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## **Tiger Topco 1 Limited**

**Annual report and financial statements**

**Registered number 10500425**

**Year ended 31 December 2018**

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## **Directors and Advisers**

### **Directors**

A J Fawcett  
J A Sills  
A N Clish  
A B Loch  
R L Ullman (appointed on 28 November 2018)  
G J Knight  
S J E Roddis  
B J Coady (appointed on 1 February 2019)

### **Registered Office**

Glovers House  
Glovers End  
Bexhill-On-Sea  
East Sussex  
TN39 5ES

### **Solicitors to the Company**

Proskauer Rose LLP  
110 Bishopsgate  
London  
EC2N 4AY

### **Independent Auditor**

KPMG LLP, Statutory Auditor  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

## Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2018 (*Comparative period is 13 months from incorporation on 28 November 2016 to 31 December 2017*).

### Principal activities

The principal activity of the group is the operation of holiday home parks.

### Dividends

During the year preference dividends of £9,881,757 were paid, and preference shares of £117,745,441 were redeemed. No other dividend payments were made during the year

### Directors

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

A J Fawcett  
J A Sills  
A N Clish  
A B Loch  
R L Ullman (appointed on 28 November 2018)  
G J Knight  
S J E Roddis  
B J Coady (appointed on 1 February 2019)

Directors' beneficial shareholdings as at 31 December 2018 were as follows:

Director	Company	Class of share or loan note	Interest at end of the year	Interest at start of the year
J A Sills	Tiger Topco 1 Limited	A2 Ordinary Shares	11,986	11,986
		B1 Ordinary Shares	32,375	32,375
		B2 Ordinary Shares	18,375	18,375
		Preference Shares	-	193,667
A N Clish	Tiger Topco 1 Limited	A2 Ordinary Shares	5,640	5,640
		B2 Ordinary Shares	18,375	18,375
		Preference Shares	-	91,123
A B Loch	Tiger Topco 1 Limited	A2 Ordinary Shares	5,640	5,640
		B1 Ordinary Shares	6,125	6,125
		B2 Ordinary Shares	18,375	18,375
		Preference Shares	-	91,123
A J Fawcett	Tiger Topco 1 Limited	A2 Ordinary Shares	2,557	2,557
		B1 Ordinary Shares	15,750	15,750
		Preference Shares	-	41,312
R L Ullman	Tiger Topco 1 Limited	A2 Ordinary Shares	2,222	2,222
		B1 Ordinary Shares	13,562	13,562
		Preference Shares	-	35,908

Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The Group provided qualifying third party indemnity provisions to directors of associated companies during the financial year and at the date of this report.

## **Directors' report (continued)**

### **Research and Development**

The Group undertook no research during the year but there has been ongoing development on company specific software.

### **Financial instruments**

Information in respect of the Group's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk are given in note 21 to the financial statements.

### **Employees**

The Group has a structured health and safety policy and provides the relevant financial and human resources to ensure the fulfilment of the policy. Adequate training is provided for those employees directly involved with the implementation of the policy. The directors continue to prioritise health and safety issues across all areas of the Group's activities.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

The Group's policy is to consult and discuss with employees at meetings, as required, matters likely to affect employees' interests.

Information on matters of concern to employees is provided to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on pages 4-6.

### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



**A B Loch**  
*Director*  
Glovers House  
Glovers End  
Bexhill-On-Sea  
East Sussex  
TN39 5ES

3 May 2019

## Strategic report

### Business review

The Group currently runs 30 holiday parks that are located in coastal locations in the south of England with the majority of the parks being within a two hour drive time of London.

The major revenue streams of the business are derived from the sale of holiday homes, rental of pitches to holiday home owners and short term holiday lettings. Revenue is also derived from on-site bars and restaurants. The business is focused on improving revenue streams by expanding the range and improving the quality of the products offered to potential customers and by growing the business through an expansion strategy of new park acquisitions, land additions adjacent to current parks and the redevelopment of current park facilities and layouts.

The purchase of a holiday home represents a reasonably long term commitment from our customers who are generally given a licence to occupy their selected holiday home pitch until their holiday home is twenty years old and as such, certain aspects of the revenue streams are fairly stable. The sale of holiday homes however can be influenced by economic factors and could also be impacted by adverse weather conditions, which may also influence the short term holiday lettings business.

Despite the ongoing uncertainty surrounding the impact of Brexit, during the year to 31 December 2018, the UK economy was relatively stable with continuing low interest rates and slight growth in residential property values. Holiday home ownership for UK residents has shown steady increases in recent years with a continuing movement towards larger, higher specification, caravans during 2018. Lodge and larger caravan sales remained popular during 2018 with all parks now including these products in their sales mix, usually located on premium plots within parks.

The holiday fleet has seen continued investment during 2018 which has further improved the quality of units available for holiday lettings. This has driven a strong increase in repeat bookings and an improvement in online review feedback and ratings. A new website was launched in 2018 which has enhanced the holiday booking experience. The Group introduced lodge units to the hire fleet of various parks during 2018 which was positively received by customers and has led to further investment in additional lodges for the 2019 season. Whilst demand for caravan and lodge accommodation shows no sign of waning, glamping is beginning to make its mark on the leisure industry and with that in mind, the Group has invested in 40 'Camping Pods' that will be introduced to four parks during 2019.

Two new parks were acquired during the year; Martello Beach Holiday Park and Dovercourt Holiday Park, both located in Essex, expanding the businesses footprint and increasing market share. Both parks have benefitted from immediate investment and offer great future revenue potential.

During 2017 the Group entered into a series of sale and leaseback agreements secured on the freehold element of 16 of its Holiday Parks. In 2018 the Group entered into a second series of sale and leaseback agreements, secured on the freehold element of six additional parks in addition to the refinancing of four of the sale and leasebacks that took place during 2017. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") over a 100 year term for the use of the land, with the option to repurchase the freehold for £1 at the end of the lease term. Although the parks are now leasehold the Group retains full operational control of the assets.

The current uncertainty surrounding Brexit could be impacting potential holiday home buyers' decisions given that the purchase of a holiday home is a substantial investment for what is essentially a luxury product. However, with regard to holiday home rentals, the same uncertainty and a number of other contributory factors could result in attracting new customers that otherwise would have taken a holiday abroad. Most of the direct suppliers are UK based businesses and therefore it is not expected that Brexit will have a material negative impact although exchange rate movements have already resulted in some of their raw material costs increasing.

## Strategic report (continued)

### PRINCIPAL RISKS AND UNCERTAINTIES

#### Business Risks

Key areas of risk facing the business relate to general economic conditions, credit and interest rates. The Group continues to monitor and reduce exposure as follows:

#### Economic Conditions

Management recognise that a sustained downturn in general economic conditions could adversely affect its customers' spending power. In order to mitigate against the impact of this, management regularly review key economic indicators and consider alternate options in relation to any areas that are identified as at risk of underperforming. Management are particularly aware of the economic uncertainty created by Brexit and are specifically monitoring the impact of this and assessing how best this can be managed as the impact of Brexit becomes more clear.

#### Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date there were no significant areas of credit risk not covered.

#### Interest Rate Risk

The Group monitors closely all loans outstanding which currently incur interest at fixed and floating rates. At the moment the Group is comfortable with the interest rate, level of exposure and hedging instruments in place in respect of the majority of its debt.

### FINANCIAL KEY PERFORMANCE INDICATORS

A summary of the Group's key financial performance indicators are as follows:

- Revenue year on year increase.
- Gross Margin (Gross Profit as a percentage of Revenue) year on year increase.
- Operating Profit year on year increase.

A like for like comparison at Group level cannot be made as 2017 was a 13 month period ending 31 December 2017. However, comparing the results for Park Holidays UK Limited for the year on year movement, revenue grew by 4.5%, gross margin increased by 0.8% and operating profit increased by 10.6%.

A summary of results for the Group for the year to 31 December 2018 can be found below:

	Year ended 31 December 2018	Period ended 31 December 2017 (restated)
	£'000	£'000
Revenue	154,814	140,664
EBITDA (pre non-trading items)	45,673	41,305
Operating profit (pre non-trading items)	37,167	33,553
Profit before tax	9,574	7,279
Profit for the period	3,395	4,181

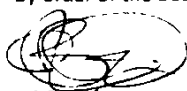
At the year end, debt comprised bank borrowings of £175.7m net of fees (2017: £150.3m) and shareholder debt of £97.9m (comprising shareholder loan notes including accrued interest) (2017: £114.3m). At the end of the year the Group was in compliance with all of its banking covenants. In addition 22 of the holiday parks owned by the Group are held under ground rent finance leases totalling £195.9m (2017: £148.9m).

## **Strategic report (continued)**

### **Future Developments**

The Group has continued to trade well since the start of the new financial year and the business is expected to grow both organically and through acquisitions over the coming years.

By order of the Board



**A B Loch**

*Director*

Glovers House  
Glovers End  
Bexhill-On-Sea  
East Sussex  
TN39 5ES

3 May 2019



## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

## Independent auditor's report to the members of Tiger Topco 1 Limited

### Opinion

We have audited the financial statements of Tiger Topco 1 Limited ("the company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company statements of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of goodwill, fixed assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

## Independent auditor's report to the members of Tiger Topco 1 Limited (continued)

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept 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 these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Wheeldon (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

3 May 2019

**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Note	Year ended 31 December 2018	Period ended 31 December 2017 (restated-note 1.2) £'000
Revenue	2	154,814	140,664
Cost of sales		(63,213)	(57,958)
<b>Gross profit</b>		<b>91,601</b>	<b>82,706</b>
Administrative expenses before non-trading items	3	(54,805)	(49,546)
Non-trading items	6	(872)	(7,730)
<b>Total administrative expenses</b>		<b>(55,677)</b>	<b>(57,276)</b>
<b>Other operating income</b>		<b>371</b>	<b>393</b>
<b>Operating profit</b>		<b>36,295</b>	<b>25,823</b>
Finance income	7	162	59
Finance expense	7	(26,883)	(18,603)
<b>Profit before taxation</b>		<b>9,574</b>	<b>7,279</b>
Tax on profit	8	(6,179)	(3,098)
<b>Profit for the financial year/period</b>		<b>3,395</b>	<b>4,181</b>
<b>Total comprehensive income for the year/period attributable to equity holders of the parent company</b>		<b>3,395</b>	<b>4,181</b>

All trade during the year to 31 December 2018 was derived from continuing operations.

The Notes on pages 14 to 43 form part of the financial statements.

## Consolidated and Parent Company Statements of Financial Position at 31 December 2018

	Note	Group 31 Dec 18 £000	Group 31 Dec 17 (restated- note 1.2) £000	Company 31 Dec 18 £000	Company 31 Dec 17 (restated- note 1.2) £000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	420,762	369,742	-	-
Intangible assets	10	82,332	84,800	-	-
Investments in subsidiaries	11	-	-	-	-
<b>Total non-current assets</b>		<b>503,094</b>	<b>454,542</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>					
Inventories	13	18,461	17,242	-	-
Trade and other receivables	14	22,537	136,020	7,433	243,371
Cash and cash equivalents	15	22,293	47,552	-	-
<b>Total current assets</b>		<b>63,291</b>	<b>200,814</b>	<b>7,433</b>	<b>243,371</b>
<b>Total assets</b>		<b>566,385</b>	<b>655,356</b>	<b>7,433</b>	<b>243,371</b>
<b>Current liabilities</b>					
Trade and other payables	16	(65,722)	(88,772)	(2,117)	(113,603)
Current tax liability		-	(1,498)	(1,001)	(2,117)
<b>Total current liabilities</b>		<b>(65,722)</b>	<b>(90,270)</b>	<b>(3,118)</b>	<b>(115,720)</b>
<b>Non-current liabilities</b>					
Obligations under finance leases	17	(197,223)	(150,874)	-	-
Borrowings	18	(273,586)	(264,609)	-	-
Deferred tax	19	(31,111)	(26,652)	-	-
<b>Total non-current liabilities</b>		<b>(501,920)</b>	<b>(442,135)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>(567,642)</b>	<b>(532,405)</b>	<b>(3,118)</b>	<b>(115,720)</b>
<b>Net assets</b>		<b>(1,257)</b>	<b>122,951</b>	<b>4,315</b>	<b>127,651</b>
<b>Equity attributable to equity holders of the parent</b>					
Share capital	20	12	12	12	12
Share premium account	20	1,036	1,013	1,036	1,013
Profit and loss reserve		(2,305)	4,181	3,267	8,881
Preference share premium account	20	-	117,745	-	117,745
<b>Total equity</b>		<b>(1,257)</b>	<b>122,951</b>	<b>4,315</b>	<b>127,651</b>

These financial statements were approved by the board of directors on 3 May 2019 and were signed on its behalf by.

J A Sills  
Director

The Notes on pages 14 to 43 form part of the financial statements.

## Consolidated and Parent Company Statements of Changes in Equity

For the year ended 31 December 2018

Group	Share Capital	Share premium account	Preference share premium (restated- note 1.2)	Profit and loss Reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at incorporation	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	-
Profit for the financial period (restated – note 1.2)	-	-	-	4,181	4,181
Total comprehensive profit for the period	-	-	-	4,181	4,181
Transactions with owners, recorded directly in equity					
Share issue	12	1,013	117,745	-	118,770
Transactions with owners, recorded directly in equity	12	1,013	117,745	-	118,770
Balance at 31 December 2017	12	1,013	117,745	4,181	122,951
At 1 January 2018	12	1,013	117,745	4,181	122,951
Total comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	3,395	3,395
Total comprehensive income for the year	-	-	-	3,395	3,395
Transactions with owners, recorded directly in equity					
Capital reduction	-	-	(117,745)	117,745	-
Redemption of preference shares	-	-	-	(117,745)	(117,745)
Preference share dividend	-	-	-	(9,881)	(9,881)
Share issue	-	23	-	-	23
Transactions with owners, recorded directly in equity	-	23	(117,745)	(9,881)	(127,603)
Balance at 31 December 2018	12	1,036	-	(2,305)	(1,257)

Company	Share Capital	Share premium account	Preference share premium (restated-note 1.2)	Profit and loss reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at incorporation	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Profit for the financial period (restated – note 1.2)	-	-	-	8,881	8,881
Total comprehensive income for the period	-	-	-	8,881	8,881
Transactions with owners, recorded directly in equity					
Share issue	12	1,013	117,745	-	118,770
Transactions with owners, recorded directly in equity	12	1,013	117,745	-	118,770
Balance at 31 December 2017	12	1,013	117,745	8,881	127,651
At 1 January 2018	12	1,013	117,745	8,881	127,651
Total comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	4,267	4,267
Total comprehensive income for the year	-	-	-	4,267	4,267
Transactions with owners, recorded directly in equity					
Capital reduction	-	-	(117,745)	117,745	-
Redemption of preference shares	-	-	-	(117,745)	(117,745)
Preference share dividend	-	-	-	(9,881)	(9,881)
Share issue	-	23	-	-	23
Transactions with owners, recorded directly in equity	-	23	(117,745)	(9,881)	(127,603)
Balance at 31 December 2018	12	1,036	-	3,267	4,315

The Notes on pages 14 to 43 form part of the financial statements.

## Consolidated and Parent Company Statements of Cash Flows for the year ended 31 December 2018

	Note	Group Year ended 31 Dec 2018 £000	Group Period ended 31 Dec 2017 (restated) £000	Company Year ended 31 Dec 2018 £000	Company Period ended 31 Dec 2017 (restated) £000
<b>Cash generated from operations</b>					
Profit after Income tax		3,395	4,181	4,267	8,881
Adjustments for:					
Depreciation and amortisation	3,9,10	8,506	7,752	-	-
Asset disposals		(211)	(120)	-	-
Finance costs – net	7	26,721	18,544	(5,268)	(10,997)
Income tax	8	6,179	3,098	1,001	2,117
Changes in working capital (excluding the effects of acquisition)					
- Inventories	13	(700)	(2,583)	-	-
- Trade and other receivables	14	122,301	(126,732)	241,206	(232,374)
- Trade and other payables	16	(35,867)	36,028	(111,486)	113,603
<b>Cash generated from / (used in) operations</b>		<b>130,324</b>	<b>(59,832)</b>	<b>129,720</b>	<b>(118,770)</b>
<b>Cash flows from operating activities</b>					
Interest paid		(11,588)	(8,600)	-	-
Income tax paid		(4,347)	(2,554)	(2,117)	-
<b>Net cash generated / (used in) operating activities</b>		<b>114,389</b>	<b>(70,986)</b>	<b>127,603</b>	<b>(118,770)</b>
<b>Cash flows from investing activities</b>					
Interest received		162	59	-	-
Proceeds from sales of plant, property and equipment	9	780	481	-	-
Acquisition of subsidiary (net of cash)	12	(23,420)	(248,282)	-	-
Purchases of property, plant and equipment	9	(32,111)	(23,807)	-	-
Purchases of software and related assets	10	(205)	(189)	-	-
Labour capitalised		(1,191)	(902)	-	-
Payment of non-ground rent finance lease liabilities	17,18	(282)	(246)	-	-
<b>Net cash used in investing activities</b>		<b>(56,267)</b>	<b>(272,886)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of ordinary shares	20	23	1,025	23	1,025
Proceeds from issue of preference shares	20	-	117,745	-	117,745
Proceeds from bank borrowings	18	24,504	174,677	-	-
Proceeds from Payment in Kind ('PIK') loan notes	18	-	105,000	-	-
Proceeds received from Finance leases	17,18	-	929	-	-
Proceeds from sale and leaseback transaction	18	45,719	148,957	-	-
Repayments of bank borrowings	18	-	(156,909)	-	-
Repayments of PIK loan notes	18	(26,001)	-	-	-
Preference share dividends	20	(117,745)	-	(117,745)	-
Redemption of preference shares	20	(9,881)	-	(9,881)	-
<b>Net cash generated from financing activities</b>		<b>(83,381)</b>	<b>391,424</b>	<b>(127,603)</b>	<b>118,770</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(25,259)</b>	<b>47,552</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of period		47,552	-	-	-
<b>Cash and cash equivalents at end of period</b>	15	<b>22,293</b>	<b>47,552</b>	<b>-</b>	<b>-</b>

The Notes on pages 14 to 43 form part of the financial statements.

## Notes

### (forming part of the financial statements)

#### 1 Accounting policies

##### 1.1 Basis of preparation

Tiger Topco 1 Limited (the "Company") is a private limited company incorporated, domiciled and registered in the UK. The registered number is 10500425 and the registered address is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group and Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

The following standards, amendments and interpretations have been adopted for the first time in these financial statements,:

- Annual Improvements to IFRS Standards 2014-2016 Cycle, *no impact on adoption*
- IFRS 9 Financial Instruments; *see note 27*
- IFRS 15 Revenue from Contract with Customers; *see note 27*

Both the parent company and consolidated financial statements of Tiger Topco 1 Limited have been prepared in accordance with international accounting standards (EU-adopted International Financial Reporting Standards) and the Companies Act 2006 applicable to companies reporting under IFRS. On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s230 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The preparation of financial statements in conformity with IFRSs requires certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are detailed in note 26.

##### 1.2 Prior year restatement

In the year ended 31 December 2017 the directors carried out a capital reduction of £117,745k and following that reduction made a distribution of the amounts of £104,958k to its shareholders and this was accounted for in the financial statements for that year.

However, as the required filings for the capital reduction to the Registrar of Companies were not made appropriately at that time, in fact the capital reduction was not legally effective and also the distribution to its shareholders (which needed the capital reduction to have occurred) could not legally have occurred.

Hence in the 2017 figures below prior year adjustments have been made to correct this by reinstating the shares that were not in fact reduced and to record a debtor for the payment made which they thought had been a distribution.

There was no impact on the opening balance sheet of the comparative period as at 1 January 2017.

In order to regularise the position the capital reduction has now been properly affected in the year ended 31 December 2018.

Group	Note	31 Dec 2017	Adjustment	31 Dec 2017 (restated)	IFRS 15 impact (Note 27)	31 Dec 2017 after IFRS 15 impact
Trade and other receivables	14	22,417	113,603	136,020	-	136,020
Trade and other payables	16,27	(87,485)	203	(87,282)	(1,490)	(88,772)
<b>Net assets</b>		<b>10,635</b>	<b>113,806</b>	<b>124,441</b>	<b>(1,490)</b>	<b>122,951</b>
Other share capital		1,025	-	1,025	-	1,025
Preference shares	20	12,787	104,958	117,745	-	117,745
P&L reserve	27	(3,177)	8,848	5,671	(1,490)	4,181
<b>Total equity</b>		<b>10,635</b>	<b>113,806</b>	<b>124,441</b>	<b>(1,490)</b>	<b>122,951</b>



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Prior year restatement (continued)

Group	Note	31 Dec 2017	Adjustment	31 Dec 2017 (restated)	IFRS 15 impact (Note 27)	31 Dec 2017 after IFRS 15 impact
<b>Cash flow statement:</b>						
Profit / (loss) after income tax		(3,177)	8,848	5,671	(1,490)	4,181
Adjustments for:						
Finance costs – net		27,392	(8,848)	18,544	-	18,544
Changes in:						
- Trade and other receivables		(13,129)	(113,603)	(126,732)	-	(126,732)
- Trade and other payables		34,538	-	34,538	1,490	36,028
<b>Cash generated from/(used in) operations</b>		<b>53,771</b>	<b>(113,603)</b>	<b>(59,832)</b>	<b>-</b>	<b>(59,832)</b>
<b>Cash flows from operating activities</b>						
Interest paid		(17,245)	8,645	(8,600)	-	(8,600)
<b>Net Cash generated from operations</b>		<b>33,972</b>	<b>(104,958)</b>	<b>70,986</b>	<b>-</b>	<b>70,986</b>
<b>Repayments of preference shares</b>						
		(104,958)	104,958	-	-	-
<b>Net cash generated from financing activities</b>		<b>286,466</b>	<b>104,958</b>	<b>391,424</b>	<b>-</b>	<b>391,424</b>

	Note	31 Dec 2017	Adjustment	31 Dec 2017 (restated)
<b>Company</b>				
Trade and other receivables	14	129,768	113,603	243,371
Trade and other payables	16	(113,806)	203	(113,603)
<b>Net assets</b>		<b>13,845</b>	<b>113,806</b>	<b>127,651</b>
Other share capital		1,025	-	1,025
Preference shares	20	12,787	104,958	117,745
P&L reserve		33	8,848	8,881
<b>Total equity</b>		<b>13,845</b>	<b>113,806</b>	<b>127,651</b>
<b>Cash flow statement:</b>				
Profit after income tax		33	8,848	8,881
Adjustments for:				
Finance costs – net		(2,149)	(8,848)	(10,997)
Changes in:				
- Trade and other receivables		(118,770)	(113,604)	(232,374)
<b>Cash used in operations</b>		<b>(5,166)</b>	<b>(113,604)</b>	<b>(118,770)</b>
<b>Cash flows from operating activities</b>				
Interest paid		(8,646)	8,646	-
<b>Net Cash generated from/(used in) operations</b>		<b>(13,812)</b>	<b>(104,958)</b>	<b>(118,770)</b>
<b>Repayments of preference shares</b>				
		(104,958)	104,958	-
<b>Net cash generated from financing activities</b>		<b>13,812</b>	<b>104,958</b>	<b>118,770</b>

There was no impact to the Company on transition to IFRS 15.

## **Notes (continued)**

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

#### **1.3 Changes in significant accounting policies**

- The Group has applied IFRS 15 Revenue from Contract with Customers from 1 January 2018; the Group's revised accounting policy for revenue is provided in note 1.14 and transition disclosures are provided in Note 27.
- IFRS 9 Financial Instruments was also effective from 1 January 2018; the Group's revised accounting policy for financial instruments is provided in note 1.7 and transition disclosures are provided in Note 27.

#### **1.4 Measurement Convention**

The consolidated financial statements have been prepared under the historic cost convention, as modified by the revaluation of land and buildings, available for sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through the profit and loss account.

#### **1.5 Going Concern**

Management have prepared cash flow forecasts and projections for the Group, taking account of reasonably possible changes in trading performance, that show that the Group will be able to operate within the level of its current facilities, with all covenant tests being met. Information on the Group's borrowings is given in note 18. This shows that the Group is not scheduled to make any capital repayments on bank borrowings until 2024. There are substantial cash reserves (with significant headroom) to fund working capital requirements, and the directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notwithstanding that, at the balance sheet date, the Group has net current liabilities of £2,996k and net liabilities of £1,822k, the financial statements have been prepared on a going concern basis. The net liabilities position is driven by the advanced billing of site fees. The main liability at the balance sheet date is deferred income that will become turnover in the following year. The redemption of preference shares during the year has impacted the year on year net assets / liability position.

#### **1.6 Basis of consolidation**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Financial instruments

##### (i) Recognition on initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### (ii) Classification and subsequent measurement

#### Financial assets

##### (a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

##### (b) Subsequent measurement and gains and losses

Financial assets at FVTPL – these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Financial instruments (continued)

##### (b) Subsequent measurement and gains and losses (continued)

##### Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### Intra-group financial instruments

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Group considers these to be insurance arrangements and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

##### (iii) Derivative financial instruments and hedging

##### Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

##### (iv) Impairment

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full
- the financial asset is more than 90 days past due

These criteria are based on historic experience of debt default within the business.

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. Trade receivables with significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Financial instruments (continued)

##### (iv) Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### Write Offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### 1.8 Property, plant and equipment

Property, plant and equipment are stated at either fair value or cost less subsequent depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Freehold property	-	25 to 200 years
Leasehold property	-	Straight line over the period of the lease
Plant & machinery	-	10% straight line
Fixtures & fittings	-	10 to 25% straight line
Other fixed assets	-	10 to 25% straight line
IT equipment	-	3 years straight line

Motor vehicles and caravan hire fleet are combined under other fixed assets and are respectively depreciated at 25% and 10%.

The estimated useful lives of assets held under finance leases are as follows:

- Plant and machinery - 14% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Motor vehicles and caravan hire fleet are combined under the heading other fixed assets and are respectively depreciated at 25% and 10% within this category.

Land and Buildings comprises holiday home parks, owned or leased, and operated by the Group. The parks are held at market value, being the open market value for each park, separate to the business as a whole, determined periodically (triennially) by external valuers under the RICS Valuation Standards. The valuation approach considers a range of indications of value, including earnings multiples (on a park by park basis with an allocation of part of the central overheads), "per pitch" valuations and evidence from recent similar transactions. The valuation is undertaken by a qualified Chartered Surveyor.

A desktop valuation was carried out by CBRE on the 31 December 2018. This was carried out in accordance with the techniques explained above and resulted in no change in asset values for the year ended 31 December 2018. The next full valuation is scheduled for 31 December 2019. No depreciation is provided on freehold land.

## Notes (continued)

### 1 Accounting policies (continued)

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

The cost of internal labour of those staff who work on capital projects is monitored and where appropriate as per IAS16 is capitalised and depreciated over the life of the asset constructed. The useful economic life of property, plant and equipment is reviewed on an annual basis. The period of actual or economic benefit may vary from the estimated life and residual values.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

#### 1.9 Business combinations

All business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

#### 1.10 Intangible assets

##### Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets/net liabilities of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the Group's share of the net assets/net liabilities of the acquired entity (i.e. a discount on acquisition) then the difference is credited to the income statement in the period of acquisition. Goodwill is allocated to cash generating units for the purposes of impairment testing and is tested annually for impairment (refer to impairment of assets policy) and carried at cost less accumulated impairment losses. At the acquisition date of a subsidiary, goodwill acquired is recognised as an asset and is allocated to each of the cash-generating units expected to benefit from the business combination's synergies and to the lowest level at which management monitors the goodwill.

##### Software

Software assets are initially stated at cost less accumulated amortisation and accumulated impairment losses.

##### Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Intangible assets (continued)

##### Other intangible assets

Other Intangible assets represents the identified values placed on those assets at the date of acquisition.

##### Amortisation

Amortisation is provided so as to write off the cost of the customer relationships and brand over the expected economic lives of the asset in equal annual instalments as follows:

Brand	- 7 Years
Customer Lists	- 6 Years
Software	- 4 years

#### 1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Valuation uses the actual expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

#### 1.12 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use. These are defined as CGU's and are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.13 Employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the years during which services are rendered by employees.

#### 1.14 Revenue

Revenue is derived from the sale of holiday homes, rental of pitches to holiday home owners (site fees) and short term holiday lettings and represents the invoiced value of these goods and services excluding discounts, incentives and value added tax.

The sale of a holiday home 'A Caravan Bundle' is a distinct good when compared to the site fee included at the time of sale so the Company recognises income from caravan sales and site fees separately as each stream of income has different performance obligations.

Once separated from the bundle, the sale of a holiday home only has one performance obligation being the provision of the holiday home to the customer. The transaction price recognised is the amount per the sales contract that is agreed with the customer. Revenue is recognised in full on the date that the customer takes delivery of the holiday home. Customers have 14 days from the date of initial sale to cancel their purchase and receive a full refund.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.14 Revenue (continued)

Some of the holiday homes sold to customers of the Company are in part funded by third party finance companies so the payment terms are in accordance with the finance provider's terms and conditions. However, in the event of a default by a customer, the Company may be required to re-purchase a holiday home from the third party finance company at a price based on an agreed formula.

The site fee income sold as part of the 'caravan bundle' is recognised straight line over the contract period as the customer consumes the benefit provided by the Company and all performance obligations are met. Existing owners are required to pay site fees each year in exchange for the use of the holiday park and its facilities. The site fee income from these owner is recognised straight line over the contract period. The payment terms for site fees is payment in full or a monthly direct debit. When payment is received in full, the income is recognised as deferred income and released on a straight line basis over the year that they relate to, as the customer consumes the benefit provided by the Company.

Rental income for pitches and holiday lets is recognised evenly over the rental period as the performance obligation is satisfied as the holiday is taken. Any extras added to the booking such as furniture hire or pet fees are considered to be bundled goods and therefore recognised when the holiday is taken, in line with the rental income. Payment terms are either payment in full or payment of a deposit with the balance at a later date.

All other income relating mainly to retail, entertainment and catering is recognised at the point of time that the good/service is supplied to the customer and consideration has been received by the company. The items sold or provided are separable and the performance obligation is met upon point of sale.

#### 1.15 Expenses

##### Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

##### Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

##### Non-trading items

Non-trading items are those items which comprise of one off costs that should be separately identified as they do not form part of the regular cyclical trade of the business and will not be repeated.

##### Net financing costs

Net financing costs comprise interest on preference shares, PIK loan notes, ground rent charges and bank interest payable and receivable which is recognised in profit or loss as it accrues, using the effective interest method.

Debt arrangement costs that were capitalised on the acquisition of the Tiger Group are amortised over the period of the associated debt and the unwinding of these costs are also recorded in finance costs.

#### 1.16 Current and deferred taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is classified as a non-current asset or liability dependent on its nature to the extent that it is not yet realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the asset can be utilised



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.17 Adopted IFRS not yet applied

At the date of approval of these financial statements, the following standards, interpretations and amendments were issued but not yet mandatory and early adoption has not been applied.

- IFRS 16 Leases (effective date 1 January 2019). The standard introduces an 'on-balance sheet' focused accounting model whereby a lessee is required to recognise a right-of-use asset to represent the right to use the underlying asset, with a corresponding liability to represent the obligation to make lease payments. Optional exemptions are available on transition for short term leases and leases of low value.

The standard is effective for accounting periods beginning on or after 1 January 2019 but early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

Park Holidays UK Limited has chosen to take the modified retrospective transition approach for the adoption and application of IFRS 16 and have estimated the impact on the financial statements on transition within the ranges identified below.

Fixed assets and finance lease liabilities:	£10.0m - £20.0m increase
Interest payments:	£0.5m - £1.5m interest charges in year 1
Depreciation:	£0.5m - £1.5m depreciation charges in year 1

The financial impacts disclosed above are an estimation and therefore can only provide a guideline as to the estimated impact of IFRS 16. These may be subject to increase or decrease by the time IFRS 16 is adopted depending on any operational changes to the business during this time frame.

The disclosure to be made in the 2019 year end accounts will detail the transition on the adoption of IFRS 16 including a reconciliation between the operating lease commitments under IAS 17 and the disclosure requirements of IFRS 16.

- IFRIC 23 Uncertainty over income tax treatments (effective date 1 January 2019). In June 2017, the IASB published IFRIC 23 'Uncertainty over Income Tax Treatments' which provides additional guidance on the application of IAS 12 'Income Taxes'. The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.

### 2 Revenue from contracts with customers

#### (i) Disaggregation of revenue

In the following table, revenue is disaggregated by major product lines, all revenue arose within the United Kingdom.

	Group Year to 31 Dec 2018	Group Period to 31 Dec 2017
	£'000	£'000
Sale of holiday homes	83,775	79,745
Rental income for pitches and holiday lets	56,256	48,194
Other income	14,783	12,725
	<b>154,814</b>	<b>140,664</b>
	Group Year to 31 Dec 2018	Group Period to 31 Dec 2017
	£'000	£'000
Timing of transfer of goods or service		
Products and services transferred at a point in time	103,275	95,075
Products and services transferred over time	51,539	45,589
	<b>154,814</b>	<b>140,664</b>

There was no revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods. There were no contract costs incurred during the year.

## Notes (continued)

### 2 Revenue (continued)

#### (ii) Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	Group Year to 31 Dec 2018	Group Period to 31 Dec 2017
	£'000	£'000
Receivables (see note 14, Trade Receivables)	12,623	10,996
Contract assets (within Prepayments and accrued income, note 14)	1,745	886
Contract liabilities (see note 16, Deferred Income)	(34,191)	(30,175)
	(19,823)	(18,293)

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date for utility billings. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for site fee income and holiday income received in advance.

There was Enil revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods as all performance obligations were settled in the year and there were no changes to revenue timing estimations.

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £30,175,000.

There were no significant changes in the contract assets and the contract liabilities balances during the period.

#### (iii) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2019 £'000	2020 £'000	2021 £'000
Site fee income	31,956	1,294	324

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

### 3 Expenses and auditor's remuneration

Included in the profit for the period are the following:

	Group Year to 31 Dec 2018	Group Period to 31 Dec 2017
	£'000	£'000
Hire of property – operating leases	1,029	1,019
Depreciation and amortisation	8,506	7,752
<b>Auditor's remuneration</b>		
- Audit of these financial statements	18	14
Amounts receivable by the auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	155	150
- Audit assurance services	6	-
- Corporate finance services	26	25

## Notes (continued)

### 4 Staff numbers and costs

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

	Group Year to 31 Dec 2018 No. of employees	Group Period to 31 Dec 2017 No. of employees
Administration	155	138
Operational	1,119	875
Directors	4	4
	<b>1,278</b>	<b>1,017</b>

The aggregate payroll costs of these persons were as follows:

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 £'000
Wages and salaries	22,070	21,661
Social security costs	2,442	2,217
Other pension costs	229	127
	<b>24,741</b>	<b>24,005</b>

### 5 Directors remuneration

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 £'000
Remuneration	1,042	1,493
Amounts paid to third parties in respect of directors' services	165	203
	<b>1,207</b>	<b>1,696</b>

The highest paid director received remuneration of £364,868 during the year (2017: £540,467).

No retirement benefits are accruing to any Directors but the Group operates a number of defined contribution pension plans. The total expense for directors relating to these plans in the current year was £2,242 (2017: £1,097). The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was *£nil* (2017: *£nil*).

### 6 Non-trading items

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 £'000
Refinancing	649	1,447
Acquisition expenses	223	3,098
Transaction fees	-	3,185
	<b>872</b>	<b>7,730</b>

## Notes (continued)

### 7 Net finance costs

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 (restated) £'000
<b>Finance costs</b>		
- Bank borrowings	7,117	6,307
- Finance cost amortisation	1,762	1,849
- PIK loan notes	11,369	9,692
- Ground rent	6,635	755
<b>Finance costs</b>	<b>26,883</b>	<b>18,603</b>
<b>Finance income</b>		
- Bank interest	(55)	(59)
- Swaps interest	(107)	-
<b>Finance income</b>	<b>(162)</b>	<b>(59)</b>
<b>Net finance costs</b>	<b>26,721</b>	<b>18,544</b>

### 8 Taxation

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 £'000
<b>Current tax</b>		
Current tax on profits for the period	4,422	4,469
Adjustment in respect of prior periods	(2,702)	-
<b>Total current tax</b>	<b>1,720</b>	<b>4,469</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,072	(1,404)
Deferred tax on changes in tax rate	-	33
Adjustment in respect of prior periods	3,387	-
<b>Total deferred tax</b>	<b>4,459</b>	<b>(1,371)</b>
<b>Total tax expense</b>	<b>6,179</b>	<b>3,098</b>

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 19% (2017: higher).

	Group Year to 31 Dec 2018 £'000	Group Period to 31 Dec 2017 (restated) £'000
<b>Profit before taxation</b>	<b>9,574</b>	<b>7,279</b>
Tax calculated at 19% (2017: 19.25%)	1,819	1,401
Tax effects of:		
- Items not deductible for tax purposes	2,625	2,566
- Impact of movement in tax rates	(146)	(2)
- Fixed assets adjustment	939	118
- Movement in deferred tax on chargeable gains on property	256	(985)
- Adjustment in respect of prior periods	686	-
<b>Tax charge</b>	<b>6,179</b>	<b>3,098</b>

## Notes (continued)

### 8 Taxation (continued)

Reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the Group's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

### 9 Property, plant and equipment – Group (Company – £nil)

	Land and Buildings	Plant, Fixtures & Fittings	Other Assets	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
Balance at incorporation	-	-	-	-
Acquisition of subsidiaries	331,924	8,317	10,532	350,773
Additions	16,506	3,789	4,414	24,709
Disposals	-	-	(2,157)	(2,157)
<b>Balance at 31 December 2017</b>	<b>348,430</b>	<b>12,106</b>	<b>12,789</b>	<b>373,325</b>
Balance at 1 January 2018	348,430	12,106	12,789	373,325
Acquisition of subsidiaries	12,000	-	-	12,000
Acquisition of trade and assets	12,120	-	-	12,120
Additions	19,595	3,481	10,226	33,302
Disposals	-	(133)	(2,253)	(2,386)
<b>Balance at 31 December 2018</b>	<b>392,145</b>	<b>15,454</b>	<b>20,762</b>	<b>428,361</b>
<b>Depreciation and impairment</b>				
Balance at incorporation	-	-	-	-
Charge for the year	1,272	1,486	2,621	5,379
Disposals	-	-	(1,796)	(1,796)
<b>Balance at 31 December 2017</b>	<b>1,272</b>	<b>1,486</b>	<b>825</b>	<b>3,583</b>
Balance at 1 January 2018	1,272	1,486	825	3,583
Charge for the year	1,226	2,076	2,531	5,833
Disposals	-	(70)	(1,747)	(1,817)
<b>Balance at 31 December 2018</b>	<b>2,498</b>	<b>3,492</b>	<b>1,609</b>	<b>7,599</b>
<b>Net book value at 28 November 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 December 2017</b>	<b>347,158</b>	<b>10,620</b>	<b>11,964</b>	<b>369,742</b>
<b>Net book value at 31 December 2018</b>	<b>389,647</b>	<b>11,962</b>	<b>19,153</b>	<b>420,762</b>

Additions in 2018 includes £135,852 for hire fleet caravans that transferred from stock in the year (2017: £233,404).

There were no contractual commitments at the balance sheet date

## Notes (continued)

### 9 Property, plant and equipment – Group (Company - Enil) (continued)

#### Revaluation

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with IAS 16 Property, Plant and Equipment.

	Land and Buildings 2018 £'000	Land and Buildings 2017 £'000
Fair value at 31 December	392,145	348,430
Aggregate depreciation thereon	(2,498)	(1,272)
<b>Net book value</b>	<b>389,647</b>	<b>347,158</b>
Historical cost of revalued assets at 31 December	351,519	331,924
Aggregate depreciation thereon	(2,378)	(1,272)
<b>Historical cost net book value</b>	<b>349,141</b>	<b>330,652</b>

#### Sale and Leaseback

The Group has entered into another series of sale and leaseback agreements, secured on the land of 6 further parks of the total 28 owned (2017: 16 parks). Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") over the next 100 years, with the option to repurchase the land for £1 per park at the end of this period. The parks continue to be held within tangible fixed assets with a corresponding finance lease obligation recognised within finance lease liabilities. The total net book value of assets (including land and buildings) held under finance leases is £349.1m (2017: £262.4m).

#### Revaluations

Full valuations are carried out by external experts triennially with management reviews carried out in non-review years. The Group uses CBRE for these valuations who hold all necessary qualifications to carry out the valuation in accordance with the RICS Valuation Professional Standards.

The technique used by the valuers is a Market Value valuation which is a price between a willing buyer and willing seller at arm's length. The valuation looks at many factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review this valuation against internal benchmarks and factors they deem necessary to value the park at a market rate. The carrying value is adjusted to fair value in the revaluation year based on this review.

In non-revaluation years management review the carrying value and fair value of the parks, aided by desktop reviews by CBRE. To assess fair value management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage in a full valuation report. This advice is combined with park performance over the last year and management review the same factors that the valuer uses (as noted above) to assess fair value.

A desktop valuation was last carried out by CBRE on the 31 December 2018. This was carried out in accordance with the techniques explained above and resulted in no change in asset values for the year ended 31 December 2018. The next full valuation is scheduled for 31 December 2019.

The best use and high use value of assets are equal in the year (2017: equal).

#### Leased plant and machinery

At 31 December 2018 the net carrying amount of leased plant and machinery was £1.8m (2017: £2.0m). The leased equipment secures the lease obligations (see note 17).

## Notes (continued)

### 10 Intangible assets – Group (Company - £nil)

	Goodwill	Software	Brand	Customer Lists	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
Balance at incorporation	-	-	-	-	-
Acquisition of subsidiaries	70,360	345	10,332	5,947	86,984
Additions	-	189	-	-	189
<b>Balance at 31 December 2017</b>	<b>70,360</b>	<b>534</b>	<b>10,332</b>	<b>5,947</b>	<b>87,173</b>
Balance at 1 January 2018	70,360	534	10,332	5,947	87,173
Additions	-	205	-	-	205
<b>Balance at 31 December 2018</b>	<b>70,360</b>	<b>739</b>	<b>10,332</b>	<b>5,947</b>	<b>87,378</b>
<b>Amortisation and impairment</b>					
Balance at incorporation	-	-	-	-	-
Amortisation charge for the year	-	169	1,318	886	2,373
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>169</b>	<b>1,318</b>	<b>886</b>	<b>2,373</b>
Balance at 1 January 2018	-	169	1,318	886	2,373
Amortisation charge for the year	-	181	1,476	1,016	2,673
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>350</b>	<b>2,794</b>	<b>1,902</b>	<b>5,046</b>
<b>Net book value at 28 November 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 December 2017</b>	<b>70,360</b>	<b>365</b>	<b>9,014</b>	<b>5,061</b>	<b>84,800</b>
<b>Net book value at 31 December 2018</b>	<b>70,360</b>	<b>389</b>	<b>7,538</b>	<b>4,045</b>	<b>82,332</b>

#### Impairment testing

The carrying amount of goodwill is reviewed annually to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The company has a single cash generating unit (CGU) which was valued using a value in use ('VIU') calculation. The VIU of the CGU was calculated using the "Traditional Approach to Present Value" technique as described in IAS 36 Appendix A. The valuation workings made use of estimations, averages and computational short cuts where appropriate as permitted under IAS 36.23

These calculations estimated the value in use by taking the earnings before interest, tax, depreciation, amortisation and ground rent ('EBITDAGR') of the CGU for the year to 31 December 2018, discounted by the Group's pre-tax discount rate of 7% (2017: 7%) and extrapolated over a 100 year period using a growth rate of 3%. Management believe a 3% growth rate per annum to be achievable and expect the business to continue growing via organic and acquisitive development. As the recoverable amount of the CGU is significantly higher than the cumulative total of allocated goodwill and the carrying value of the CGU's assets, the allocated goodwill is not deemed to be impaired.

A sensitised scenario has been run to reduce the EBITDA growth to a 1% growth rate, maintain the fair/prudent ground rent charge and increase the discount rate to 10%. This sensitised scenario shows there is still a substantial amount of headroom. Management do not believe this sensitised case to be reflective of the businesses expected performance or underlying metrics but helps to prove that no impairment exists.

## Notes (continued)

### 11 Investments in subsidiaries

	Company 31 Dec 2018	Company 31 Dec 2017
<b>Shares in Group undertakings</b>	<b>£</b>	<b>£</b>
At incorporation	1	-
Additions	-	1
<b>Balance at 31 December</b>	<b>1</b>	<b>1</b>

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid. The results from subsidiary undertakings are included within the consolidated results

The company holds the following direct and indirect investments, all of which are 100% interests in the ordinary share capital and all of which are registered in England and Wales

Subsidiary undertakings	Registered Address	Principal activity	Direct/Indirect
Tiger Debtco Limited	*	Holding Company	Direct
Tiger Midco Limited	*	Holding Company	Indirect
Tiger Bidco Limited	*	Holding Company	Indirect
Tiger Group Limited**	*	Holding Company	Indirect
CP Equityco Limited **	*	Dormant	Indirect
CP Acquisitionco Limited	*	Micro entity	Indirect
Park Holidays UK Limited	*	Holiday Park Operator	Indirect
Carlton Meres Country Parks Limited (Dissolved Feb 19)	*	Non-Trading	Indirect
Martello Beach Limited	*	Non-Trading	Indirect
The South Devon Holiday Parks Limited**	*	Non-Trading	Indirect
Ladycroft Limited **	*	Non-Trading	Indirect
Hammerton Caravan Group Limited	*	Non-Trading	Indirect
Hammerton Leisure Limited	*	Non-Trading	Indirect
Golden Sands Limited	*	Dormant	Indirect
Crumpwood Limited	*	Dormant	Indirect
Coghurst Hall Holiday Village Limited	*	Dormant	Indirect
Harts Holiday Village Limited	*	Dormant	Indirect
Marlie Farm Holiday Village Limited	*	Dormant	Indirect
Cinque Ports Leisure Homes Limited	*	Dormant	Indirect
Harts Holiday Camps Limited	*	Dormant	Indirect
Evengain Limited	*	Micro entity	Indirect
WSG Operating Company Limited	*	Micro entity	Indirect
Park Holidays UK Finance Limited	*	Micro entity	Indirect

All companies denoted with \*\* are exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with Section 479A of the Companies Act 2006, Tiger Topco 1 Limited has provided guarantees over the liabilities of these subsidiaries as disclosed in note 23.

\* All subsidiaries are registered at Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.



## Notes (continued)

### 12 Acquisitions (Group)

#### **Martello Beach Holiday Park**

On the 1 May 2018 the Group acquired the trade and assets in Martello Beach for £11,704,000, satisfied in cash. The business runs a holiday park near Clacton-on-sea in Essex and was acquired to expand the portfolio of parks in the Group. This park contributed a profit of £1,114,800 in the period from purchase to 31 December 2018 despite missing the first few months of the season. If the park had traded for a full year revenue would have been an estimated £3,986,000 and earnings before interest, tax, depreciation and amortisation ('EBITDA') would have been an estimated £1,290,000. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	11,704
<b>Total consideration</b>	<b>11,704</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	12,120
Inventories	248
Debtors and repayments	131
Cash	4
Site fee creditors	(510)
Deferred income	(222)
Other creditors and accruals	(67)
<b>Total identifiable net assets</b>	<b>11,704</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

#### **Hammerton Caravan Group Limited**

On the 19 December 2018 the Group acquired all of the shares in Hammerton Caravan Group Limited for the purchase of Dovercourt Caravan Park for £11,997,000 satisfied in cash. The business runs a holiday park near Harwich in Essex and was acquired to expand the portfolio of parks in the Group. This park did not contribute any profit in the period from purchase to 31 December 2018 as it was acquired in late December which is outside of the main trading season being March to October and with only 10 days remaining of the financial year. If the park had traded for a full year revenue would have been an estimated £5,162,000 and EBITDA would have been an estimated £1,489,000. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	11,997
<b>Total consideration</b>	<b>11,997</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	12,000
Inventories	272
Debtors*	60
Cash	277
Bank loan	(236)
Deferred income*	(16)
Creditors and accruals*	(360)
<b>Total identifiable net assets</b>	<b>11,997</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

\*These fair values have been determined on a provisional basis

## Notes (continued)

### 12 Acquisitions (Group) (continued)

#### Acquisitions in the prior period

##### Carlton Meres Country Park

On the 31 May 2017 the Group acquired all of the shares in Carlton Meres Country Park Limited for £13,259,000, satisfied in cash. The business runs a holiday park near Saxmundham in Suffolk and was acquired to expand the portfolio of parks in the Group. This park contributed a profit of £556,000 in the period from purchase to 31 December 2017 despite missing the first half of the season. If the park had traded for a full year revenue would have been an estimated £3,350,000 and EBITDA would have been an estimated £1,190,000. Site fees for periods post completion, but paid by customers pre completion to the previous owner, were paid over to the Group.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	13,259
<b>Total consideration</b>	<b>13,259</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	13,400
Inventories	320
Cash and recharges	20
Site fee creditors	(400)
Other creditors and accruals	(81)
<b>Total identifiable net assets</b>	<b>13,259</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

##### Martello Beach Limited

On the 31 July 2017 the Group acquired all of the shares in Martello Beach Limited for £8,121,000. At the same time an outstanding bank loan of £3,152,000 was repaid, giving an overall cash investment of £11,273,000. The business runs a holiday park near Eastbourne in East Sussex and was acquired to expand the portfolio of parks in the Group. This park contributed a profit of £648,000 in the period from purchase to 31 December 2017 despite only operating for a few months of the season. If the park had traded for a full year revenue would have been an estimated £3,600,000 and EBITDA would have been an estimated £1,380,000. Site fees for periods post completion, but paid by customers pre completion to the previous owner, were paid over to the Group.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	8,121
<b>Total consideration</b>	<b>8,121</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	11,000
Inventories	300
Debtors	233
Cash	1,269
Bank loan	(3,152)
Creditors and accruals	(1,529)
<b>Total identifiable net assets</b>	<b>8,121</b>
<b>Goodwill generated on acquisition</b>	<b>-</b>

## Notes (continued)

### 13 Inventories

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 £'000
Finished goods	18,461	17,242	-	-

No inventory is expected to be recovered in more than one year. Finished goods recognised as cost of sales in the year amounted to £34,963,611 (2017: £32,208,170). The write-down of inventories to net realisable value amounted to £93,536 (2017: £181,594). There were no reversals of write-downs in the year.

### 14 Trade and other receivables

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 (restated) £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 (restated) £'000
Trade receivables (see note 21)	12,623	10,996	-	-
Prepayments and accrued income	5,891	6,844	-	-
Amounts due from Group undertakings	-	-	7,433	129,768
Other receivables	4,023	4,577	-	-
Loans to shareholders	-	113,603	-	113,603
	22,537	136,020	7,433	243,371

All trade and other receivables were denominated in Pounds Sterling as at 31 December 2018. For the amounts owed by group undertakings, interest is charged at 5%. As at 31 December 2018 there were £nil trade receivables due after more than one year.

### 15 Cash and cash equivalents

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 £'000
Cash at bank and in hand	22,293	47,552	-	-

All cash and cash equivalents are denominated in Pounds Sterling as at 31 December 2018.

### 16 Trade and other payables

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 (restated) £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 (restated) £'000
Trade payables	18,151	14,662	-	-
Social security and other taxes	2,899	31,092	-	-
Amounts owed to Group undertakings	-	-	2,117	113,603
Deferred income	34,191	30,175	-	-
Accrued expenses	5,642	8,269	-	-
Other liabilities	4,839	4,574	-	-
	65,722	88,772	2,117	113,603

All trade and other payables were denominated in Pounds Sterling as at 31 December 2018. For the amounts owed to group undertakings, interest is charged at 5%.

## Notes (continued)

### 17 Obligations under finance leases

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 (restated) £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 (restated) £'000
<b>Current liabilities</b>				
Obligations under finance leases	297	274	-	-
<b>Non-current liabilities</b>				
Obligations under finance leases	197,223	150,874	-	-
	<b>197,520</b>	<b>151,148</b>	<b>-</b>	<b>-</b>

Finance lease liabilities are payable as follows (shown for the Group only as nil for the Company):

	2018 Minimum lease payments £'000	2018 Interest £'000	2018 Principal £'000	2017 Minimum lease payments £'000	2017 Interest £'000	2017 Principal £'000
Less than one year	6,699	(6,402)	297	5,077	(4,803)	274
Between one and five years	27,337	(26,022)	1,315	20,307	(18,985)	1,322
More than five years	1,018,754	(822,847)	195,908	442,294	(292,742)	149,552
	<b>1,052,791</b>	<b>(855,271)</b>	<b>197,520</b>	<b>467,678</b>	<b>(316,530)</b>	<b>151,148</b>

The Group entered into a series of sale and leaseback agreements during the year, secured on the land of 6 further parks of the total 28 owned (2017: 16 parks of 26 owned). Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") over the next 100 years with annual increases between a cap of 4% and collar of 1%, with the option to repurchase the land for £1 per park at the end of this period.

### 18 Borrowings

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 £'000	Company 31 Dec 2018 £'000	Company 31 Dec 2017 £'000
<b>Non-current</b>				
Bank borrowings	175,692	150,327	-	-
ICG PIK loan notes	93,625	109,844	-	-
Co-investor loan notes	4,269	4,438	-	-
<b>Total borrowings</b>	<b>273,586</b>	<b>264,609</b>	<b>-</b>	<b>-</b>

#### Analysis of Group debt:

Debt can be analysed as falling due:

- In one year or less, or on demand	-	-	-	-
- Between one and two years	-	-	-	-
- Between two and five years	-	-	-	-
- In five years or more	277,894	269,282	-	-
	<b>277,894</b>	<b>269,282</b>	<b>-</b>	<b>-</b>
- Less finance issue costs	(5,169)	(5,323)	-	-
- Amortisation of finance issue costs	861	650	-	-
	<b>273,586</b>	<b>264,609</b>	<b>-</b>	<b>-</b>

## Notes (continued)

### 18 Borrowings (continued)

#### Bank borrowings

	Nominal interest rate	Date of maturity	Face value and Carrying amount 31 Dec 2018 £'000	Face Value and Carrying amount 31 Dec 2017 £'000
Term loan B	3.75% above 3m LIBOR	8/2/2024	130,000	130,000
Capex and acquisition facility	3.25% above 3m LIBOR	8/2/2023	10,000	-
Accordion facility 1	3.75% above 3m LIBOR	8/2/2024	14,000	14,000
Accordion facility 2	3.75% above 3m LIBOR	8/2/2024	11,000	11,000
Accordion facility 3	3.75% above 3m LIBOR	8/2/2024	15,000	-
			<b>180,000</b>	<b>155,000</b>

The bank facilities are held with The Royal Bank of Scotland, Barclays Bank plc, Crédit Agricole, HSBC Bank plc, National Westminster Bank plc, Santander UK plc and Sumitomo Mitsui banking corporation, and are secured by fixed and floating charges over the assets of the Group.

The term loan was taken out in February 2017 on a seven year term. Accordions 1 and 2 were drawn during 2017 to fund acquisitions. The £10m capex and acquisition facility was undrawn during 2017 but drawn down in 2018 and used to part fund the purchase of Martello Beach. The third accordion facility of £15m was arranged for the acquisition of Dovercourt in 2018.

There were two interest rate swaps of £60m and £40m, both at 0.5895% less 3 month Libor to hedge against interest rate rises with an expiry date of 31 December 2019. The fair value of these swaps is negligible.

In addition to the above, Lombard North Central plc, who supply caravans to the Group, hold a fixed and floating charge over the assets of the Group in respect of monies due to them from time to time, ranking below the banks. At the year end £2,649,943 was owed to Lombard (2017: £2,379,649).

#### PIK loan notes

During the year £26.0m PIK loan notes were repaid, of which £4.0m was interest. At 31 December 2018 the ICG PIK loan notes net of £1.4m capitalised fees, had a balance of £93.6m including £7.1m interest. The co-investor loan notes had a balance of £4.3m with an additional £0.3m interest accrued in trade and other payables, interest accrues at 10%.

#### Borrowing costs

Debt arrangement costs of £5.3m incurred during the acquisition of the Tiger Group in 2017 have been capitalised and are being amortised over the 7 year term of the loan.

## Notes (continued)

### 18 Borrowings (continued)

#### Changes in liabilities from financing activities

	31 Dec 2018			31 Dec 2017		
	Loans and borrowings	PIK and co-investor loan notes	Finance lease liabilities	Loans and borrowings	PIK and co-investor loan notes	Finance lease liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January	150,327	114,282	151,148	-	-	-
Changes arising from obtaining or losing control of subsidiaries or other businesses	-	-	-	131,909	-	1,238
<b>Changes from financing cash flows</b>						
Proceeds from loans and borrowings	24,504	-	-	174,677	-	-
Proceeds from issue of loan notes	-	-	-	-	105,000	-
Repayment of borrowings	-	-	-	(156,909)	-	-
Payment of finance lease liabilities	-	-	(7,308)	-	-	(246)
Transaction costs related to loans and borrowings	(300)	(3,150)	-	(5,323)	-	-
Repayment of loan notes	-	(26,001)	-	-	-	-
<b>Total changes from financing cash flows</b>	<b>24,204</b>	<b>(29,151)</b>	<b>(7,308)</b>	<b>12,445</b>	<b>105,000</b>	<b>(246)</b>
<b>Other changes</b>						
New finance leases	-	-	46,916	-	-	149,886
Capitalised borrowing costs	300	-	-	5,323	-	-
Prepaid PIK fees	-	1,706	-	-	-	-
Interest expense	7,117	11,057	6,764	6,173	9,282	888
Interest paid	(6,256)	-	-	(5,523)	-	(618)
<b>Total other changes</b>	<b>1,161</b>	<b>12,763</b>	<b>53,680</b>	<b>5,973</b>	<b>9,282</b>	<b>150,156</b>
<b>Balance at 31 December</b>	<b>175,692</b>	<b>97,894</b>	<b>197,520</b>	<b>150,327</b>	<b>114,282</b>	<b>151,148</b>

### 19 Deferred taxation – Group

Deferred tax attributable to:	Assets		Liabilities		Net	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	£000	£000	£000	£000	£000	£000
Freehold and leasehold property	-	-	29,022	24,119	29,022	24,119
Intangible assets	-	-	2,089	2,533	2,089	2,533
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>	<b>31,111</b>	<b>26,652</b>	<b>31,111</b>	<b>26,652</b>
<b>Deferred tax liabilities attributable to:</b>	<b>1 Jan 2018</b>	<b>Acquisition of subsidiary</b>	<b>Recognised in P&amp;L</b>	<b>Recognised in OCI</b>	<b>31 Dec 2018</b>	
	£000	£000	£000	£000	£000	
Freehold and leasehold property	24,119	-	4,903	-	29,022	
Intangible assets	2,533	-	(444)	-	2,089	
<b>Total deferred tax</b>	<b>26,652</b>	<b>-</b>	<b>4,459</b>	<b>-</b>	<b>31,111</b>	
<b>Deferred tax liabilities attributable to:</b>	<b>At incorporation</b>	<b>Acquisition of subsidiary</b>	<b>Recognised in P&amp;L</b>	<b>Recognised in OCI</b>	<b>31 Dec 2017</b>	
	£000	£000	£000	£000	£000	
Freehold and leasehold property	-	25,093	(974)	-	24,119	
Intangible assets	-	2,930	(397)	-	2,533	
<b>Total deferred tax</b>	<b>-</b>	<b>28,023</b>	<b>(1,371)</b>	<b>-</b>	<b>26,652</b>	

There was no deferred tax arising in the Company.

## Notes (continued)

### 20 Share Capital

Group & Company	Ordinary Share capital		Preference shares		Share premium	
	Number	£	Number	£	Number	£
In issue at Incorporation	1	-	-	-	-	-
In issue at 31 December 2017	1,000,000	11,654	117,745,441	12	118,745,441	118,758,774
In issue at 1 January 2018	1,000,000	11,654	117,745,441	12	118,745,441	118,758,774
Issued in 2018	6,563	66	-	-	6,563	22,576
Redeemed in 2018	-	-	(117,745,441)	(12)	(117,745,441)	(117,745,429)
In issue at 31 December 2018	1,006,563	11,720	-	-	1,006,563	1,035,921

Share class	Number of shares	Nominal value	Aggregate nominal	Price per share	Aggregate price
Ordinary	1	£1.00	£1	£1.00	£1
A1 Ordinary (78.8% of voting rights)	788,389	£0.01	£7,884	£0.99	£780,504
A2 Ordinary (3.7% of voting rights)	36,610	£0.01	£366	£0.99	£36,244
B1 Ordinary	119,875	£0.01	£1,199	£1.14	£135,801
B2 Ordinary (17.5% of voting rights)	55,125	£0.04	£2,205	£1.14	£60,795
B3 Ordinary	6,563	£0.01	£66	£0.99	£22,576
<b>At 31 December 2018</b>	<b>1,006,563</b>		<b>£11,720</b>		<b>£1,035,921</b>

The holders of all ordinary shares are entitled to one vote per share at meetings of the Group and have the right to receive dividends after preference shares as declared from time to time. The ordinary shares are not redeemable.

During the year preference dividends of £9,880,757 were paid, and preference shares of £117,745,441 were redeemed. No other dividend payments were made during the year.

#### Revaluation reserve

Where property, plant and equipment is revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

### 21 Financial instruments

#### (a) Fair value of financial instruments

##### Fair Value

There is no significant difference between the carrying amounts shown in the balance sheet and the fair values of the Group and Company's financial instruments. For current trade and other receivables/payables with a remaining life of less than one year, the amortised cost is deemed to reflect the fair value.

##### Level 2

Level 2 assets are comprised of Non-Current Assets held by the Group. Full valuations are carried out by external experts triennially (last review December 2018) with management reviews carried out in non-review periods.

The technique used by the valuers is a Market Value valuation which is a price between a willing buyer and willing seller at arm's length. The valuation looks at a multitude of factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review this valuation against internal benchmarks and factors they deem necessary to value the park at a Market rate. The carrying value is adjusted to fair value based on this review.

In non-valuation periods management review the carrying value and fair value of the parks. To assess fair value management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage a full valuation report. This advice is combined with park performance over the last period and management review the same factors that the valuer uses (as noted above) to assess fair value.

## Notes (continued)

### 21 Financial instruments (continued)

#### (a) Fair value of financial instruments (continued)

A desktop valuation was carried out as described above in December 2018 by external valuers. The next full valuation is scheduled for 31 December 2019. Management performed an assessment from the time of valuation to the year end and did not assess the carrying amount to be materially different than the fair value of the assets.

The best use and high use value of assets are equal in the period.

The fair value of all financial assets and liabilities by class shown in the balance sheet, together with their carrying amounts, are detailed below. There have not been any transfers within the hierarchy during the period. The Group holds no Level 1 or 3 assets.

	Level	Carrying Amount 31 Dec 2018 £'000	Fair Value 31 Dec 2018 £'000	Carrying Amount 31 Dec 2017 £'000	Fair Value 31 Dec 2017 £'000
<b>Fair value through profit and loss</b>					
Total Non-Current Assets	Level 2	420,762	420,762	369,742	369,742
<b>Loans and receivables</b>					
Trade receivables		12,623	12,623	10,996	10,996
Loan to shareholders					
Cash and cash equivalents		22,293	22,293	47,552	47,552
Total financial assets		455,678	455,678	428,290	428,290
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
Trade payables		(18,151)	(18,151)	(14,662)	(14,662)
Borrowings		(175,692)	(175,692)	(150,327)	(150,327)
Loan notes		(97,894)	(97,894)	(114,282)	(114,282)
Finance lease liabilities		(197,520)	(197,520)	(151,148)	(151,148)
Total financial liabilities		(489,257)	(489,257)	(430,419)	(430,419)
<b>Total net financial instruments</b>		<b>(33,579)</b>	<b>(33,579)</b>	<b>(2,129)</b>	<b>(2,129)</b>

#### (b) Credit risk

##### Financial Risk Management

The use of financial instruments is managed under policies and procedures approved by the Board. These are designed to reduce the financial risks faced by the Group and Company, which primarily relate to credit, interest rate and liquidity risks, which arise in the normal course of the Company's and Group's business.

##### Exposure to credit risk

Credit risk is managed on a Group basis and arises from cash and cash equivalents, financial instruments and trade receivables. The Group provides credit to customers in the normal course of business. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The carrying amount of trade receivables represents the maximum credit exposure for the Group. All material trade receivable balances relate to sales transactions with the Group's client base. At the balance sheet date, there were no significant concentrations of credit risk, with total trade receivables of £12,623,000 (2017: £10,996,000). There were no expected credit losses or impairments as at 31 December 2018.

The trade receivables as at 31 December are aged as follows:

	31 Dec 2018 £'000	31 Dec 2017 £'000
Not due	12,054	10,607
Not more than three months past due	237	134
More than three months but not more than six months past due	332	255
<b>Trade receivables (see note 14)</b>	<b>12,623</b>	<b>10,996</b>



## Notes (continued)

### 21 Financial instruments (continued)

#### (c) Liquidity risk

The Group holds a financing facility with various banks (see note 18) and its interest and liquidity risks are associated with the maturity of its loans against cash inflows from around the Group. As at 31 December 2018, the Group owed £180m under the facility. The repayment profile for this debt, and interest rates are set out in note 18.

To minimise any exposure to interest risk, the Group has entered into various interest rate hedges in relation to the borrowings it has from its bankers (see note 18 for further details).

	Carrying amount £'000	2018			
		Contractual cash flows £'000	1 year or less £'000	Between 1 and 5 years £'000	5 years and over £'000
<b>Non-derivative financial liabilities</b>					
Secured bank loans	175,692	209,797	7,673	23,148	178,976
PIK loan notes	97,894	100,269	-	100,269	-
Finance lease liabilities	197,520	1,052,791	6,699	27,337	1,018,754
Trade and other payables	18,151	18,151	18,151	-	-
		<b>1,382,946</b>	<b>32,508</b>	<b>150,690</b>	<b>1,199,748</b>
	Carrying amount £'000	2017			
		Contractual cash flows £'000	1 year or less £'000	Between 1 and 5 years £'000	5 years and over £'000
<b>Non-derivative financial liabilities</b>					
Secured bank loans	150,327	195,827	6,620	19,878	169,329
PIK loan notes	114,282	148,364	-	148,364	-
Finance lease liabilities	151,148	467,678	5,077	20,307	442,294
Trade and other payables	14,662	14,662	14,662	-	-
		<b>826,531</b>	<b>26,359</b>	<b>188,549</b>	<b>611,623</b>

#### (d) Market risk

##### Foreign currency risk

The Group does not operate internationally and is therefore not exposed to foreign currency risk.

##### Interest rate risk

###### Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

The Group's financial liabilities are disclosed in note 18, which are variable rate instruments totalling £180m (2017: £155m). The group has no fixed rate instruments. The risk of interest rate increases is mitigated by interest rate swaps. At 31 December 2018 the Group had two interest rate swaps in place, one of £40m and one of £60m. Each are at 0.5895% less 3 month Libor with both swaps maturing in December 2019. There was no significant fair value profit or loss on this instrument in the period to 31 December 2018.

###### Sensitivity analysis

A change of 50 basis points in interest rates at the balance sheet date would not have increased or decreased equity and profit or loss. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps.

## Notes (continued)

### 21 Financial instruments (continued)

#### (e) Capital management

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 to shareholders, benefits to stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

We regularly review and maintain or adjust the capital structure as appropriate in order to achieve these objectives and this is consistent with the management of capital for previous periods

The Group has banking facilities available (see note 18) that contain certain external capital requirements ('covenants') that are considered normal for these types of arrangements. The Group remains comfortably within all such covenants

Identification of the total funding requirement is achieved via a detailed cash flow forecast which is reviewed and updated on a monthly basis.

### 22 Operating lease commitments

Non-cancellable operating lease rentals are payable over the life of the lease. Payments over the life of each lease are categorised as follows.

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 £'000
Less than one year	1,019	840
Later than one year and no later than five years	3,954	3,359
After more than five years	19,505	16,566
	<b>24,478</b>	<b>20,765</b>

### 23 Contingencies

In order for the subsidiary companies, Tiger Group Limited, the South Devon Holiday Parks Limited and Ladycroft Limited to take the exemption under section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2018 until those liabilities are satisfied in full

Some of the holiday homes sold to customers are part funded by third party finance companies. In the event of a default by a customer, the Group may be required to re-purchase a holiday home from the third party finance company at a price based on an agreed formula. In due course the holiday homes re-purchased under these arrangements are resold in the normal course of business. There have not been any material negative impacts from these re-purchases or subsequent sales in this or recent years

### 24 Related parties

#### Group

Directors of the Group control 15% of the voting shares of the parent company, Tiger Topco 1 Limited.

For part of the year a member of the key management personnel was also a director and shareholder of a company which Park Holidays UK traded with; construction services were provided by this company during this period amounting to £0.9m. In addition, during the year a member of the key management personnel charged fees to Park Holidays UK for their services as a director through another company, amounting to £0.1m

As disclosed in note 1.2, a distribution in 2017 has been reclassified as a loan to shareholders of £113,603k as at 31 December 2017. This loan was fully repaid during 2018

During the year the following transactions took place, impacting equity, between the Group and its shareholders

	Group 31 Dec 2018 £'000	Group 31 Dec 2017 £'000
Capital reductions	117,745	-
Preference share redemptions	117,745	-
Preference share dividends	9,881	-
Share issues	23	-

## Notes (continued)

### 24 Related parties (continued)

#### Company

The Company undertakes transactions with related parties in the normal course of business and all transactions with related parties are made on normal commercial terms. At 31 December 2018 the Company held inter-company balances with two of its subsidiary undertakings (Tiger Debtco Limited and Park Holidays UK Limited), as detailed in notes 14 and 16.

The balance with Tiger Debtco relates to the purchase of the Group; the funding received for the acquisition of Tiger Group Limited was flowed down the company structure in the form of intercompany loans. The balance with Park Holidays UK Limited relates to the purchase of the Group through the funding flowed down the company structure; Park Holidays UK Limited settled £113m of the preference shares.

### 25 Ultimate parent company and ultimate controlling party

The ultimate parent company and controlling party is Intermediate Capital Group Plc, incorporated in England and Wales and whose registered office is Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU. The consolidated accounts of this company are available to the public and may be obtained from Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU. No other Group accounts include the results of the company.

### 26 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group believes the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

#### • Land and Buildings

Freehold and Leasehold Land and Buildings are held at a re-valued amount. Revaluations are carried out triennially by an external valuation specialist. The review is carried out to industry required standards looking at all aspects that make up the park (including on site drivers (park quality, location, infrastructure) and financial performance). Management make use of the report prepared by the property valuation company and their judgement when revaluing Group assets.

#### • Goodwill

Management review goodwill on an annual basis for any impairment. The recoverable amount of the goodwill is based on the higher of value in use or fair values less costs to sell. The recoverable amount of the cash generating unit (CGU) upon which the goodwill is based on is determined based on value in use ('VIU') calculations as disclosed in note 10. An impairment review of goodwill was carried out in the period; no signs of impairment were identified during the review.

#### • Intangibles

Intangibles are valued at the identified values placed on those assets at the date of acquisition. Management have used the report prepared by the valuation company when estimating and assigning values to intangible assets at the acquisition date.

Management have based their judgment on the useful economic life of the intangibles with reference to current market conditions including access to the market for new participants and churn rates of customers.

#### • Deferred tax

Deferred tax is recognised by the Group when a difference between the Group's assets and/or liabilities accounting value differs to the asset/liabilities tax base. The majority of the deferred tax liability in the financial statements arises from the differences on Freehold and Leasehold Land and Buildings. Management uses professional advice to ascertain the potential tax liability on any future sale of these properties.

#### • Inventory valuation (note 13)

Inventories are stated at the lower of cost and net realisable value with provision being made for obsolete and slow moving items. Management have based their judgements on the classification of inventory and the item's demand.

## Notes (continued)

### 26 Accounting estimates and judgements (continued)

#### •Capitalisation of labour costs

Certain staff will spend a percentage of their time working on capital projects. Management use their judgement to allocate the cost of internal labour between capital and expense.

### 27 Change in significant accounting policies

#### IFRS 15 - Revenue from Contracts with Customers

The Group has applied IFRS 15 from 1 January 2018 and chose the retrospective method on transition whereby comparative information has been restated. There was no impact on the Company on transition.

IFRS 15 follows a 5-step model approach to recognising revenue and a key difference to IAS 18 is the requirement to allocate the transaction price to the performance obligations in a contract; essentially the requirement to split out 'bundled goods'. Revenue is then recognised when the performance obligation is satisfied.

Site fees included in the sale of a caravan are a distinct good because they can be enjoyed separately from the caravan sale, similarly, the Caravan Bundle is a distinct good when compared to the site fee included at the time of sale.

Therefore under IFRS 15 the Group recognises income from caravan sales and site fees separately as each stream of income has different performance obligations. Caravan sales income is recognised in full on the date that the customer takes delivery of the holiday home as the performance obligation for that sale has been satisfied. Site fee income is recognised straight line over the contract period as the customer consumes the benefit provided by the Group and all performance obligations are met.

There was no impact to opening retained earnings of the Group upon transition to IFRS 15, therefore an opening balance sheet has not been presented.

The tax impact of the comparative period has been included within the current year tax charge as part of the 'adjustment in respect of prior periods'.

#### IFRS 15 - Revenue from Contracts with Customers

As at 31 December 2017	Impact of adoption of IFRS 15		
	31 Dec 2017 (restated)	Adjustments	31 Dec 2017 Restated, after adoption of IFRS 15
	£'000	£'000	£'000
<b>Statement of profit or loss and other comprehensive income</b>			
Revenue	142,154	(1,490)	140,664
Profit for the period	5,671	(1,490)	4,181
<b>Balance sheet:</b>			
Trade and other payables:			
Deferred income	28,685	1,490	30,175
Total current liabilities	88,780	1,490	90,270
P&L Reserve	5,671	(1,490)	4,181
Total equity	124,441	(1,490)	122,951
<b>Cash flow statement:</b>			
Profit for the period	5,671	(1,490)	4,181
Changes in:			
- Trade and other payables	43,183	1,490	44,673
Net cash from operating activities	(51,187)	-	(51,187)

## Notes (continued)

### 27 Changes in significant accounting policies (continued)

#### **IFRS 9 – Financial Instruments**

The Group has adopted IFRS 9 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. However the impact of transition to IFRS 9 has not led to any restatement of the carrying amounts in the accounting for financial instruments currently used by the Group.

#### **Transition**

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - o The determination of the business model within which a financial asset is held.
  - o The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group assumed that the credit risk on the asset had not increased significantly since its initial recognition.

As the impact on transition would be to recognise an inconsequential credit loss, the Group will not be making an adjustment to opening retained earnings upon implementation of IFRS 9.