure periods included payroll, maintenance and energy costs. In addition, certain categories of inventory with limited useful lives were disposed of or donated to charities where appropriate. An element of payroll costs was reimbursable under the UK Government's Job Retention Scheme and the Group benefitted from the Business Rates holiday announced for the UK Leisure industry.

### 6. Net finance costs

	Group		Company	
	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m	£m	£m
<b>Finance expense</b>				
Interest payable on borrowings	(99.6)	(96.7)	-	-
Interest expense on lease liabilities	(2.1)	(2.1)	-	-
Other interest and similar charges	(0.7)	(0.5)	-	-
Accelerated amortisation of deferred issue costs	-	(1.8)	-	-
Premium on settlement of the B3 notes	(2.7)	(2.5)	-	-
	(105.1)	(103.6)	-	-
<b>Adjusted finance costs</b>				
Covenant waiver fees	-	(2.6)	-	-
Fees in respect of proposed refinancing	-	(1.8)	-	-
	-	(4.4)	-	-
<b>Total finance expense</b>	<b>(105.1)</b>	<b>(108.0)</b>	<b>-</b>	<b>-</b>
<b>Finance income</b>				
Bank interest receivable	0.2	0.1	-	-
<b>Total finance income</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
<b>Net finance costs</b>	<b>(104.9)</b>	<b>(107.9)</b>	<b>-</b>	<b>-</b>

Interest payable on borrowings includes amortisation of deferred issue costs of £3.6 million (2021: £3.8 million) and amortisation of premiums on issue of secured notes of £1.6 million (2021: £1.6 million) as set out in note 22.



## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 7. Taxation

#### (a) Taxation

The Group paid corporation tax of £4.9 million (2021: corporation tax refunds received of £6.9 million) during the period and made payments for taxation group relief of £1.8 million (2021: £nil) as set out in note 26.

The Group tax (charge)/credit is made up as follows:

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
<b>Current tax:</b>		
- Current period	(6.2)	-
- Prior periods	-	(0.4)
	(6.2)	(0.4)
<b>Deferred tax:</b>		
- Origination and reversal of temporary differences	(34.2)	28.4
- Adjustments in respect of prior periods	(3.5)	1.3
<b>Taxation (note 7(b))</b>	<b>(43.9)</b>	<b>29.3</b>

The Company had a tax charge of £nil in the period (2021: £nil).

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

##### Group

The tax assessed for the period is higher (2021: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2021: 19%). The difference is reconciled below:

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
<b>Profit/(loss) before taxation</b>	<b>66.2</b>	<b>(157.1)</b>
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK	12.6	(29.8)
Adjustments in respect of prior periods	3.5	(0.9)
Permanent differences and expenses not deductible for tax purposes	1.1	2.0
Impact of change in corporation tax rate	27.3	-
Brought forward losses not previously recognised	(0.6)	(0.6)
<b>Tax charge/(credit) for the period (note 7(a))</b>	<b>43.9</b>	<b>(29.3)</b>

##### Company

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

#### 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.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 8. Goodwill

Cost and net book value	Group £m
At 21 April 2022, 22 April 2021 and 23 April 2020	157.5

#### Impairment test for goodwill

Goodwill relates to the acquisition of the Sherwood, Elveden, Longleat and Whinfell Villages only. It is allocated equally to four cash-generating units (CGUs), being the four villages.

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the four villages.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a rolling five-year period.

#### Key assumptions used for value-in-use calculations

The value-in-use calculation is based on forecasts approved by the Board covering the next ten years with a terminal value applied after year five.

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% (2021: 2.0%) and the discount rate applied is 10.6% (2021: 10.3%).

Management determine forecast Adjusted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairments have been identified.

The Company has no goodwill.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 9. Other intangible assets

	Software £m	Brand £m	Total £m
<b>Cost</b>			
At 23 April 2021	49.3	121.2	170.5
Additions	3.2	-	3.2
Disposals	(5.6)	-	(5.6)
<b>At 21 April 2022</b>	<b>46.9</b>	<b>121.2</b>	<b>168.1</b>
<b>Amortisation</b>			
At 23 April 2021	30.5	-	30.5
Charge for the period	7.0	-	7.0
On disposals	(5.6)	-	(5.6)
<b>At 21 April 2022</b>	<b>31.9</b>	<b>-</b>	<b>31.9</b>
Net book amount at 22 April 2021	18.8	121.2	140.0
<b>Net book amount at 21 April 2022</b>	<b>15.0</b>	<b>121.2</b>	<b>136.2</b>

	Software £m	Brand £m	Total £m
<b>Cost</b>			
At 24 April 2020	46.4	121.2	167.6
Additions	2.9	-	2.9
<b>At 22 April 2021</b>	<b>49.3</b>	<b>121.2</b>	<b>170.5</b>
<b>Amortisation</b>			
At 24 April 2020	22.0	-	22.0
Charge for the period	8.5	-	8.5
<b>At 22 April 2021</b>	<b>30.5</b>	<b>-</b>	<b>30.5</b>
Net book amount at 23 April 2020	24.4	121.2	145.6
<b>Net book amount at 22 April 2021</b>	<b>18.8</b>	<b>121.2</b>	<b>140.0</b>

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 8 has been undertaken and no impairment was indicated (2021: £nil).

The Company has no other intangible assets.

**Notes to the financial statements**

for the 52 weeks ended 21 April 2022 (continued)

**10. Property, plant and equipment**

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 23 April 2021	1,177.5	443.6	168.3	25.8	3.4	1,818.6
Additions	-	11.4	22.9	3.1	7.4	44.8
Disposals	(0.1)	(9.9)	(12.0)	(0.4)	-	(22.4)
Transfers	-	0.9	1.8	-	(2.7)	-
<b>At 21 April 2022</b>	<b>1,177.4</b>	<b>446.0</b>	<b>181.0</b>	<b>28.5</b>	<b>8.1</b>	<b>1,841.0</b>
<b>Depreciation</b>						
At 23 April 2021	16.0	232.6	90.7	18.9	-	358.2
Charge for the period	-	27.9	24.6	2.3	-	54.8
On disposals	-	(9.8)	(11.9)	(0.4)	-	(22.1)
<b>At 21 April 2022</b>	<b>16.0</b>	<b>250.7</b>	<b>103.4</b>	<b>20.8</b>	<b>-</b>	<b>390.9</b>
Net book amount at 22 April 2021	1,161.5	211.0	77.6	6.9	3.4	1,460.4
<b>Net book amount at 21 April 2022</b>	<b>1,161.4</b>	<b>195.3</b>	<b>77.6</b>	<b>7.7</b>	<b>8.1</b>	<b>1,450.1</b>

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 24 April 2020	1,174.0	433.0	164.2	21.6	6.6	1,799.4
Additions	0.8	7.8	16.4	4.7	9.2	38.9
Disposals	-	(6.1)	(13.1)	(0.5)	-	(19.7)
Transfers	2.7	8.9	0.8	-	(12.4)	-
<b>At 22 April 2021</b>	<b>1,177.5</b>	<b>443.6</b>	<b>168.3</b>	<b>25.8</b>	<b>3.4</b>	<b>1,818.6</b>
<b>Depreciation</b>						
At 24 April 2020	15.9	210.9	79.6	17.8	-	324.2
Charge for the period	0.1	27.8	23.9	1.6	-	53.4
On disposals	-	(6.1)	(12.8)	(0.5)	-	(19.4)
<b>At 22 April 2021</b>	<b>16.0</b>	<b>232.6</b>	<b>90.7</b>	<b>18.9</b>	<b>-</b>	<b>358.2</b>
Net book amount at 23 April 2020	1,158.1	222.1	84.6	3.8	6.6	1,475.2
<b>Net book amount at 22 April 2021</b>	<b>1,161.5</b>	<b>211.0</b>	<b>77.6</b>	<b>6.9</b>	<b>3.4</b>	<b>1,460.4</b>

The Company has no property, plant and equipment.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 11. Right-of use assets

	£m
<b>Cost</b>	
At 23 April 2021 and 21 April 2022	33.9
<b>Depreciation</b>	
At 23 April 2021	(1.8)
Charge for the period	(0.6)
<b>At 21 April 2022</b>	<b>(2.4)</b>
Net book amount at 22 April 2021	32.1
<b>Net book amount at 21 April 2022</b>	<b>31.5</b>

	£m
<b>Cost</b>	
At 24 April 2020	33.8
Additions	0.2
Disposals	(0.1)
<b>At 22 April 2021</b>	<b>33.9</b>
<b>Depreciation</b>	
At 24 April 2020	(1.2)
Charge for the period	(0.6)
<b>At 22 April 2021</b>	<b>(1.8)</b>
Net book amount at 23 April 2020	32.6
<b>Net book amount at 22 April 2021</b>	<b>32.1</b>

Details of assets held under leases are set out in note 16.

The Company has no right-of-use assets.

### 12. Investments in subsidiary undertakings

Company	£m
<b>Cost and net book value</b>	
At 23 April 2020	508.4
Equity contributions	78.4
<b>At 22 April 2021 and 21 April 2022</b>	<b>586.8</b>

The investment at 21 April 2022 and 22 April 2021 is in respect of 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company.

Center Parcs (Holdings 2) Limited made a profit of £nil for the period ended 21 April 2022 million (2021: profit of £nil) and had net assets at that date of £586.8 million (2021: £586.8 million).

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

A list of all subsidiary undertakings consolidated in these financial statements is set out in note 27.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 13. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade receivables	2.9	0.6	-	-
Prepayments and accrued income	4.1	2.6	-	-
Amounts owed by related parties	0.4	-	-	-
Other receivables	0.2	10.4	-	-
	7.6	13.6	-	-

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2021: £nil). Credit risk in respect of the Group's revenue streams is limited as the vast majority of customers pay in advance.

Amounts owed by related parties at the current period-end are unsecured and repayable on demand.

Other receivables at 21 April 2022 includes £nil (2021: £1.7 million) in respect of payroll costs to be reimbursed under the UK Government's Job Retention Scheme.

### 14. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	£m	£m	£m	£m
Trade payables	9.4	4.2	-	-
Other tax and social security	15.1	7.3	-	-
Other payables	2.4	1.7	-	-
Amounts owed to related parties	1.7	1.8	-	-
Accruals	61.7	50.6	-	-
Deferred income	137.1	130.6	-	-
	227.4	196.2	-	-

Amounts owed to related parties at the current and prior period-end are unsecured and repayable on demand.

Deferred income represents revenues received at the period end date that relate to future periods; the principal component is accommodation income. Deferred income principally relates to bookings for holidays in the 12 months immediately following the balance sheet date; approximately 2% (2021: 1%) of bookings relate to the subsequent year.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 15. Borrowings

	Group 2022	2021
	£m	£m
<b>Current</b>		
Working capital facility provided by shareholder	-	70.0
	Group 2022	2021
	£m	£m
<b>Non-current</b>		
Secured debt	1,906.5	1,901.0

#### Mortgage

The Group had a mortgage secured over its head office which incurred interest at LIBOR plus 1.125%. This mortgage matured in November 2020. A total of £0.1 million was repaid during the 52 weeks ended 22 April 2021.

#### Working capital facility

During the prior period Brookfield provided the Group with a £70.0 million working capital facility. This balance was unsecured, interest-free and repayable on demand. The facility was repaid in full during the current period.

#### Secured debt

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

The secured debt consists of the following:

	2022	2021
	£m	£m
Tranche A2	440.0	440.0
Tranche A4	345.8	347.4
Tranche A5	379.5	379.5
Tranche B3	-	250.0
Tranche B4	250.0	250.0
Tranche B5	250.0	250.0
Tranche B6	255.0	-
Unamortised deferred issue costs	(13.8)	(15.9)
	1,906.5	1,901.0

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

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 initial issue of Tranche A4 notes totalled £140.0 million.

On 15 June 2017 the Group issued an additional £100.0 million of Tranche A4 secured notes via a tap issue, at a premium of £9.5 million; this premium is being amortised over the period to expected maturity and amortisation of £1.1 million (2021: £1.1 million) was credited to the income statement during the period.

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 £0.5 million (2021: £0.5 million) was credited to the income statement during the period.

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 fixed at 4.190%.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 15. Borrowings (continued)

The tranche B3 notes had an expected maturity date of 28 August 2022 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity was fixed at 4.250%. The Group settled £250.0 million of Tranche B3 secured notes during the current period and £230.0 million of Tranche B3 secured notes during the prior period.

The tranche B4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity is fixed at 4.875%

The tranche B5 notes have an expected maturing date of 28 August 2026 and a final maturity date of 28 August 2050. The interest rate to both expected maturity and final maturity is fixed at 6.500%. The Group issued £250.0 million of tranche B5 secured notes during the prior period and part of the proceeds was used to settle £230.0 million of tranche B3 notes as set out above.

The tranche B6 notes have an expected maturing date of 28 August 2027 and a final maturity date of 28 August 2051. The interest rate to both expected maturity and final maturity is fixed at 4.500%. The Group issued £255.0 million of tranche B6 secured notes during the current period and part of the proceeds was used to settle £250.0 million of tranche B3 notes as set out above.

The tranche B4, B5 and B6 debt (2021: B3, B4 and B5 debt) is subordinated to the Class A debt. All tranches of secured debt include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. The options to repay the B4, B5 and B6 debt (2021: B3, B4 and B5 debt) prior to maturity are considered to be derivative financial instruments with a fair value of £13.1 million (2021: £25.2 million; 2020: £nil), such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in the fair value has been recognised as an adjusted item in the income statement.

All tranches of debt are subject to financial covenants. A covenant waiver was obtained during the period ended 22 April 2021, and as a result the testing of the Class A and Class B notes was waived for the financial covenant test dates falling in August 2020, February 2021 and August 2021. For the February 2022 test date, Free Cash Flow could be amended so that if any of the Group's villages were closed during the relevant testing period as a result of measures implemented by the Group in response to any Covid-19 related or other pandemic, the Group was allowed to add equity proceeds received during the testing period to EBITDA in order to pass the Financial Covenant tests. Costs of £2.6 million were incurred in the process of agreeing the covenant waiver.

Interest of £14.1 million (2021: £14.3 million) was accrued in respect of the secured debt at 21 April 2022.

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

	Less than one year £m	One to two years £m	Two to five years £m	Greater than five years £m	Premium and deferred issue costs £m	Total £m
<b>At 21 April 2022</b>						
Secured debt	-	440.0	840.0	634.5	(8.0)	1,906.5
<b>Total borrowings</b>	-	<b>440.0</b>	<b>840.0</b>	<b>634.5</b>	<b>(8.0)</b>	<b>1,906.5</b>
<b>At 22 April 2021</b>						
Working capital facility	70.0	-	-	-	-	70.0
Secured debt	-	250.0	1,030.0	629.5	(8.5)	1,901.0
<b>Total borrowings</b>	<b>70.0</b>	<b>250.0</b>	<b>1,030.0</b>	<b>629.5</b>	<b>(8.5)</b>	<b>1,971.0</b>

The Group has no borrowings denominated in foreign currency.

The Company has no borrowings.



# Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

## 16. Leases

### Lease liabilities

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

	21 April 2022 £m	22 April 2021 £m
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	1.6	1.6
One to five years	6.7	6.6
More than five years	293.4	295.0
<b>Total undiscounted lease liabilities</b>	<b>301.7</b>	<b>303.2</b>
<b>Lease liabilities included in the consolidated balance sheet</b>		
Current	-	-
Non-current	(37.3)	(36.9)
<b>Total lease liabilities</b>	<b>(37.3)</b>	<b>(36.9)</b>
<b>Amounts recognised in the income statement</b>		
Interest on lease liabilities	(2.1)	(2.1)
<b>Total recognised in the income statement</b>	<b>(2.1)</b>	<b>(2.1)</b>
<b>Amounts recognised in the cash flow statement</b>		
Repayment of lease liabilities	(0.2)	(0.2)
Interest on lease liabilities	(1.5)	(1.6)
<b>Total recognised in the cash flow statement</b>	<b>(1.7)</b>	<b>(1.8)</b>

Lease liabilities are predominantly in respect of the land at the Longleat and Woburn villages. Both of these lease agreements include five-yearly upwards only rent reviews calculated with reference to revenue increases. The Longleat lease ends in 2073 and the Woburn lease ends in 2109. The discount rate applied in respect of these leases is 5.8%.

The Company has no lease liabilities.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 17. Financial instruments

#### Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 21 April 2022 and 22 April 2021 all of the Group's financial assets were classified as those measured at amortised cost, with the exception of derivative financial instruments which are classified as fair value through profit and loss. As at 21 April 2022 and 22 April 2021 all of the Group's financial liabilities were categorised as other financial liabilities.

	Group 2022	2021
	£m	£m
<b>Financial assets</b>		
Trade receivables	2.9	0.6
Amounts owed by related parties	0.4	-
Cash and cash equivalents	153.0	94.0
Derivative financial instruments	13.1	25.2
	<b>169.4</b>	<b>119.8</b>
	Group 2022	2021
	£m	£m
<b>Financial liabilities</b>		
External borrowings	1,906.5	1,901.0
Working capital facility provided by shareholder	-	70.0
Lease liabilities	37.3	36.9
Trade payables	9.4	4.2
Other payables	4.1	3.5
	<b>1,957.3</b>	<b>2,015.6</b>

The Company has no financial assets or financial liabilities (2021: no financial assets or financial liabilities).

#### Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' 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 Group's secured borrowings have been categorised as Level 1 (2021: Level 1) and fair values have been derived from unadjusted quoted market prices in active markets. The Group's derivative financial instruments have been categorised as Level 3 (2021: Level 3).

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 17. Financial instruments (continued)

#### Fair value of financial assets and financial liabilities

The fair value of the Group's secured debt is:

	21 April 2022		22 April 2021	
	Book value £m	Fair value £m	Book value £m	Fair value £m
Tranche A2	440.0	473.8	440.0	510.3
Tranche A4	345.8	351.1	347.4	375.9
Tranche A5	379.5	388.2	379.5	418.9
Tranche B3	-	-	250.0	252.2
Tranche B4	250.0	244.1	250.0	254.5
Tranche B5	250.0	252.3	250.0	266.4
Tranche B6	255.0	245.7	-	-
	<b>1,920.3</b>	<b>1,955.2</b>	<b>1,916.9</b>	<b>2,078.2</b>

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

#### Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities are:

	Secured debt		Total
	£m		£m
<b>At 21 April 2022</b>			
In less than one year		98.0	98.0
In two to five years		1,519.5	1,519.5
In more than five years		657.0	657.0
		<b>2,274.5</b>	<b>2,274.5</b>
	Working capital facility	Secured debt	Total
	£m	£m	£m
<b>At 22 April 2021</b>			
In less than one year	70.0	97.1	167.1
In two to five years	-	1,544.2	1,544.2
In more than five years	-	667.6	667.6
	<b>70.0</b>	<b>2,308.9</b>	<b>2,378.9</b>

The Company has no non-current financial liabilities.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 17. Financial instruments (continued)

#### Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value.

All tranches of debt are subject to financial covenants.

The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes. The Group does not actively trade in derivative financial instruments.

#### Interest rate risk

As at 21 April 2022 and 22 April 2021 the Group had fixed rate loan notes as its only external funding source.

#### Liquidity risk

As at 21 April 2022, the Group held sufficient levels of cash and committed funding to enable it to meet its medium-term working capital, lease liability and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

During the period Brookfield, the Group's owner, provided funding of £nil (2021: £148.4 million)

#### Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

#### Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 18. Deferred tax

	Group 2022 £m	2021 £m
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after more than 12 months	-	0.1
	-	0.1
<b>Deferred tax liabilities</b>		
Deferred tax liabilities to be recovered after more than 12 months	(119.0)	(81.1)
	(119.0)	(81.1)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The above deferred tax balances are after offset.

Forecasts agreed by the Directors indicate that the deferred tax assets will be utilised in the foreseeable future against taxable profits. The movement on the deferred tax account is:

	Group 52 weeks ended 21 April 2022 £m	52 weeks ended 22 April 2021 £m
<b>At the beginning of the period</b>	<b>(81.0)</b>	<b>(110.7)</b>
(Charged)/credited to the income statement	(37.7)	29.7
Charged to the statement of comprehensive income	(0.3)	-
<b>At the end of the period</b>	<b>(119.0)</b>	<b>(81.0)</b>

	Land and buildings £m	Accelerated capital allowances £m	Short-term temporary differences £m	Pension £m	Leases £m	Other £m	Total £m
<b>At 22 April 2021</b>	<b>(75.0)</b>	<b>(7.2)</b>	<b>(3.3)</b>	<b>0.1</b>	<b>(7.4)</b>	<b>11.8</b>	<b>(81.0)</b>
Charged to the income statement	(23.6)	(0.3)	(0.6)	(0.1)	(3.7)	(9.4)	(37.7)
Charged to the statement of comprehensive income	-	-	-	(0.3)	-	-	(0.3)
<b>At 21 April 2022</b>	<b>(98.6)</b>	<b>(7.5)</b>	<b>(3.9)</b>	<b>(0.3)</b>	<b>(11.1)</b>	<b>2.4</b>	<b>(119.0)</b>

Other deferred tax balances relate to a deferred tax liability in respect of intangible assets of £30.3 million (2021: £23.0 million), a deferred tax asset on tax losses of £8.0 million (2021: £14.3 million) and a deferred tax asset in respect of interest restricted under the Corporate Interest Restriction regime of £24.7 million (2021: £20.5 million). All movements in respect of these balances were charged or credited to the income statement.

	Land and buildings £m	Accelerated capital allowances £m	Short-term temporary differences £m	Pension £m	Leases £m	Other £m	Total £m
<b>At 23 April 2020</b>	<b>(74.9)</b>	<b>(6.3)</b>	<b>(3.6)</b>	<b>0.4</b>	<b>(3.3)</b>	<b>(23.0)</b>	<b>(110.7)</b>
(Charged)/credited to the income statement	(0.1)	(0.9)	0.3	(0.3)	(4.1)	34.8	29.7
<b>At 22 April 2021</b>	<b>(75.0)</b>	<b>(7.2)</b>	<b>(3.3)</b>	<b>0.1</b>	<b>(7.4)</b>	<b>11.8</b>	<b>(81.0)</b>

The Group has an unrecognised deferred tax asset of £3.4 million (2021: £3.3 million). This relates to carried forward tax losses in non-trading subsidiaries which are not forecast to be utilised in the foreseeable future. Deferred tax is calculated at a rate of 25% (2021: 19%). The Company has no deferred tax.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 19. Equity share capital – Company

	2022 £m	2021 £m
<b>Allotted and fully paid</b>		
1,000,008 ordinary shares of £1 each	1.0	1.0

During the prior period the Company issued two shares to its parent company, CP Cayman Limited, at premiums of £27.5 million and £50.9 million respectively to facilitate equity contributions (note 20).

#### Management of capital

The Group's objectives when managing capital are to safeguard the Group'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.

### 20. Share premium, other reserve and retained earnings

Group	Share premium £m	Other reserve £m	Retained earnings £m
At 22 April 2021	119.9	(154.0)	(325.0)
Profit for the period	-	-	22.3
Net movement on pension scheme	-	-	0.5
<b>At 21 April 2022</b>	<b>119.9</b>	<b>(154.0)</b>	<b>(302.2)</b>

Group	Share premium £m	Other reserve £m	Retained earnings £m
At 23 April 2020	41.5	(154.0)	(197.4)
Loss for the period	-	-	(127.8)
Net movement on pension scheme	-	-	0.2
Equity contributions (note 19)	78.4	-	-
<b>At 22 April 2021</b>	<b>119.9</b>	<b>(154.0)</b>	<b>(325.0)</b>

Company	Share premium £m	Retained earnings £m
At 23 April 2020	41.5	465.9
Equity contributions (note 19)	78.4	-
<b>At 22 April 2021 and 21 April 2022</b>	<b>119.9</b>	<b>465.9</b>

No dividends were paid by the Company in the current or prior period.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 21. Working capital and non-cash movements

	Group	
	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Loss on disposal of property, plant and equipment	-	0.2
Increase in inventories	(0.1)	(1.7)
Decrease/(increase) in trade and other receivables	8.2	(4.6)
Increase in trade and other payables	30.4	45.9
	38.5	39.8

### 22. Analysis of net debt and liabilities arising from financing activities

	At 22 April 2021	Cash flow	Non-cash movements and deferred issue costs	At 21 April 2022
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	94.0	59.0	-	153.0
	94.0	59.0	-	153.0
<b>Borrowings due after more than one year</b>				
Secured debt	(1,901.0)	(5.0)	(0.5)	(1,906.5)
	(1,901.0)	(5.0)	(0.5)	(1,906.5)
<b>Net debt</b>	<b>(1,807.0)</b>	<b>54.0</b>	<b>(0.5)</b>	<b>(1,753.5)</b>
<b>Add:</b>				
<b>Lease liabilities</b>				
Lease liabilities	(36.9)	0.2	(0.6)	(37.3)
	(36.9)	0.2	(0.6)	(37.3)
<b>Add:</b>				
<b>Related party working capital facility</b>				
Amounts owed to related parties	(70.0)	70.0	-	-
	(70.0)	70.0	-	-
<b>Less:</b>				
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	(94.0)	(59.0)	-	(153.0)
	(94.0)	(59.0)	-	(153.0)
<b>Total liabilities from financing activities</b>	<b>(2,007.9)</b>	<b>65.2</b>	<b>(1.1)</b>	<b>(1,943.8)</b>

Net debt is the Group's key measure to evaluate total outstanding debt. This is defined as liabilities arising from financing activities net of the current cash resources, and excludes lease liabilities and amounts due to related parties.

**Notes to the financial statements**

for the 52 weeks ended 21 April 2022 (continued)

**22. Analysis of net debt and liabilities arising from financing activities (continued)**

	At 23 April 2020 £m	Cash flow £m	Non-cash movements and deferred issue costs £m	At 22 April 2021 £m
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	36.4	57.6	-	94.0
	36.4	57.6	-	94.0
<b>Borrowings due within one year</b>				
Mortgage	(0.1)	0.1	-	-
	(0.1)	0.1	-	-
<b>Borrowings due after more than one year</b>				
Secured debt	(1,881.2)	(20.0)	0.2	(1,901.0)
	(1,881.2)	(20.0)	0.2	(1,901.0)
<b>Net debt</b>	<b>(1,844.9)</b>	<b>37.7</b>	<b>0.2</b>	<b>(1,807.0)</b>
<b>Add:</b>				
<b>Lease liabilities</b>				
Lease liabilities	(36.5)	0.2	(0.6)	(36.9)
	(36.5)	0.2	(0.6)	(36.9)
<b>Add:</b>				
<b>Related party working capital facility</b>				
Amounts owed to related parties	-	(70.0)	-	(70.0)
	-	(70.0)	-	(70.0)
<b>Less:</b>				
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	(36.4)	(57.6)	-	(94.0)
	(36.4)	(57.6)	-	(94.0)
<b>Total liabilities from financing activities</b>	<b>(1,917.8)</b>	<b>(89.7)</b>	<b>(0.4)</b>	<b>(2,007.9)</b>

Non-cash movements and deferred issue costs impacting net debt represent the following:

	2022 £m	2021 £m
Deferred issue costs incurred during the period		
- Cash settled	3.0	4.2
- Accrued	0.3	-
- Expensed in the prior period (note 6)	(1.8)	-
Amortisation of deferred issue costs	(3.6)	(3.8)
Accelerated amortisation of deferred issue costs (note 6)	-	(1.8)
Amortisation of premium on issue of secured notes (note 15)	1.6	1.6
	(0.5)	0.2

**23. Capital commitments**

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £15.2 million (2021: £8.7 million).

The Company has no capital commitments.



## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 24. Employees and Directors

	Group	
	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Staff costs during the period:		
Wages and salaries	117.3	63.3
Social security costs	6.5	5.6
Pension costs	3.6	3.6
	127.4	72.5

The table above is presented net of payroll costs reimbursable under the UK Government's Job Retention Scheme, which totalled £0.2 million (2021: £37.7 million).

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	Number	Number
By activity:		
Leisure, retail and food and beverage	3,477	3,507
Housekeeping, technical and estate services	3,614	3,837
Administration	828	844
	8,119	8,188

Employee numbers include only those on contracts of service and hence exclude temporary workers.

The Company has no employees.

#### Key management compensation

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Short-term benefits and pension contributions	3.1	1.9

Key management compensation encompasses the Directors and certain senior managers of the Group.

#### Directors' remuneration

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Remuneration in respect of qualifying services	1.7	0.9

One Director (2021: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £10,000 (2021: £10,000) in the period. Retirement benefits are accruing to no Directors (2021: one Director) under the Group's defined benefit pension scheme.

## Notes to the financial statements

### for the 52 weeks ended 21 April 2022 (continued)

#### 24. Employees and Directors (continued)

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 21 April 2022	52 weeks ended 22 April 2021
	£m	£m
Aggregate emoluments	1.1	0.6
Accrued pension at the end of the period	0.3	0.3

#### Advances to Director

During a previous period, a loan of £0.5 million was advanced to Mr C G McKinlay. This loan attracts interest at a rate of 2.5% per annum. As at 21 April 2022 the balance on this loan was £0.2 million (2021: £0.2 million). This balance is included within other receivables.

#### 25. Pension commitments

##### Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 21 April 2022 were £3.4 million (2021: £3.6 million).

Accruals per note 14 include £0.5 million (2021: £0.6 million) in respect of defined contribution pension scheme costs.

##### Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The last available actuarial valuation of the scheme at the balance sheet date was that performed as at 31 July 2020. This was updated to 21 April 2022 by a qualified independent actuary.

Actuarial assumptions used are as follows:

	2022	2021
Discount rate	3.05%	1.85%
Rate of price inflation (RPI)	3.60%	3.20%
Rate of price inflation (CPI)	3.10%	2.70%
Life expectancy from age 60, for a male:		
Currently age 60	29.4 years	29.4 years
Currently age 50	29.9 years	29.8 years

The amounts recognised in the balance sheet are determined as follows:

	2022	2021
	£m	£m
Present value of funded obligations	(13.8)	(16.6)
Fair value of plan assets	14.8	16.0
<b>Net pension surplus/(liability)</b>	<b>1.0</b>	<b>(0.6)</b>

The Directors have assessed that in the event of the scheme being wound up the Group would have the legal right to the surplus and as such the surplus of £1.0 million has been recognised.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 25. Pension commitments (continued)

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	Number of members	Liability split	Duration (years)
Deferred members	2	6%	17
Pensioners	5	94%	17
<b>Total</b>	<b>7</b>	<b>100%</b>	<b>17</b>

At the prior year balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	Number of members	Liability split	Duration (years)
Active members	1	63%	20
Deferred members	2	5%	20
Pensioners	4	32%	18
<b>Total</b>	<b>7</b>	<b>100%</b>	<b>19</b>

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022 %	2021 %
Liability Driven Investments	21	24
Buy & Maintain Credit	9	9
Multi-Asset Funds	66	66
Cash and net current assets	4	1
	<b>100</b>	<b>100</b>

The movement in the defined benefit obligation over the period is as follows:

	Fair value of plan assets £m	Present value of obligation £m	Total £m
<b>At 22 April 2021</b>	<b>16.0</b>	<b>(16.6)</b>	<b>(0.6)</b>
Current service cost	-	(0.2)	(0.2)
Interest income/(expense)	0.3	(0.3)	-
	<b>0.3</b>	<b>(0.5)</b>	<b>(0.2)</b>
Remeasurements:			
- Return on plan assets, excluding amount included in interest	(0.7)	-	(0.7)
- Gain from change in financial assumptions	-	2.2	2.2
- Experience losses	-	(0.7)	(0.7)
	<b>(0.7)</b>	<b>1.5</b>	<b>0.8</b>
Employer contributions	1.0	-	1.0
Benefit payments from plan	(1.8)	1.8	-
<b>At 21 April 2022</b>	<b>14.8</b>	<b>(13.8)</b>	<b>1.0</b>

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 25. Pension commitments (continued)

The impact of various changes in actuarial assumptions on the present value of the scheme obligation are set out below.

	Present value of obligation £m
0.5% decrease in discount rate	15.0
1 year increase in life expectancy	14.3
0.5% increase in inflation	14.7

The movement in the defined benefit obligation over the prior period was as follows:

	Fair value of plan assets £m	Present value of obligation £m	Total £m
<b>At 23 April 2020</b>	<b>14.0</b>	<b>(15.6)</b>	<b>(1.6)</b>
Current service cost	-	-	-
Interest income/(expense)	0.2	(0.3)	(0.1)
	<b>0.2</b>	<b>(0.3)</b>	<b>(0.1)</b>
<b>Remeasurements:</b>			
- Return on plan assets, excluding amount included in interest	1.0	-	1.0
- Gains from change in demographic assumptions	-	(0.4)	(0.4)
- Loss from change in financial assumptions	-	(1.0)	(1.0)
- Experience gains	-	0.6	0.6
	<b>1.0</b>	<b>(0.8)</b>	<b>0.2</b>
Employer contributions	0.9	-	0.9
Benefit payments from plan	(0.1)	0.1	-
<b>At 22 April 2021</b>	<b>16.0</b>	<b>(16.6)</b>	<b>(0.6)</b>

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the forthcoming financial year are £0.9 million.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 26. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

#### Group

	Balance at 23 April 2020 £m	Movement in 52 weeks £m	Balance at 22 April 2021 £m	Movement in 52 weeks £m	Balance at 21 April 2022 £m
BSREP II Center Parcs Jersey Limited	-	(70.0)	(70.0)	69.9	(0.1)
BSREP II Center Parcs Jersey 2 Limited	-	-	-	0.4	0.4
Center Parcs Finance Borrower Limited	(1.8)	-	(1.8)	0.2	(1.6)

The movement on the balance with BSREP II Center Parcs Jersey Limited in the 52 weeks ended 21 April 2022 represents repayment of the balance due offset by taxation group relief of £0.1 million. The movement in the 52 weeks ended 22 April 2021 represented the provision of an interest-free working capital facility.

The movement on the balance with BSREP II Center Parcs Jersey 2 Limited in the 52 weeks ended 21 April 2022 represents re-imbursement of corporation tax payable by the Group.

The movement on the balance with Center Parcs Finance Borrower Limited in the 52 weeks ended 21 April 2022 represents repayment of the balance due offset by additional taxation group relief of £1.6 million. The prior period balance was in respect of taxation group relief.

Transactions with Directors are set out in note 24 to these financial statements.

#### Company

The Company had no related party balances at the current or prior period end.

No dividends were received from Center Parcs (Holdings 2) Limited, the Company's subsidiary undertaking, during the current or prior period.

## Notes to the financial statements

for the 52 weeks ended 21 April 2022 (continued)

### 27. Subsidiary undertakings

The share capitals of all subsidiary undertakings are designated as ordinary shares. All the subsidiary undertakings set out below are included in the consolidated financial statements. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by other subsidiary undertakings of the Company, with the exception of Center Parcs (Holdings 2) 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 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
Center Parcs (Holdings 2) Limited	Intermediate holding company	England and Wales
Center Parcs (Holdings 3) Limited	Intermediate holding company	England and Wales
Center Parcs (UK) Group Limited	Intermediate holding company	England and Wales
SPV1 Limited	Intermediate holding company	England and Wales
CP Longleat Village Limited	Intermediate holding company	England and Wales
SPV2 Limited	Investment company	England and Wales
Comet Refico Limited	Non-trading	England and Wales
Center Parcs (Jersey) 1 Limited	Dormant	Jersey
Centrepark Limited	Dormant	England and Wales
Carp (UK) 1 Limited	Dormant	England and Wales

The registered office of all subsidiary undertakings is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

#### Subsidiary audit exemptions

Center Parcs (Holdings 1) Limited has issued guarantees over the liabilities of the following companies at 21 April 2022 under section 479C of the Companies Act 2006 and these entities are exempt from the requirements of the Act relating to the audit of their individual financial statements by virtue of section 479A of the Act.

- Center Parcs Limited (registered no. 01908230)
- Center Parcs (Holdings 2) Limited (registered no. 07656407)
- CP Longleat Village Limited (registered no. 07656396)
- Comet Refico Limited (registered no. 05994315)
- SPV2 Limited (registered no. 07620891)

### 28. Structured entity – CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the secured debt set out in note 15 to the financial statements. The registered office of CPUK Finance Limited is 44 Esplanade St Helier, Jersey, Channel Islands, JE4 9WG.

## **Notes to the financial statements**

**for the 52 weeks ended 21 April 2022 (continued)**

### **29. Ultimate parent company and controlling parties**

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. 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 its registered office at Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3.

No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.