Tiger Topco 1 Limited

Annual report and financial statements

Registered number 10500425

Year ended 31 December 2019

WEDNESDAY

A9JØTAL4

A22 02/12/2020 #4

COMPANIES HOUSE

CONTENTS

Directors and Advisers	**Error! Bookmark not defined.**
Strategic report	2
Financial review and key performance indicators	5-7
Principal risks and uncertainties	8-10
Directors' report	11-15
Statement of directors' responsibilities in respect of the annual report and financial statements	16
Independent auditor's report to the members of Tiger Topco 1 Limited	17-18
Consolidated Statement of Comprehensive Income	19
Consolidated and Parent Company Statements of Financial Position	20
Consolidated and Parent Company Statements of Changes in Equity	21-22
Consolidated and Parent Company Statements of Cashflows	23
Notes	24-56

DIRECTORS AND ADVISERS

Directors

A J Fawcett	
J A Sills	
C A Ling	(appointed on 29 January 2020)
A N Clish	
A B Loch	(resigned on 14 October 2020)
R L Ullman	
G J Knight	(resigned on 29 January 2020)
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

STRATEGIC REPORT

The directors present their strategic report for Tiger Topco 1 Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2019. The Directors also include their Section 172 (s.172) statement within this report.

Ownership

Tiger Topco 1 Limited is the UK parent undertaking of the Group trading as Park Holidays UK Limited and is the largest and smallest group in which results of the company are consolidated. The ultimate parent company is ICG Europe Fund VI (No1) Limited Partnership, a limited partnership established in Jersey.

Review of the Business

Under s.172 of the Companies Act 2006 (CA2006), the Group is required to include a separate statement in the Strategic Report which outlines how Directors have considered broader stakeholder needs when performing their statutory duties. As a result of this new requirement, the Group has used the recommendations made within the Wates Report as a framework within which to make their s.172 statement. It is believed that using such a framework will help in preparing statutory accounts that provide a fair review of the business of the Group, including a description of the principal risks and uncertainties facing the Group, an analysis of the development and performance of the business during the year, and its position at the year end.

About us

The principal activity of Tiger Topco 1 Limited is that of a holding company and the main trading entity of the Group is Park Holidays UK Limited, which accounts for the majority of the Group's operations. The Group currently operates 31 holiday parks located on coastal locations in the south of England with the majority of the parks being within a two hour drive time of London.

Business Model

The Group operates holiday parks that offer a wide range of accommodation ranging from static caravans and lodges, to touring, camping and glamping pitches. In addition, a variety of on-park facilities are available such as restaurants, bars, swimming pools, amusement arcades and other entertainment activities like Segway's and adventure golf.

At 31 December 2019, the Group had nearly 12,500 pitches, consisting of owner-occupied pitches, hire fleet, touring and glamping pitches. The parks range in size from 100 to 800 pitches. The major revenue streams of the business can be broken down into four main categories which are defined below. The business strategy is to focus on improving revenue streams by expanding the range and improving the quality of the products offered to potential and existing customers. The future of the Group is driven via an expansion strategy of new park acquisitions, land additions adjacent to current parks and the continual development of current park facilities and layouts.

Holiday home sales
Sale of static caravans and lodges to private owners for holiday home ownership on our parks. The purchase of a holiday home represents a reasonably long term commitment from our customers as they are sold with a pitch license. The license allows owners to occupy a pitch on-site until their holiday home is twenty years old (thirty years in the case of a lodge) in exchange for an annual rental fee ('site fee'). The annual site fee covers the season length each year which can vary per park depending on location. Growth in holiday home sales revenue is achieved by providing higher quality units to our customers in addition to increasing the quantity sold on new and existing holiday parks.

Owner revenue
Recurring revenue from owners is predominantly site fees which are charged annually and the recharging of utility costs. Entertainment and facilities revenue are also included within this category. Growth in this area is driven by higher pitch occupancy through growing holiday home sales and annual increases in site fees, which are typically in line with the Retail Price Index but also take into account other regulatory changes such national minimum wage increases.

STRATEGIC REPORT *(continued)*

Holiday lettings sales

Sale of short breaks and holidays to customers from a selection of accommodation ranging from our standard caravans, touring and camping pitches or one of the higher specification lodge units. The holiday fleet has seen investment over the last year 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. Further growth within this revenue stream will be achieved through a combination of factors such as increasing occupancy in the off-peak season, reviewing the mix of caravan and lodge fleet and investing in our people to ensure that customers are receiving the best service possible.

Other revenue

Revenue from on-site facilities such as restaurants, bars, convenience stores, amusement arcade. Primarily growth is driven by increased footfall but there has also been a focus on extending and refurbishing existing facilities to bring all parks to a better standard. We also have a loyalty card scheme in place with new and existing owners to encourage spending at our on-site facilities.

Current Trading Conditions

Holiday parks across the UK were closed from mid-March 2020 to early July by the Government in response to the coronavirus pandemic. This has caused, as is the case in many industries, a significant and unprecedented reduction in business activity during the period these restrictions have been in place. Revenue has been significantly reduced during the lockdown and therefore the expected results for the full year of 2020 are materially lower than those achieved in 2019.

Strategy

With 'staycations' becoming increasingly popular, potential customers have a variety of options as to where to take holidays in the UK. The strategy for the Group is to enhance the customer experience and improve standards on all parks, thereby improving its competitiveness within the Leisure and Tourism industry. A key element of the Group's strategy is to build and maintain strong relationships with customers, existing owners and other stakeholders key to the business' success.

Strategic Objectives:

The Group has set out its ambition: continue to grow and to become the first choice holiday park operator within the UK. There are five strategic priorities which underpin this ambition:

1. Researching and pursuing opportunities for expansion either organically by purchasing land adjacent to current parks, or by acquiring holiday parks consistent with the Group's existing portfolio in terms of quality, potential and geography;
2. Protecting and enhancing our reputation by ensuring that strong and open relationships with all stakeholders are formed and maintained;
3. Delivering the best customer experience by continued investment into park facilities and fleet; listening to feedback from customers and holiday owners and delivering a service that will make them want to return to our parks;
4. Implementing and maintaining a strong focus on health and safety on all of our locations across the estate by aiming for a zero incidents environment, monitoring and responding to incidents when they occur and ensuring preventive measures are put in place to ensure they are not repeated; and
5. Maintaining a high-quality workforce; by focusing on recruiting the best people and enabling them to maintain high standards by continually investing in their training and future within the Group.

The relevant risks applicable to the strategic priorities are included and explained in the Principal Risks and Uncertainties section of these financial statements.

STRATEGIC REPORT *(continued)*

Corporate governance

Although the Group does not meet the definition of a 'large company' for Corporate reporting purposes, and therefore is not required to report on compliance with the provisions of the Combined Code on Corporate Governance, the Group operates within a framework that adheres to good governance and aims to provide transparency to stakeholders.

Statement by the directors in performance of their statutory duties in accordance with s.172(1) Companies Act 2006

The board of directors of Tiger Topco 1 Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019.

a) When making decisions, we take the course of action that we consider best leads to the success of the Group over the long term, which includes considering the broad range of stakeholders that interact with, and are impacted by, our operations. See the section on 'Corporate, social and environmental matters' within the Directors report (pages 13 to 15), for more information and for examples of engagement that were undertaken across the business during 2019.

b) Our people are fundamental to the successful operation of the business. We aim to be a responsible employer in the approach that we take towards the pay and benefits that our employees receive and like to develop an environment where our employees feel valued and engaged in the business. The health, safety and well-being of our employees is also one of our primary considerations in the way we do business (see the section on 'Our people' within the Directors report, page 13, for more information).

c) Our approach on engagement and management of business relationships with suppliers and customers is discussed within the Directors Report, see page 14.

d) The impact of the Group's operations on the community and the environment are discussed in detail within the Directors Report, see page 14.

e) Our intention as the Board of Directors, is to behave responsibly and ensure that the business is operated in a responsible manner, operating within the high standards of business conduct and good governance expected for a business of our size (see pages 11 to 12) and in doing so, will contribute to the delivery of our strategic objectives. For further information on the long term strategy of the Group, see the section on Strategy within the Strategic Report (page 3).

f) We understand the need to act fairly between the colleagues of the Company and believe that our actions, as the Board of Directors, show that we behave responsibly towards all members and treat them fairly and equally, so they too may benefit from the successful delivery of our strategic goals.

STRATEGIC REPORT *(continued)*

Financial Review and Key Performance Indicators

A summary of the results for the Group for the year to 31 December 2019 can be found below:

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Revenue	**157,207**	154,814
EBITDA (pre non-underlying items)	**47,131**	45,673
Operating profit (pre non-underlying items)	**36,191**	37,167
Operating profit (post non-underlying items)	**9,055**	36,295
(Loss)/Profit before tax	**(19,475)**	9,574
(Loss)/Profit for the year	**(15,110)**	3,395

Revenue

Despite a shortfall in caravan sales for the year, the Group saw a 10.3% increase across the remaining combined revenue streams. In 2019, income from owners was up by £3.4m; driven partially by an increase in site fees, new owners and a reduction in the total leavers within the year. Holiday sales turnover increased by £2.4m due to a combination of increased holiday sales and a marginal increase in average tariff. Other revenue delivered growth due to increased entertainment activities generating additional revenue combined with growth in food and beverage revenue. Holiday home sales declined due to a decrease in the average unit selling price achieved.

EBITDA (pre non-underlying items)

EBITDA is earnings before interest, tax, depreciation and amortisation and is an important performance measure for the Group for profitability and operating performance. It can be reconciled to Loss/Profit before tax within the accounts per the table below:

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
EBITDA	**47,131**	45,673
Depreciation/Amortisation	**(10,940)**	(8,506)
Net finance expense	**(28,530)**	(26,721)
Non-underlying items	**(27,136)**	(872)
(Loss)/Profit before tax	**(19,475)**	9,574

For the year ended 31 December 2019 EBITDA was £47.1m, an increase of 3.2% (£1.4m) on 2018 EBITDA of £45.7m. The main reason for the performance was strong rental income for pitches and holiday let income during the year, offset by a shortfall in caravan sales and increase in indirect costs. The payroll costs were largely linked to National Minimum Wage increases, in addition to increased pension contribution requirements and an increase in staff numbers within the Company. Establishment costs were linked with inflation and the combined impact of these additional costs in 2019 was £2.3m.

Non-underlying items

To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column on the Statement of Comprehensive Income. A detailed breakdown of non-underlying items are given in Note 6. Non-underlying items were £27.1m in the year *(2018: £0.9m)*, the majority of which was attributable to revaluation impairment costs incurred during the year.

STRATEGIC REPORT *(continued)*

Financial Review and Key Performance Indicators *(continued)*

Net finance expense

The net finance expense for the year was £28.5m, against £26.7m for 2018, £0.9m of the increase is attributable to the impact of adopting IFRS 16 from 1 January 2019. Interest on external bank borrowings has increased by £0.7m since 31 December 2018. Interest on Ground Rent finance leases was £7.9m *(2018: £6.6m)*.

Capital investment

One of the key strategic objectives for the Group is to continue to grow and become the first choice holiday park operator within the UK. A key enabler in delivering this objective is a continued focus on transforming the customer experience through both investment and improvement in park and customer service standards. This will ensure that parks can operate efficiently and customers enjoy a superior holiday experience relative to competitors, encouraging greater utilisation of our parks and supporting the Group's long-term growth ambitions. The key investment drivers for the Group are as follows:

- Service quality
- Cost efficiencies
- Environment, Health and Safety, Security and Compliance focus

	31 Dec 2019	31 Dec 2018
	£000	£000
Capital expenditure	**28,508**	33,507

Key capital investment projects and programmes completed during the year ended 31 December 2019 can be summarised as follows:

- Fleet replacement programme - 275 new fleet units were added in 2019, of which 145 were replacements of outdated fleet units, 51 units were lodges, in addition to 40 additional glamping pods. The Group is continuing the shift to having all fleet units as double glazed, central heating with an increase of 323 more of these units added during 2019. We expect all of our fleet to have central heating and double glazing by the 2021 season.
- Continued improvement to park facilities - there have been various projects across multiple parks including extensions and refurbishment to existing facilities, construction of new swimming pools and changing rooms, full refurbishment of letting apartments and other park improvements.
- Base development - approximately 307 bases were added over the estate with a mixture of standard, large and lodge bases. Each development included bases, infrastructure, roads, parking and soft landscaping.

Non-current assets

Tangible assets are held at the revalued amount and a full revaluation took place at the 31 December 2019 which led to a net downward adjustment.

Acquisitions during the year

A new business; 'Seaview Holiday Park Limited', located in Essex, was acquired at a price of £7,276,000 on 28 November 2019 plus an additional payment of £136,000 to reflect net asset adjustments; expanding the businesses footprint and increasing market share. Subsequent to acquisition, the park has been rebranded and now trades as West Mersea Holiday Park.

STRATEGIC REPORT *(continued)*

Financial Review and Key Performance Indicators *(continued)*

Total debt and leverage

At the year end, debt comprised one term loan facility totalling £176.6m *(2018: £175.7m)*, expiring in February 2024. Three acquisition related accordion facilities and a capex and acquisition facility drawdown are included within this figure.

In addition, 22 of the total 29 holiday parks owned by the Group are held under ground rent finance leases totalling £195.9m *(2018: £195.9m)*. The first ground rent transaction occurred in 2017 with a second transaction occurring in 2018. Under the terms of these agreements, the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years with the option to repurchase the land for £1 at the end of this period. The annual payments increase annually in line with RPI subject to a 4% cap and 1% floor in any one year.

Going concern

The Group's net asset position has decreased since 31 December 2018.

All the Group's financial covenants (see Note 17) have been met for the year ended 31 December 2019 and are forecast to be met in future periods.

Holiday parks across the UK were closed from mid-March 2020 to early July by the Government in response to the coronavirus pandemic. Extensive analysis of the Group's ability to continue trading was performed, including a number of different scenarios to stress-test the forecasts prepared. Based on the conclusions of this analysis and the availability of drawn and committed borrowing facilities (further detailed in note 1 of the financial statements), the Directors have a reasonable expectation that the Company will continue as a going concern and accordingly the financial statements have been prepared on that basis.

Dividends

No dividend payments were made during the year.

STRATEGIC REPORT *(continued)*

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties that could have a material impact on the Group's operations and its ability to achieve its strategic objectives. The Group have identified and assessed the risks currently being faced along with the potential impacts and probability of occurrence.

All of the key business risks and uncertainties disclosed in these Group financial statements are also applicable to the main trading entity of the Group; Park Holidays UK Limited.

The key risks identified are disclosed below:

Risk explanation and impact	Mitigation strategy
BUSINESS RISKS	
Customer Expectations and Pressure from Competitors The Group faces local and international competition from holiday tour operators. If customers expectations are not met, or their holiday experience is not satisfactory, future growth potential and reputation could be at risk.	Holiday guest and owner feedback is monitored regularly to ensure that where the Group is not meeting customer expectations, steps are taken to rectify the situation to ensure it is not repeated.
Brexit Risk of adverse economic outcomes as a result of a no-deal Brexit.	Most of the direct suppliers are UK-based businesses and therefore it is not expected that a no-deal Brexit will have a material negative impact on the business. Exchange rate movements have already resulted in raw material costs increases. These increases have been mitigated by improved procurement. The Group continues to monitor the effects of Brexit on the UK economy and the knock-on impact on consumer spending. There is a strong correlation between consumer confidence and holiday home sales. If the impact of a no-deal Brexit leads to a significant increase in raw material costs; the Group may adapt its procurement strategy. However, a potential benefit of Brexit could be that staycations and UK based holiday homes are favoured by consumers, meaning that we may see an increase in trade as a result.
Impact of coronavirus If there is a second wave of coronavirus, there is a risk that trading performance may suffer further due to another downturn in the economy or we may encounter issues with our suppliers. There could also be a negative impact on service if members of staff contract the virus.	We have been proactive in all measures taken to mitigate the negative impact of coronavirus. We are able to take actions in the event that these indicators show a significant negative trend. Most of our direct suppliers are UK based business and we have long established working relationships with them. The Group are working in line with the NHS public information guidelines and have policies and procedures in place to appropriately deal with any suspected cases of the virus. Furthermore, all our accommodation is detached and self-catered, lending itself to use while adhering to social distancing measures.
FINANCIAL RISKS	
Credit Risk Due to the nature of the Group's operations; there is a relatively low credit risk. Annual site fees are paid for in full in advance or by direct debit throughout the year. Holidays cannot be taken unless full payment is received and the ownership of a holiday home does not transfer until all funds are transferred upon completion. The majority of on park spend is paid for at the point of sale.	The Group has a credit policy in place and the exposure to it is monitored. Owners are able to pay their site fees in full, via direct debit or a specified payment plan. Credit terms for holidays can be for up to a year in advance if they pre-book but there is a requirement to pay the total balance of the holiday 30 days before the start of the holiday.

STRATEGIC REPORT *(continued)*

Principal Risks and Uncertainties *(continued)*

FINANCIAL RISKS *(continued)*	
Liquidity The operation of holiday parks is seasonal in nature but follows general trends each year. Throughout the holiday season cash flows are positive; but in the shoulder, winter months it is significantly lower and in some months there can be more outgoings than receipts. It is essential that cash management remains a key focus for mitigating liquidity risks caused by seasonal trading.	Aside from interest payments, the Group has no requirements until February 2024 to make any capital repayments on the term loan or accordion facilities. There is a Capex and acquisition facility available until February 2023 and sufficient cash resources available to the business to meet the capital requirements going forward. A cash forecast is prepared every day to allow issues to be addressed before they materialise.
Interest Rate Risk The bank borrowing facilities are subject to floating rates of interest as detailed in Note 17.	The Group monitors interest rate exposure on a regular basis and takes appropriate action including the use of derivatives.
OPERATIONAL RISKS	
Health and Safety Due to the high level of footfall on parks during the year (consisting of staff, contractors, owners and holiday guests) there is an inherent risk of health and safety incidents.	As a Group we have a duty of care to protect the safety and security of all individuals that visit our parks. We review all reported incidents and put in place actions to try and ensure that they are not repeated.
Quality Employees The holiday park industry is a very competitive environment for recruiting and retaining skilled, high quality employees. As the Group continues to grow it is imperative that our people want to, and are able to, grow with it.	The Group's brand is strong in the market place, with the business being an attractive choice for potential candidates, which is useful when opportunities come to light for new roles. However, where possible the Group will try to promote from within the existing workforce to motivate and encourage staff to have a longer term view.
Business Continuity The effect of a power outage and the Groups' ability to continue normal business activities. The effect of flooding (Coastal & Surface) upon the parks and the Groups' ability to continue normal business activates. The effect of falling trees/branches and related trip & obstruction hazards upon the parks and the Groups' ability to continue normal business activities	The Group has a business continuity/disaster recovery plan in place, detailing actions to be taken should a disaster happen. In addition, provision is in place for the central support offices, should the need arise. Flood Risk Assessments have been completed and Flood Warning Evacuation Plans are in place for each respective park/site, detailing relevant actions to be taken should potential / actual flooding occur. The Group has completed detailed Tree Surveys and has in place a Tree Management Strategy (TMS) for each respective park/site, detailing relevant actions to be taken by the company to decrease risk and liability.
Technology and Cyber Security As with many organisations we rely heavily on IT systems to help manage our business including our customer data. It is important that we manage the risks associated with this reliance on IT to keep the Company and our customer data safe and secure.	Regular third party penetration testing of our networks is performed and reported. A framework of service level agreements is in place with our key suppliers and system providers to ensure there is an appropriate response in the event of a failure of any part of our network.
Regulatory Compliance The Group is authorised by The Financial Conduct Authority (FCA) to provide access to regulated products and services for customers.	The Group can help customers find different financing options for purchasing a holiday home. This can include the use of a finance provider. We are careful to ensure that our sales processes are in compliance with our FCA authorisations especially with regard to affordability, via regular training courses to sales staff and managers. We take care to run the company in accordance with the FCA's Code of Conduct (COCON).

STRATEGIC REPORT *(continued)*

Principal Risks and Uncertainties *(continued)*

OPERATIONAL RISKS *(continued)*	
National Minimum Wage ("NMW") A significant, rapid increase in the NMW rates could be detrimental to the Group's profitability.	The estimated rates per the Office for Budget Responsibility are obtained and used when preparing the budget on an annual basis. These are then compared to actual rates when they are released, to ensure that the Group has adequately provided for employee costs and is in compliance with Government standards.

By order of the Board



C A Ling
Director
Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

19 November 2020

DIRECTORS' REPORT

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

Research and Development

The Group undertook no research during the year.

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 20 to the financial statements.

Dividends

No dividend payments were made during the year *(2018: £9,881,757)*.

The directors do not recommend the payment of a dividend in respect of the year end 31 December 2019.

Group Board of Directors

The Board comprises the Non-Executive Chairman, two non-executive investor directors and five executive directors. The Board meet on a monthly basis and have a collective responsibility in the performance of their duties for the Group including:

- The monitoring of progress against business plans and targets;
- The assessment, control and addressing of risk factors;
- The development and implementation of strategy, operational plans and budgets
- Ensuring the Group's compliance with legal and regulatory requirements; and
- The development and implementation of the Group's ethics and business standards and health, safety, security and environmental policies and procedures.

Directors

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

A J Fawcett	
J A Sills	
C A Ling	(appointed on 29 January 2020)
A N Clish	
A B Loch	(resigned on 14 October 2020)
R L Ullman	
G J Knight	(resigned on 29 January 2020)
S J E Roddis	
B J Coady	(appointed on 1 February 2019)

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.

A J Fawcett

Adrian is the Chairman of Park Holidays UK a position he has held since 2012. Adrian has significant experience of working in the retail and leisure sector. He has previously been the Chairman of Gala Bingo, Chief Executive at General Healthcare Group, Chief Operating Officer at Punch Taverns, Chairman of the Real Pub Company and a non-executive Director at the Department of Work and Pensions. Adrian is also currently the Chairman of Silentnight Group, Petainer, Liberis and Advest Capital Management.

J A Sills

Jeff Sills has been the Chief Executive Officer of Park Holidays UK since he joined the Board in 2006. Jeff was previously the Managing Director of Tom Cobleigh pubs having led the buyout from Rank. He has spent over 25 years in the pub restaurant trade working in a variety of roles for Grand Metropolitan Plc, Magic Pub Co and Greene King Plc. Jeff is also a non-executive Director of the Liberation Group.

DIRECTORS' REPORT *(continued)*

C A Ling

Chris Ling joined the Board in January 2020 as the Chief Financial Officer having joined the Company in November 2019. Chris is a highly experienced Finance Director with over 20 years of senior finance roles across a wide range of companies and industries. He has significant experience of working in listed companies including Centrica and QinetiQ and is a Fellow of the Institute of Chartered Accountant in England and Wales. Chris is also a non-executive Director of the Richmond Housing Partnership.

A N Clish

Tony Clish joined the Board in 2006 with over 25 years holiday park experience following an early career in brewing. He has significant main board experience with Haulfryn and Great British Holiday Parks, which was backed by RBS Development Capital. His extensive network of contacts with key players across the industry enables him to stay abreast of key changes in the market.

A B Loch

Al Loch qualified as a chartered accountant with Ernst & Young in Scotland and joined the Group in 2006. He has over 25 years multi-site experience and began his career in the high price/low margin franchised motor retail sector. He spent eight years with RegVardy plc as Group Financial Controller and ultimately Group Development Director. Until November 2019, Al was the Chief Financial Officer of the Group. As part of a controlled management transition plan, Al will remain on the Board until mid-2020.

R L Ullman

Richard Ullman joined the Board in November 2018 having worked for the Company since 2013. Richard has over 25 years of experience leading multi-site operations across the UK in the leisure industry. He has previously held senior positions at Enterprise Inns, the Spirit Pub Company and Mill House Inns.

G J Knight

Gareth Knight joined the Board in 2017 and resigned in 2020. He is also a Managing Director at Intermediate Capital Group (ICG) Plc where he has worked since 2008.

S J E Roddis

James Roddis joined the Board in 2017. He works for ICG plc as Head of UK – Equity & Mezzanine and is on their European Investment Committee. He joined in 2008 having previously worked at Montagu Private Equity for a decade.

B J Coady

Bernard Coady joined the Board in 2018. He is also a Managing Director at Intermediate Capital Group (ICG) Plc where he has worked since 2007.

Political contributions

Neither the Group or any of its subsidiaries made and political donations or incurred any political expenditure during the year *(2018: £nil).*

Post balance sheet events

Due to the impact of the coronavirus pandemic which had led to the closure of our parks for three months, the Group has secured £30m of additional liquidity as a contingency to fund cash requirements over this period. The £30m is a combination of a £15m Revolving Credit Facility and an additional £15m loan notes. To date, this liquidity has not been needed.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters

Our People

Providing good customer service is in the hands of hundreds of staff working at our parks. We devote a lot of care in selecting the very best people for each job and training them to ensure they have the right skills to do that job to our exacting standards. It can mean hard work and long hours, so we believe in trying to make it an enjoyable place to work. In order to ensure that this is the case; it is essential that we build trusting relationships where employees feel motivated and engaged and provide them with a working environment that enables them to develop over the long term.

Maintaining a happy, healthy and productive workforce is key to achieving the businesses strategic objectives. Therefore, careful consideration is always given to the impact on employees of decisions made by the board. Executive and managerial level employees are often consulted on the impact of decisions on their respective staff, and these consultations help shape the decisions made.

We have a highly engaged workforce who take pride in their work and welcome opportunities to develop new skills. Park managers are in regular contact with Area Managers through site visits and regular catch ups. They also have the opportunity to put questions or ideas to senior leaders. The Sales Director and Operations Director also make regular trips to all parks within the portfolio to monitor trading performance and manage any concerns our employees have. The Finance director holds a meeting with all members of the finance team at least once per year to discuss the Group's performance for the financial year and the future for the business; this gives staff the opportunity to ask questions but also enables them to understand the vital role they play within the business and how their actions enable the effective operation of the business' activities. Any information on matters of concern applicable to the entire workforce are distributed through Group-wide emails whenever any situations arise. Financial analysis is prepared on a weekly and monthly basis and cascaded throughout the organisation so that all staff have a common awareness of the financial performance of the Group. All staff are encouraged to come forward with any innovative ideas on new processes to be implemented or how existing processes could be improved, as by encouraging this behaviour it helps to improve employee satisfaction and, if successful, can lead to cost reductions for the business. We also encourage the involvement of employees in the company's performance through various incentive schemes.

In addition, we have been working with Investors in People for nearly 10 years to ensure we always maintain a genuine commitment to improving the way we manage, develop and lead our teams. As well as the usual assessment visits they also distribute a staff survey which provides us with some key statistics about how we are performing in terms of managing, leading and developing our staff, which all employees are invited to participate in. For 2019 the Group were awarded the 'Investors in People – Silver Award', for good staff and recruitment practices – a measure of our commitment to people.

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.

Equal opportunities and disabled employees

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.

Human rights and modern slavery

The Group has a zero tolerance regarding slavery and human trafficking but are aware that we operate in a sector that is deemed to be 'most at risk'. Therefore, there are rigorous policies and procedures in place to mitigate the risk of slavery and human trafficking occurring within the organisation. Our statement on modern slavery and compliance with the UK Modern Slavery Act 2015 can be found on our website.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters *(continued)*

Community

As a Group we encourage our people to get involved in charitable activities for both local and national causes. During 2019 a group of 40 staff members took on the three peaks challenge and raised money for a variety of charities. The Group also supports local charities via various other activities.

Environment

All of the Group's holiday parks are close to the major towns and cities of the South and the East coast therefore travelling to one of our holiday parks is likely to have a much lower impact than flying abroad or even travelling longer distances to more distant UK destinations.

We strive to present the majority of our marketing online and only distribute brochures when it is absolutely essential as part of our ongoing commitment to use less paper.

On parks, we design our buildings to try and minimise energy use, and local management are financially incentivised to reduce consumption and control waste. We believe in the principle of 'think globally, act locally'. When it comes to accommodation we *also put green principles to the fore as we employ a refurbishment strategy to extend the life and improve the quality of our* accommodation.

As substantial landowners our environmental responsibilities extend beyond our carbon footprint. We are responsible for many lakes, hundreds of acres of woodland, and lengths of protected coastline, and we will continue to champion environmental causes wherever possible going forward. We are committed to promoting reuse and recycling and ensuring our ensuring our waste avoids landfill at every opportunity.

The Group are committed to complying with all relevant environmental legislation, including those issued by the relevant local authorities, the Environment Agency and Natural England. We are committed to developing an environmental management system which contains objectives and targets that are monitored and reviewed on an annual basis. Our energy consumption is actively monitored and we strive to continuously improve energy efficiency where possible. We strive to carefully manage water consumption and investigate ways to reduce water intensity across all our parks. We will work closely with the local authorities and invest in waste water treatment programs that enable us to exceed compliance with legislative policy for many years to come.

Suppliers

We work to develop long term partnerships with all our suppliers as we believe that treating our business partners fairly is an investment that protects us and enhances our business. We are committed to supporting local businesses whenever practical when selecting product or service suppliers for our business. We strive to ensure raw materials and food stuffs supplied to us are produced from an ethical and sustainable source and that transportation of these goods have minimal impact on the environment. To ensure safety standards and ethical practices in our supplier and contractor chain, all suppliers and contracts must participate in our Pre-Qualifying Questionnaire Scheme which will be reviewed and updated annually; all suppliers and contractors will be required to re-submit the relevant signed paperwork each year re-confirming their safety and ethical working practices.

Customers

One of our strategic aims is to deliver the best customer experience and by doing so, hopefully meet or exceed customer expectations. To achieve this, we engage with our customers through a variety of channels including emails, social media and webchat. We ask for feedback from customers through all aspects of their journey with us, from the booking process through to their holiday experience and we also have a dedicated aftersales team to ensure our customers are receiving the high standard service that we expect. We believe that by engaging with our customers, we can understand what they value the most and ensure that we are tailoring our services to match their expectations.

Future developments

The Group is continually looking for opportunities to expand the business' footprint and increase market share.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters *(continued)*

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

C A Ling
Director
Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

19 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and 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.

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 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Statements of Financial Position, Consolidated Statement of Changes in Equity, Parent Company Statement of Changes in Equity, 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 2019 and of the group's loss 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.

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 their operations, and as they have concluded that the group and 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 their 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 group's business model 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.

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 year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIGER TOPCO 1 LIMITED *(continued)*

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 16, 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.

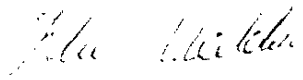
Auditor's responsibilities

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.

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

19 November 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	**31 December 2019**			31 December 2018		
		Trading performance	**Non-underlying items**	**Result for the year**	Trading performance	Non-underlying items	Result for the year
		£'000	**£'000**	**£'000**	£'000	£'000	£'000
Revenue	*2*	**157,207**	**-**	**157,207**	154,814	-	154,814
Cost of sales		**(61,161)**	**-**	**(61,161)**	(63,213)	-	(63,213)
Gross profit		**96,046**	**-**	**96,046**	91,601	-	91,601
Administrative expenses	*3, 6*	**(60,102)**	**(1,015)**	**(61,117)**	(54,805)	(872)	(55,677)
Impairment	*6*	**-**	**(26,121)**	**(26,121)**			
Total administrative expenses		**(60,102)**	**(27,136)**	**(87,238)**	(54,805)	(872)	(55,677)
Other operating income		**247**	**-**	**247**	371	-	371
Operating profit		**36,191**	**(27,136)**	**9,055**	37,167	(872)	36,295
Finance income	*7*	**321**	**-**	**321**	162	-	162
Finance expense	*7*	**(28,851)**	**-**	**(28,851)**	(26,883)	-	(26,883)
(Loss)/Profit before taxation		**7,661**	**(27,136)**	**(19,475)**	10,446	(872)	9,574
Tax on profit	*8*	**4,365**	**-**	**4,365**	(6,179)	-	(6,179)
(Loss)/Profit for the financial year		**12,026**	**(27,136)**	**(15,110)**	4,267	(872)	3,395
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Revaluation of tangible fixed assets	*9*	**-**	**16,473**	**16,473**	-	-	-
Deferred tax on revaluation	*18*	**-**	**(4,014)**	**(4,014)**	-	-	-
Other comprehensive loss for the year, net of income tax		**-**	**12,459**	**12,459**	-	-	-
Total comprehensive income for the year attributable to equity holders of the parent company		**12,026**	**(14,677)**	**(2,651)**	4,267	(872)	3,395

All trade during the year to 31 December 2019 was derived from continuing operations.

The Notes on pages 24 to 56 form part of the financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANICAL POSITION

at 31 December 2019

	Note	**Group 31 Dec 19 £000**	Group 31 Dec 18 £000	**Company 31 Dec 19 £000**	Company 31 Dec 18 £000
Assets					
Non-current assets					
Tangible fixed assets	*9*	**449,006**	420,762	**-**	-
Intangible assets	*10*	**80,178**	82,332	**-**	-
Investments in subsidiaries	*11*	**-**	-	**-**	-
Total non-current assets		**529,184**	503,094	**-**	-
Current assets					
Inventories	*13*	**19,095**	18,461	**-**	-
Trade and other receivables	*14*	**21,912**	22,537	**7,812**	7,433
Cash and cash equivalents	*15*	**13,225**	22,293	**-**	-
Total current assets		**54,232**	63,291	**7,812**	7,433
Total assets		**583,416**	566,385	**7,812**	7,433
Current liabilities					
Trade and other payables	*16*	**(63,767)**	(65,722)	**(3,122)**	(2,117)
Current tax liability		**(1,292)**	-	**(71)**	(1,001)
Total current liabilities		**(65,059)**	(65,722)	**(3,193)**	(3,118)
Non-current liabilities					
Other interest-bearing loans and borrowings	*17*	**(501,178)**	(470,809)	**-**	-
Deferred tax	*18*	**(23,929)**	(31,111)	**-**	-
Total non-current liabilities		**(525,107)**	(501,920)	**-**	-
Total liabilities		**(590,166)**	(567,642)	**(3,193)**	(3,118)
Net (liabilities)/assets		**(6,750)**	(1,257)	**4,619**	4,315
Equity attributable to equity holders of the parent					
Share capital	*19*	**12**	12	**12**	12
Share premium account	*19*	**1,036**	1,036	**1,036**	1,036
Treasury shares	*19*	**(3)**	-	**(3)**	-
Profit and loss reserve		**(20,254)**	(2,305)	**3,574**	3,267
Revaluation reserve	*19*	**12,459**	-	**-**	-
Total equity		**(6,750)**	(1,257)	**4,619**	4,315

These financial statements were approved by the board of directors on 19 November 2020 and were signed on its behalf by:



C A Ling
Director

The Notes on pages 24 to 56 form part of the financial statements.

Company registered number 10500425.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

Group	Share Capital	Share premium account	Treasury shares	Preference share premium	Revaluation reserve	Profit and loss Reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 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)
Balance at 31 December 2018	**12**	**1,036**	**-**	**-**	**-**	**(2,305)**	**(1,257)**
Adjustment on initial application of IFRS 16	**-**	**-**	**-**	**-**	**-**	**(3,417)**	**(3,417)**
Deferred tax on initial application of IFRS 16	**-**	**-**	**-**	**-**	**-**	**578**	**578**
Adjusted balance at 1 January 2019	**12**	**1,036**	**-**	**-**	**-**	**(5,144)**	**(4,096)**
Total comprehensive income for the year							
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(15,110)**	**(15,110)**
Revaluation of tangible fixed assets	**-**	**-**	**-**	**-**	**16,473**	**-**	**16,473**
Deferred tax impact on reserves	**-**	**-**	**-**	**-**	**(4,014)**	**-**	**(4,014)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**12,459**	**(15,110)**	**(2,651)**
Transactions with owners, recorded directly in equity							
Acquisition of treasury shares	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**
Transactions with owners, recorded directly in equity	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**
Balance at 31 December 2019	**12**	**1,036**	**(3)**	**-**	**12,459**	**(20,254)**	**(6,750)**

The Notes on pages 24 to 56 form part of the financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

Company	Share Capital	Share premium account	Treasury shares	Preference share premium	Profit and loss Reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
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
Balance at 31 December 2018	**12**	**1,036**	**-**	**-**	**3,267**	**4,315**
Adjustment on initial application of IFRS 16 (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**
At 1 January 2019	**12**	**1,036**	**-**	**-**	**3,267**	**4,315**
Total comprehensive income for the year						
Profit for the year	**-**	**-**	**-**	**-**	**307**	**307**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**307**	**307**
Transactions with owners, recorded directly in equity						
Acquisition of treasury shares	**-**	**-**	**(3)**	**-**	**-**	**(3)**
Transactions with owners, recorded directly in equity	**-**	**-**	**(3)**	**-**	**-**	**(3)**
Balance at 31 December 2019	**12**	**1,036**	**(3)**	**-**	**3,574**	**4,619**

The Notes on pages 24 to 56 form part of the financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2019

	Note	**Group Year ended 31 Dec 2019 £000**	Group Year ended 31 Dec 2018 £000	**Company Year ended 31 Dec 2019 £000**	Company Year ended 31 Dec 2018 £000
Cash generated from operations					
(Loss)/profit after income tax		**(15,110)**	3,395	**307**	4,267
Adjustments for:					
Depreciation and amortisation	*3,9,10*	**10,940**	8,506	**-**	-
Revaluation costs taken to profit and loss	*6*	**26,121**	-	**-**	-
Asset disposals		**(154)**	(211)	**-**	-
Finance costs – net	*7*	**28,530**	26,721	**(379)**	(5,268)
Income tax	*8*	**(4,365)**	6,179	**72**	1,001
Changes in working capital (excluding the effects of acquisition)					
- Inventories	*13*	**(226)**	(700)	**-**	-
- Trade and other receivables	*14*	**(259)**	122,301	**(1)**	241,206
- Trade and other payables	*16*	**(3,683)**	(35,867)	**1,005**	(111,486)
Cash generated from operations		**41,794**	130,324	**1,004**	129,720
Cash flows from operating activities					
Interest paid		**(15,087)**	(11,588)	**-**	-
Income tax paid		**(3,832)**	(4,347)	**(1,001)**	(2,117)
Net cash generated from operating activities		**22,875**	114,389	**3**	127,603
Cash flows from investing activities					
Interest received	*7*	**321**	162	**-**	-
Proceeds from sales of plant, property and equipment	*9*	**1,197**	780	**-**	-
Acquisition of subsidiary (net of cash)	*12*	**(7,244)**	(23,420)	**-**	-
Purchases of property, plant and equipment	*9*	**(24,035)**	(32,111)	**-**	-
Purchases of software and related assets	*10*	**(196)**	(205)	**-**	-
Labour capitalised		**(1,121)**	(1,191)	**-**	-
Net cash used in investing activities		**(31,078)**	(55,985)	**-**	-
Cash flows from financing activities					
Proceeds from issue of ordinary shares	*19*	**-**	23	**-**	23
Acquisition of treasury shares	*19*	**(3)**	-	**(3)**	-
Proceeds from bank borrowings	*17*	**-**	24,504	**-**	-
Proceeds from sale and leaseback transaction	*17*	**-**	45,719	**-**	-
Repayments of PIK loan notes	*17*	**(38)**	(26,001)	**-**	-
Preference share dividends	*19*	**-**	(117,745)	**-**	(117,745)
Redemption of preference shares		**-**	(9,881)	**-**	(9,881)
Payment of lease liabilities *(2018: payment of finance lease liabilities)*	*17*	**(824)**	(282)	**-**	-
Net cash (used in) financing activities		**(865)**	(83,663)	**(3)**	(127,603)
Net increase/(decrease) in cash and cash equivalents		**(9,068)**	(25,259)	**-**	-
Cash and cash equivalents at beginning of year		**22,293**	47,552	**-**	-
Cash and cash equivalents at end of year	*15*	**13,225**	22,293	**-**	-

The Notes on pages 24 to 56 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 company limited by shares, 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 2015-2017 Cycle (issued on 12 December 2017), *no impact on adoption*
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017), *no impact on adoption*
- IFRS 16 Leases; *see Note 26*

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 25.

1.2 Changes in significant accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has applied IFRS 16 from 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The Group's revised accounting policy for leases is provided in Note 1.11 and transition disclosures are provided in Note 26.

1.3 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.

1.4 Going Concern

The directors are required to make an assessment of the Group's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity, to cease trading or has no realistic alternative but to do so within 12 months from the signing of the financial statements (the going concern period).

The events that have transpired since the balance sheet date, namely the COVID 19 pandemic and associated economic impact, have presented challenging conditions for almost all businesses, but particularly in the leisure, travel and tourism industries. The Government imposed lockdown measures that were enforced resulted in a significant fall in trade. These measures have been in place since mid- March. The unprecedented measures have not fundamentally changed the long-term viability or prospects of the Group, but the directors have secured additional liquidity should this be required.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.4 Going Concern *(continued)*

At 31st December 2019, the Group had total assets less current liabilities of £518.4m. Liquidity at that date was £13.2m. As at 30 September 2020, the Group's liquidity position was £76.5m. Despite the Group's position at the end of the financial year and the Group's trading history during the summer months when restrictions partially were lifted, it is now clear that the increasing effects of the Coronavirus will result in a material reduction in revenue and profit expectations for the year ending 31st December 2020 and may also affect 2021 results.

The forecasts have been revised based on the latest information including: how the business has performed during the government imposed lockdown; likely reductions in the severity of a future lockdown or additional localised restrictions; and the array of work that has been undertaken within the business to continue to serve customers while adhering to government guidance. A 'base case' scenario has been forecast at the date of the signing of these accounts and the impacts of any further lockdowns considered as a downside scenario.

The directors consider the latest 'base case' forecast a reasonable but prudent estimate of the profile of business activity through the going concern period. The total EBITDA for 2019 was £47.1m and the forecasting exercise has resulted in a material reduction in expected EBITDA for 2020 with most of this reduction occurring between April and July 2020, including some of our peak months. Performance from January 2021 through to December 2021 has been estimated based on achieving a small increase on the 2020 budget.

Subsequent to the onset of the coronavirus pandemic, Park Holidays UK have secured £30m of additional funding from its lenders and shareholders. The closing cash balance at 30th September 2020 was £76.5m and, at that date we had not required the extra liquidity raised. Based on current cash forecasts, the extra liquidity provides a significant degree of comfort in the event of any future lockdowns or more restrictive regional measures.

In assessing the Group's ability to continue as a going concern, the Directors have considered the trading history through 2020. While the Group is expected to generate positive EBITDA due to its trading performance after lockdown restrictions were lifted, the financial impact of the Government imposed lockdown on the businesses profitability in 2020 will be significant. During 2020, the Group has incurred significant additional costs ensuring staff, owners and holiday makers are safe on our parks, the timely processing of holiday refunds and providing staff with the ability to work from home. In addition, we formally announced an owner support package on 29th June which outlined a 50% credit on pitch fees for 3 months as well as a 12 month extension to pitch fees for all owners whose accounts were up to date by the end of September 2020. Since reopening the parks in July 2020, the Group has seen high demand for products as holiday makers favour UK destinations and due to the attractiveness of self-contained accommodation, while the pandemic continues to impact consumer confidence.

Further to the base case forecast, a reasonably plausible downside scenario was considered to analyse the potential impact of further lockdowns. The downside scenario considered involves a further lockdown in October and November 2020 across all sites, as well as a significant reduction to revenue through 2021 of approximately 15% on 2021 budget, with revenues reducing to 2019 levels. This scenario is currently considered unlikely, but it is difficult to predict the impacts of COVID-19 at this stage. In this scenario the Group needed no further external funding, all banking covenants were met, and all liabilities were able to be paid as they fell due.

The directors have undertaken a rigorous forecasting exercise including specific consideration of the current and likely ongoing impact of the pandemic on the business. There is uncertainty over the possibility of further lockdown restrictions, however, after analysis of the reasonably plausible downside scenario in the context of the latest information about the virus and the funding already secured the directors are satisfied that the business can continue to meets its liabilities as they fall due. Accordingly, they have concluded that it is appropriate to adopt the going concern basis and that there is no material uncertainty in this conclusion.

1.5 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)*

1.6 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.

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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.6 Financial instruments *(continued)*

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

Financial liabilities and equity (continued)

(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.

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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.6 Financial instruments *(continued)*

(iv) Impairment *(continued)*

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.

1.7 Tangible fixed assets

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	-	15% on a straight line basis

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 full valuation was carried out by CBRE on the 31 December 2019. This was carried out in accordance with the techniques explained above and resulted in an overall net decrease for the year ended 31 December 2019 as detailed in Note 9. No depreciation is provided on freehold land.

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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.7 Tangible fixed assets *(continued)*

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.

1.8 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.

1.9 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.

Other intangible assets

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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.9 Intangible assets *(continued)*

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

1.10 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.

1.11 Leases

(A) Policy applicable from 1 January 2019

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The details of accounting policies under IAS 17 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 26.

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct of represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applicable to contracts entered into, or change, on or after 1 January 2019.
At inception or on a reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the bases of their relative stand-alone prices.

(B) Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether;

- fulfilment of the arrangement was dependant on the use of a specific asset or assets and;
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met;
  - the purchaser had the ability or right to use the asset while obtaining or controlling more than an insignificant amount of the output
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output

NOTES *(continued)*

1 Accounting policies *(continued)*

***1.11 Leases** (continued)*

(C) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful like of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following;

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate; initially measured using the index or rates as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonable certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonable certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'obligations under finance leases' on the statement of financial position.

(i) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

NOTES *(continued)*

1 Accounting policies *(continued)*

***1.11 Leases** (continued)*

(D) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or and operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

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

Defined contribution plans

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.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.15 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 Group 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.

Some of the holiday homes sold to customers of the Group 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 Group 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 Group 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 Group.

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 Group. The items sold or provided are separable and the performance obligation is met upon point of sale.

1.16 Expenses

Operating lease payments (policy applicable before 1 January 2019)

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments (policy applicable before 1 January 2019)

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.

Net financing costs

Net financing costs comprise interest on 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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.17 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.

1.18 Non-underlying items

The financial trading results of the Group are reflected in the 'Trading performance' column on the Statement of Comprehensive Income. To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column. This column exists to clearly separate any one-off items in addition to items that are non-operational in nature.

The Group's Land and Buildings are held at market value, with full valuations carried out triennially. Although these assets are used within the normal course of business, the fair value movements on these assets do not reflect 'normal' trading performance as the full revaluations take place triennially. Therefore, any adjustments relating to revaluations are reported separately in the 'non-underlying items' column.

'Non-underlying items' are those that the Group considers to be not 'operationally driven' and significant in size or nature so should be separately identified as they do not form part of the regular cyclical trade of the business and inclusion of these items would distort the Group's underlying trading performance. Non-underlying items include, but are not limited to; transaction and integration costs relating to the acquisition of businesses, material restructuring and professional adviser costs, revaluation costs, costs associated with significant strategic or contract reviews and the tax effects of any of these items.

1.19 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.

- Amendments to IFRS 3 *Business Combinations* (effective date 1 January 2020). In October 2018, the International Accounting Standards Board (IASB or Board) issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective date 1 January 2020). In September 2019 The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.

NOTES *(continued)*

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 2019 £'000	Group Year to 31 Dec 2018 £'000
Sale of holiday homes	**78,818**	83,775
Rental income for pitches and holiday lets	**63,104**	56,256
Other income	**15,285**	14,783
	157,207	154,814

Timing of transfer of goods or service	**Group Year to 31 Dec 2019 £'000**	Group Year to 31 Dec 2018 £'000
Products and services transferred at a point in time	**99,429**	103,275
Products and services transferred over time	**57,778**	51,539
	157,207	154,814

There was £nil revenue *(2018: £nil)* recognised in the current year from performance obligations satisfied (or partially satisfied) in previous years. There were no contract costs incurred during the year.

(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 2019 £'000	Group Year to 31 Dec 2018 £'000
Receivables *(see Note 14, Trade Receivables)*	**13,916**	12,623
Contract assets (*within Prepayments and accrued income, Note 14*)	**1,104**	1,745
Contract liabilities *(see Note 16)*	**(37,786)**	(34,191)
	(22,766)	(19,823)

The contract assets primarily relate to the Group'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 £nil revenue *(2018: £nil)* recognised in the current year from performance obligations satisfied (or partially satisfied) in previous years as all performance obligations were settled in the year and there were no changes to revenue timing estimations.

During the year £0.64m related to transfers from contract assets recognised at the beginning of the period to receivables.

The amount of revenue recognised in the current year that was included in the contract liability balance at the beginning of the year was £32,574,000 *(2018: £30,175,000).*

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

(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.

	2020 £'000	**2021 £'000**	**2022 onwards £'000**
Site fee income	35,364	1,060	608

NOTES *(continued)*

2 Revenue from contracts with customers *(continued)*

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 year are the following:

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Depreciation and amortisation	**10,940**	8,506

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Auditor's remuneration		
- Audit of these financial statements	**18**	18
Amounts receivable by the auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	**128**	155
- Audit related assurance services	**4**	6
- Corporate finance services	**-**	26

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 2019 No. of employees	Group Year to 31 Dec 2018 No. of employees
Administration	**160**	155
Operational	**1,251**	1,119
Directors	**5**	4
	1,416	1,278

The aggregate payroll costs of these persons were as follows:

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Wages and salaries	**23,855**	22,070
Social security costs	**2,187**	2,442
Other pension costs	**360**	229
	26,402	24,741

5 Directors remuneration

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Remuneration	**1,135**	921
Amounts paid to third parties in respect of directors' services	**165**	165
	1,300	*1,086*

The highest paid director received remuneration of £336,605 during the year *(2018: £322,703).*

NOTES *(continued)*

5 Directors remuneration *(continued)*

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 £4,754 *(2018: £2,242)*. The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was £nil *(2018: £nil)*.

6 Non-underlying items

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Refinancing and legal costs	**91**	649
Acquisition expenses	**106**	223
Abortive planning	**234**	-
Severance costs	**413**	-
Valuations	**100**	-
Restructuring costs	**34**	-
Contract termination	**37**	-
	1,015	872
Impairment	**26,121**	-
	27,136	872

Refinancing and legal costs
Legacy costs incurred during the arrangement of the ground rent transaction.

Acquisition expenses
Acquisition expenses incurred during 2019 related to the acquisition of Seaview Holiday Park Limited *(2018: Costs incurred for the acquisition of Martello Beach Holiday Park and Hammerton Caravan Group Limited)*.

Abortive planning
During the year costs were incurred for planning applications that were unsuccessful; these are not part of the normal trading operations of the Group.

Severance costs
Severance costs incurred relate to redundant positions on acquisition and Director costs.

Valuations
Costs incurred for the valuation of the portfolio.

Restructuring costs
Costs associated with an ongoing project to change the Group structure and eliminate historic subsidiaries.

Contract termination
Relates to the early termination of an operational contract.

Impairment
A full valuation was performed at 31 December 2019 which resulted in a downward revaluation for a select number of parks within the portfolio. There is no historic revaluation reserve at the Group level to offset the cost for these parks against therefore the cost was recognised in the profit and loss as a non-underlying item.

NOTES *(continued)*

7 Net finance costs

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
Finance costs		
- Bank borrowings	**7,843**	7,117
- Finance cost amortisation	**1,762**	1,762
- PIK loan notes	**10,385**	11,369
- Ground rent	**7,914**	6,635
- Finance lease interest	**947**	-
Finance costs	**28,851**	26,883
Finance income		
- Bank interest	**(89)**	(55)
- Swaps interest	**(232)**	(107)
Finance income	**(321)**	(162)
Net finance costs	**28,530**	26,721

8 Taxation

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
UK corporation tax		
Current tax on loss for the year	**4,067**	4,422
Adjustment in respect of prior periods	**2,186**	(2,702)
Total current tax	**6,253**	1,720
Deferred tax *(see Note 18)*		
Origination and reversal of timing differences	**(6,816)**	1,072
Adjustment in respect of prior periods	**(3,802)**	3,387
Total deferred tax	**(10,618)**	4,459
Tax on loss	**(4,365)**	6,179

The current tax charge for the year is higher *(2018: higher)* than the standard rate of corporation tax in the UK of 19%.

	Group Year to 31 Dec 2019 £'000	Group Year to 31 Dec 2018 £'000
(Loss)/profit before taxation	**(19,475)**	9,574
Tax calculated at 19% *(2018: 19%)*	**(3,700)**	1,819
Tax effects of:		
- Items not deductible for tax purposes	**2,395**	2,625
- Impact of movement in tax rates	**501**	(146)
- Fixed assets adjustment	**1,341**	939
- Movement in deferred tax on chargeable gains on property	**(3,274)**	256
- Adjustment in respect of prior periods	**(1,616)**	686
- Deferred tax not recognised	**81**	-
- Recognition of deferred tax asset in respect of losses (Seaview)	**(93)**	-
Tax charge	**(4,365)**	6,179

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 was expected to 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. However during March 2020 the tax rate was substantively enacted to remain at 19% as opposed to decreasing to 17%. No amendment to the rate at which deferred tax is recognised has been made.

9 Tangible fixed assets – Group (Company - £nil)

	Land and Buildings	Plant, Fixtures & Fittings	Other Assets	Total
	£'000	£'000	£'000	£'000
Cost				
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)
Balance at 31 December 2018	**392,145**	**15,454**	**20,762**	**428,361**
Balance at 1 January 2019	392,145	15,454	20,762	428,361
Recognition of right-of-use assets on initial application of IFRS 16 *(see Note 21)*	12,803	-	-	12,803
Adjusted balance at 1 January 2019	**404,948**	**15,454**	**20,762**	**441,164**
Acquisition of subsidiaries	6,772	-	-	6,772
Additions	14,642	4,981	8,689	28,312
Revaluation	16,473	-	-	16,473
Disposals	-	-	(3,674)	(3,674)
Balance at 31 December 2019	**442,835**	**20,435**	**25,777**	**489,047**
Depreciation and Impairment				
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)
Balance at 31 December 2018	**2,498**	**3,492**	**1,609**	**7,599**
Balance at 1 January 2019	2,498	3,492	1,609	7,599
Recognition of right-of-use assets on initial application of IFRS 16 *(see Note 21)*	3,138	-	-	3,138
Adjusted balance at 1 January 2019	**5,636**	**3,492**	**1,609**	**10,737**
Charge for the year	2,562	2,480	3,232	8,274
Impairment losses	28,002	-	-	28,002
Depreciation eliminated on revaluation	(4,341)	-	-	(4,341)
Disposals	-	-	(2,631)	(2,631)
Balance at 31 December 2019	**31,859**	**5,972**	**2,210**	**40,041**
Net book value at 1 January 2018	**347,158**	**10,620**	**11,964**	**369,742**
Reported Net book value at 31 December 2018	**389,647**	**11,962**	**19,153**	**420,762**
Adjusted Net book value at 1 January 2019	**399,312**	**11,962**	**19,153**	**430,427**
Net book value at 31 December 2019	**410,976**	**14,463**	**23,567**	**449,006**

Additions in 2019 includes £478,365 for hire fleet caravans that transferred from stock in the year *(2018: £135,852)*. The value of Land and Buildings includes £1.5m of assets under construction *(2018: £nil)*.

There were no contractual commitments at the balance sheet date.

NOTES *(continued)*

9 Tangible assets – Group (Company -£nil) *(continued)*

At 31 December 2019 the net book value of property, plant and equipment includes right-of-use assets was as follows:

	Land and buildings £000	Plant, Fixtures & Fittings £000	Hire Fleet £000	Total £000
Right-of-use asset				
At 31 December 2019	343,372	3,688	599	**347,659**

Leased Land and Buildings (classified as a finance lease under IAS 17)

The Group has a number of sale and leaseback agreements, secured on the land of 22 parks of the total 29 owned *(2018: 22 parks)*. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period. On transition to IFRS 16 additional right of use assets with a net book value of £9.7m were recognised.

Leased plant and machinery and hire fleet units (classified as a finance lease under IAS 17)

At 31 December 2019 the net carrying amount of leased plant and machinery was £3.7m *(2018: £1.8m)*. The leased equipment secures the lease obligations *(see Note 17)*.

Revaluations

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 2019 £'000	Land and Buildings 2018 £'000
Fair value at 31 December	**442,835**	392,145
Aggregate depreciation thereon	**(31,859)**	(2,498)
Net book value	**410,976**	389,647
Historical cost of revalued assets at 31 December	**382,634**	351,519
Aggregate depreciation thereon	**(722)**	(2,378)
Historical cost net book value	**381,912**	349,141

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 full valuation was carried out by CBRE on the 31 December 2019. Where property, plant and equipment are 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. Prior to the full valuation there was no revaluation reserve for the Group because this was the only full valuation since the acquisition of the Tiger Group in 2017, therefore any impairment losses that occurred were recorded as a cost through the profit and loss.

The valuation was carried out in accordance with the techniques explained above and resulted in an overall net decrease in valuation for the year ended 31 December 2019. The best use and high use value of assets are equal in the year *(2018: equal)*.

NOTES *(continued)*

9 Tangible fixed assets – Group (Company - £nil) *(continued)*

Impairment loss and subsequent reversal

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset. The ground rent lease obligations are the only lease held by the Group where the payments are linked to an index and are also subject to a minimum of 1% increase each year therefore the lease liability must be re-calculated. At 31 December 2019 the increase in liability was £2.5m and a corresponding entry was recorded for the asset.

As the Group holds non-current assets at fair value, the corresponding entry to increase the asset would lead to an overstatement in the asset value. Therefore, an impairment of £2.5m was recognised, of which the full amount was recognised in the profit and loss as there were no previously recognised revaluations against which to offset this impairment.

10 Intangible assets – Group (Company - £nil)

	Goodwill	Software	Brand	Customer Lists	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Balance at 1 January 2018	70,360	534	10,332	5,947	87,173
Additions	-	205	-	-	205
Balance at 31 December 2018	**70,360**	**739**	**10,332**	**5,947**	**87,378**
Balance at 1 January 2019	70,360	739	10,332	5,947	87,378
Additions	-	196	-	-	196
Acquisitions through business combinations	188	-	-	128	316
Balance at 31 December 2019	**70,548**	**935**	**10,332**	**6,075**	**87,890**
Amortisation and impairment					
Balance at 1 January 2018	-	169	1,318	886	2,373
Amortisation charge for the year	-	181	1,476	1,016	2,673
Balance at 31 December 2018	**-**	**350**	**2,794**	**1,902**	**5,046**
Balance at 1 January 2019	-	350	2,794	1,902	5,046
Amortisation charge for the year	-	199	1,475	992	2,666
Balance at 31 December 2019	**-**	**549**	**4,269**	**2,894**	**7,712**
Net book value at 1 January 2018	70,360	365	9,014	5,061	84,800
Net book value at 31 December 2018	70,360	389	7,538	4,045	82,332
Net book value at 31 December 2019	**70,548**	**386**	**6,063**	**3,181**	**80,178**

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. Management consider goodwill at the Group level, with the Group being the lowest cash generating unit (CGU) that goodwill can be assigned to in a non-arbitrary manner in accordance with IAS 36.81. This aligns with managements internal review process where goodwill is considered at the Group level only.

This single CGU 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 2019, discounted by the Group's pre-tax discount rate of 7% *(2018: 7%)* and extrapolated for 5 years based on management forecasts, followed by a perpetuity calculation with a terminal growth rate of 2%. Management believe this is a prudent growth rate 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.

NOTES *(continued)*

10 Intangible assets – Group (Company - £nil) *(continued)*

Impairment testing (continued)

A sensitised scenario has been run to reduce the EBITDAGR growth to a 1% terminal growth rate and increase the discount rate to 8%. This sensitised scenario shows there is still headroom between the carrying value and VIU. 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. We do not deem there to be individual assumptions in which a reasonably possible change could occur which could lead to an impairment.

11 Investments in subsidiaries

	Company 2019	Company 2018
Shares in Group undertakings	**£**	**£**
At the start of the year	**1**	1
Additions	-	-
Balance at 31 December	**1**	**1**

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. There was a return of capital in the year which repaid to Park Holidays UK an amount equal to the investment in the subsidiary, Carlton Meres Country Park Limited. This subsidiary was subsequently struck off on the 26th February 2019 by ordinary resolution. The company was non-trading prior to being struck off.

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***	**Registered Number**
Tiger Debtco Limited**	*	Holding Company	Direct	10163623
Tiger Midco Limited**	*	Holding Company	Indirect	10164103
Tiger Bidco Limited**	*	Holding Company	Indirect	10164668
Tiger Group Limited**	*	Holding Company	Indirect	08474797
CP Equityco Limited **	*	Dormant	Indirect	05647316
CP Aquisitionco Limited	*	Micro entity	Indirect	05647328
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	03274393
Ladycroft Limited	*	Non-Trading	Indirect	
Hammerton Caravan Group Limited	*	Non-Trading	Indirect	
Hammerton Leisure Limited	*	Non-Trading	Indirect	
Seaview Holiday Park 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	

** 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 22.

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

NOTES *(continued)*

12 Acquisitions in the current year (Group)

Seaview Holiday Park Limited

On the 28 November 2019 the Group acquired all of the shares in Seaview Holiday Park Limited for £6,900,000, satisfied in cash, based on provisional net asset data provided. Post acquisition, once net asset data was finalised and verified, an additional payment of £512,000 was made. The business runs a holiday park on West Mersea near Colchester 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 2019 as it was acquired in late November which is outside of the main trading season being March to October and with only 33 days remaining of the financial year. If the park had traded for a full year revenue would have been an estimated £2,925,000 and earnings before interest, tax, depreciation and amortisation ('EBITDA') would have been an estimated £1,039,000. 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	**7,276**
Contingent consideration	**136**
Total consideration	**7,412**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Intangibles	**128**
Property Plant and Equipment	**6,772**
Stock	**408**
Trade and other debtors	**85**
Bank	**32**
Site fee creditors	**(136)**
Trade and other creditors	**(24)**
PAYE	**(41)**
Total identifiable net assets	**7,224**
Goodwill generated on acquisition	**188**

Acquisitions in the prior year (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 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
Total consideration	11,704
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	12,120
Inventories	248
Receivables and repayments	131
Cash	4
Site fee payables	(510)
Deferred income	(222)
Other payables and accruals	(67)
Total identifiable net assets	11,704
Goodwill generated on acquisition	-

NOTES *(continued)*

12 Acquisitions (Group) *(continued)*

Acquisitions in the prior year (Group) *(continued)*

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
Total consideration	11,997
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	12,000
Inventories	272
Debtors	60
Cash	277
Deposits from customers	(236)
Deferred income	(16)
Creditors and accruals	(360)
Total identifiable net assets	11,997
Goodwill generated on acquisition	-

13 Inventories

	Group 31 Dec 2019	Group 31 Dec 2018	**Company 31 Dec 2019**	Company 31 Dec 2018
	£'000	£'000	**£'000**	£'000
Finished goods	**19,095**	18,461	-	-

No inventory is expected to be recovered in more than one year. Finished goods recognised as cost of sales in the year amounted to £32,080,529 *(2018: £34,963,611)*. The write-down of inventories to net realisable value amounted to £79,711 *(2018: £93,536)*. There were no reversals of write-downs in the year.

14 Trade and other receivables

	Group 31 Dec 2019	Group 31 Dec 2018	**Company 31 Dec 2019**	Company 31 Dec 2018
	£'000	£'000	**£'000**	£'000
Trade receivables *(see Note 20)*	**13,916**	12,623	-	-
Prepayments and accrued income	**6,125**	5,891	-	-
Amounts due from Group undertakings	-	-	**7,812**	7,433
Other receivables	**1,871**	4,023	-	-
	21,912	22,537	**7,812**	7,433

Contract assets of £1,104,000 existed within prepayments and accrued income at the year end *(2018: £1,745,000)*.

NOTES *(continued)*

14 Trade and other receivables *(continued)*

All trade and other receivables were denominated in Pounds Sterling as at 31 December 2019. For the amounts owed by group undertakings, interest is charged at 5%. As at 31 December 2019 there were £nil trade receivables due after more than one year.

15 Cash and cash equivalents

	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	**Company 31 Dec 2019 £'000**	Company 31 Dec 2018 £'000
Cash at bank and in hand	**13,225**	22,293	**-**	-

All cash and cash equivalents are denominated in Pounds Sterling as at 31 December 2019.

16 Trade and other payables

	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	**Company 31 Dec 2019 £'000**	Company 31 Dec 2018 £'000
Trade payables	**14,525**	18,151	**-**	-
Social security and other taxes	**2,266**	2,899	**-**	-
Amounts owed to Group undertakings	**-**	-	**3,122**	2,117
Contract liabilities	**37,786**	34,191	**-**	-
Accrued expenses	**3,894**	5,642	**-**	-
Other liabilities	**5,296**	4,839	**-**	-
	63,767	65,722	**3,122**	2,117

All trade and other payables were denominated in Pounds Sterling as at 31 December 2019. For the amounts owed to group undertakings, interest is charged at 5%.

17 Other interest-bearing loans and borrowings

	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	**Company 31 Dec 2019 £'000**	Company 31 Dec 2018 £'000
Non-current liabilities				
Bank borrowings	**176,554**	175,692	**-**	-
Lease liabilities *(2018: finance lease liabilities)*	**215,919**	197,223	**-**	-
Loan notes	**105,198**	93,625	**-**	-
Co-investor loan notes	**3,507**	4,269	**-**	-
	501,178	470,809	**-**	-
Current liabilities				
Bank borrowings	**-**	-	**-**	-
Lease liabilities *(2018: finance lease liabilities)*	**1,136**	297	**-**	-
	1,136	297	**-**	-

Terms and debt repayment schedule

	Nominal interest rate	**Date of maturity**	**Face value and Carrying amount 31 Dec 2019 £'000**	Face Value and Carrying amount 31 Dec 2018 £'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**	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**	15,000
			180,000	180,000

NOTES *(continued)*

17 Other interest-bearing loans and borrowings *(continued)*

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 Mistsui 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 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 which expired 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 £1,847,806 was owed to Lombard *(2018: £2,649,943).*

PIK loan notes

At 31 December 2019 the PIK loan notes net of £0.5m capitalised fees, had a balance of £105.2m including £9.9m interest. The co-investor loan notes had a balance of £3.5m with a total of £1.2m accrued interest, of which £0.4m was accrued for in the current year, this is recognised in trade and other payables and 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.

Finance lease liabilities (under IAS 17)

Finance lease liabilities under IAS 17 were payable as at 31 December 2018 as follows:

	2018 Minimum lease payments £'000	2018 Interest £'000	2018 Principal £'000
Less than one year	6,699	(6,402)	297
Between one and five years	27,337	(26,022)	1,315
More than five years	1,018,754	(822,847)	195,908
	1,052,791	(855,271)	197,520

There were no finance lease liabilities payable by the Company.

NOTES *(continued)*

17 Other interest-bearing loans and borrowings *(continued)*

Changes in liabilities from financing activities

	Loans and borrowings	**31 Dec 2019 PIK and co-investor loan notes**	**Lease liabilities**	Loans and borrowings	31 Dec 2018 PIK and co-investor loan notes	Finance lease liabilities
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Balance at 1 January	**175,692**	**97,894**	**197,520**	150,327	114,282	151,148
Adjustment on initial application of IFRS 16	-	-	**13,108**	-	-	-
Adjusted balance at 1 January	**175,692**	**97,894**	**210,628**	150,327	114,282	151,148
Changes from financing cash flows						
Proceeds from loans and borrowings	-	-	-	24,504	-	-
Payment of lease liabilities	-	-	**(7,923)**	-	-	(7,308)
Transaction costs related to loans and borrowings	-	-	-	(300)	(3,150)	-
Repayment of loan notes	-	**(48)**	-	-	(26,001)	-
Total changes from financing cash flows	-	**(48)**	**(7,923)**	24,204	(29,151)	(7,308)
Other changes						
New leases	-	-	**3,029**	-	-	46,916
Capitalised borrowing costs	-	-	-	300	-	-
Prepaid arrangement fees	**862**	**900**	-	-	1,706	-
Interest expense	**7,843**	**9,959**	**8,861**	7,117	11,057	6,764
Interest paid	**(7,843)**	-	-	(6,256)	-	-
Increase in lease liability	-	-	**2,460**	-	-	-
Total other changes	**862**	**10,859**	**14,350**	1,161	12,763	53,680
Balance at 31 December	**176,554**	**108,705**	**217,055**	175,692	97,894	197,520

18 Deferred taxation (Group)

Recognised deferred tax liabilities

Deferred tax attributable to:

	Assets		**Liabilities**		**Net**	
	31 Dec 2019	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018
	£000	£000	**£000**	£000	**£000**	£000
Freehold and leasehold property	-	-	**28,396**	29,022	**28,396**	29,022
Intangible assets	-	-	**1,645**	2,089	**1,645**	2,089
Corporate interest restriction	**(6,112)**	-	-	-	**(6,112)**	-
Total deferred tax	**(6,112)**	-	**30,041**	31,111	**23,929**	31,111

Movement in deferred tax assets during the year:

	1 Jan 2019	**Recognised in P&L**	**Recognised in OCI**	**31 Dec 2019**
	£000	**£000**	**£000**	**£000**
Corporate interest restriction	-	**(6,112)**	-	**(6,112)**
Total deferred tax assets	-	**(6,112)**	-	**(6,112)**

Movement in deferred tax liabilities during the year:

	31 Dec 2018	**Opening IFRS 16 adjustment**	**1 Jan 2019**	**Recognised in P&L**	**Recognised in OCI**	**31 Dec 2019**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Freehold and leasehold property	**29,022**	**(578)**	**28,444**	**(4,062)**	**4,014**	**28,396**
Intangible assets	**2,089**	-	**2,089**	**(444)**	-	**1,645**
Total deferred tax liabilities	**31,111**	**(578)**	**30,533**	**(4,506)**	**4,014**	**30,041**

NOTES *(continued)*

18 Deferred taxation - Group *(continued)*

Movement in deferred tax liabilities during the prior year:

Deferred tax liabilities attributable to:	1 Jan 2018	Recognised in P&L £000	Recognised in OCI £000	31 Dec 2018 £000
Freehold and leasehold property	24,119	4,903	-	29,022
Intangible assets	2,533	(444)	-	2,089
Total deferred tax liabilities	26,652	4,459	-	31,111

There was no deferred tax arising in the Company.

19 Share Capital and Reserves

Group & Company	Ordinary Share capital		Preference shares		Share premium	
	Number	*£*	*Number*	*£*	*Number*	*£*
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
In issue at 1 January 2019	**1,006,563**	**11,720**	**-**	**-**	**1,006,563**	**1,035,921**
In issue at 31 December 2019	**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	117,249	£0.01	£1,199	£1.13	£132,799
B2 Ordinary (17.5% of voting rights)	55,125	£0.04	£2,204	£1.10	£60,795
B3 Ordinary	6,563	£0.01	£66	£3.44	£22,576
B1 Ordinary Treasury Shares	2,626	£0.01	£26	£1.14	£3,001
At 31 December 2019	**1,006,563**		**£11,720**		**£1,035,921**

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.

No dividend payments were made during the year *(2018: £9,880,757).*

During the year 2,626 B1 Ordinary shares with a value of £3,001 were repurchased and held as Treasury shares as opposed to being cancelled.

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. A full valuation was carried out in December 2019 by external valuers and resulted in a net downward revaluation. There was an increase in value of £16.5m but an impairment of £23.7m, of which the entirety was recognised as an impairment loss in the profit and loss as there was no historic revaluation reserve at a Group level.

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset. As the Group holds non-current assets at fair value, the corresponding entry to increase the asset would lead to an overstatement in the asset value. Therefore a further impairment of £2.5m was recognised, of which the full amount was recognised in the profit and loss as there were no previously recognised revaluations against which to offset this impairment.

NOTES *(continued)*

20 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.

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 year. The Group holds no Level 1 or 3 assets as all financial instruments are held at amortised cost.

	Carrying Amount 31 Dec 2019 £'000	**Fair Value 31 Dec 2019 £'000**	Carrying Amount 31 Dec 2018 £'000	Fair Value 31 Dec 2018 £'000
Financial Assets				
Financial assets measured at amortised cost				
Loans and receivables				
Trade receivables *(Note 14)*	**13,916**	**13,916**	12,623	12,623
Cash and cash equivalents *(Note 15)*	**13,225**	**13,225**	22,293	22,293
Total financial assets	**27,141**	**27,141**	34,916	34,916
Financial Liabilities				
Financial liabilities measured at amortised cost				
Trade payables *(Note 16)*	**(14,525)**	**(14,525)**	(18,151)	(18,151)
Borrowings *(Note 17)*	**(176,554)**	**(176,554)**	(175,692)	(175,692)
Loan notes *(Note 17)*	**(108,705)**	**(108,705)**	(97,894)	(97,894)
Lease liabilities *(2018: finance lease liabilities) (Note 21)*	**(217,055)**	**(217,055)**	(197,520)	(197,520)
Total financial liabilities	**(516,839)**	**(516,839)**	(489,257)	(489,257)
Total net financial instruments	**(489,698)**	**(489,698)**	(454,341)	(454,341)

(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 £13,916,000 *(2018: 12,623,000)*. There were no expected credit losses or impairments as at 31 December 2019.

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

	31 Dec 2019 £'000	31 Dec 2018 £'000
Not due	**13,386**	12,054
Not more than three months past due	**283**	237
More than three months but not more than six months past due	**247**	332
Trade receivables *(see Note 14)*	**13,916**	12,623

NOTES *(continued)*

20 Financial instruments *(continued)*

(c) Liquidity risk

The Group holds a financing facility with various banks (see Note 17) 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 2019, the Group owed £180m *(2018: £180m)* under the facility. The repayment profile for this debt, and interest rates are set out in Note 17.

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 17 for further details).

		2019			
	Carrying amount £'000	**Contractual cash flows £'000**	**1 year or less £'000**	**Between 1 and 5 years £'000**	**5 years and over £'000**
Non-derivative financial liabilities					
Secured bank loans	**176,554**	**202,124**	**7,730**	**194,394**	**-**
PIK loan notes	***108,705***	***109,287***	**-**	***109,287***	**-**
Lease liabilities *(2018: finance lease liabilities)*	**217,055**	**1,087,878**	**8,461**	**34,057**	**1,045,360**
Trade and other payables	**14,525**	**14,525**	**14,525**	**-**	**-**
		1,413,814	**30,716**	**337,738**	**1,045,360**

		2018			
	Carrying amount £'000	Contractual cash flows £'000	1 year or less £'000	Between 1 and 5 years £'000	5 years and over £'000
Non-derivative financial liabilities					
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	-	-
		1,382,946	32,508	150,690	1,199,748

(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 17, which are variable rate instruments totalling £180.0m (2018: £180.0m). The group has no fixed rate instruments. The risk of interest rate increases is mitigated by interest rate swaps. During the year the Group had two interest rate swaps in place, one of £40m and one of £60m. Each were at 0.5895% less 3 month Libor and both swaps matured in December 2019. There was no significant fair value profit or loss on this instrument in the year to 31 December 2019 and these have not been replaced with new interest rate swaps.

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)*

20 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 years.

The Group has banking facilities available (see Note 17) 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.

21 Leases

(A) Leases as a lessee

The Group leases many assets including land and buildings and equipment. Information about leases for which the Group is a lessee is presented below.

Right of use assets

	Land and Buildings £'000	Plant and Machinery £'000	Hire Fleet £'000	Total £'000
Balance at 1 January 2019	335,620	1,809	-	337,429
Recognition of right-of-use assets on initial application of IFRS 16	9,665	-	-	9,665
Adjusted balance at 1 January 2019	**345,285**	**1,809**	**-**	**347,094**
Additions to right-of-use assets	10,954	2,214	635	13,803
Depreciation charge for the year	(1,781)	(335)	(36)	(2,152)
Revaluation	11,804	-	-	11,804
Impairment	(22,890)	-	-	(22,890)
Balance at 31 December 2019	**343,372**	**3,688**	**599**	**347,659**

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Group is a lessee:

2019 – Leases under IFRS 16	**£'000**
Interest on lease liabilities	8,861
Expenses related to short-term leases	109
Expenses related to leases of low-value assets accounted; excluding short-term leases of low value assets	54

2018 – Operating leases under IAS 17	**£'000**
Lease expense	1,029

Amounts recognised in statement of cash flows	**2019 £'000**
Total cash outflow for leases	824

(i) Property leases

The Group leases land and buildings for office space and storage facilities. At the point of transition, the periods on these leases range from two to eighty years.

(ii) Extension options

One of the leases was for a term of fifteen years with a break clause after ten years. However the Group are reasonably certain that the break clause will not be exercised and therefore the lease liability is based on a term of fifteen years instead of ten.

NOTES *(continued)*

21 Leases *(continued)*

(A) Leases as a lessee *(continued)*

(iii) Other leases

The Group leases vehicles and equipment, with lease terms of three to seven years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group monitors the use of these vehicles and equipment and reassess the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets. As at 31 December 2019 the Group estimates that the expected amount payable under the residual guarantees is £567,000.

The Group also leases IT equipment with contract terms of three to five years. These leases are short term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(iv) Sale-and-leaseback

In 2017, the Group entered into a series of sale and leaseback agreements, secured on the land of 16 parks, and in 2018 entered into another series of sale and leaseback agreements, secured on the land of 6 further parks. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period. This sale-and-leaseback transaction enabled the Group to access more capital while continuing to use the land where the parks are based. The rent is adjusted each year in line with RPI.

Lease liabilities	**2019 £'000**	2018 £'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**8,461**	6,699
One to five years	**34,057**	27,337
More than five years	**1,045,360**	1,018,754
Total undiscounted lease liabilities at 31 December	**1,087,878**	1,052,790
Lease liabilities included in the statement of financial position at 31 December	**217,055**	197,520
Current	**1,136**	297
Non-current	**215,919**	197,223

(B) Leases as a lessor

The Group leases out the use of the lake at one of its parks which, at the point of transition, had a remaining lease term of 26 years and the use of retail and café premises at another park which both have a remaining lease term of less than 3 years.

All leases are classified as operating leases because none of them transfer substantially all of the risks and rewards incidental to ownership of the assets to the lessees.

Lease income from lease contracts in which the Group acts as a lessor is as below.

	2019 £'000	2018 £'000
Operating lease		
Lease income	**15**	7

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2019 £'000	2018 £'000
Less than one year	**36**	7
One to two years	**36**	7
Two to three years	**15**	7
Three to four years	**13**	7
Four to five years	**13**	7
More than five years	**257**	299
Total undiscounted lease payments	**370**	334

NOTES *(continued)*

22 Contingencies

In order for the subsidiary companies, Tiger Debtco, Tiger Midco, Tiger Bidco, Tiger Group Limited, CPE Limited and the South Devon Holiday Parks Limited to take the exemption under section 479A of the Companies Act 2006, the Group has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2019 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.

The Group has a corporate credit card facility with Natwest bank with a credit limit of £200,000.

23 Related parties

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

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 £0.08m. In addition one of the Group's key management personnel is a director on the Board for one of the consulting firms that the Group transacted with during the year. The value of spend with this firm during the year to 31 December 2019 was £0.05m.

During the year the following transactions took place between the Group and its shareholders:

	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000
Capital reductions	-	117,745
Preference share redemptions	-	117,745
Preference share dividends	-	9,881
Share issues	-	23
Share repurchase	**(3)**	-
Trading / other related parties	**47**	-

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 2019 the Company held inter-company balances with three of its subsidiary undertakings (Tiger Debtco Limited, Tiger Group 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 in the financial year ended 31 December 2018.

24 Ultimate parent company and ultimate controlling party

The immediate parent of the company is Tiger XI Investment S.à.r.l, a company registered in Luxembourg. The ultimate parent company is ICG Europe Fund VI (No1) Limited Partnership, a limited partnership established in Jersey. A number of investors ultimately control ICG Europe Fund VI (No1) Limited Partnership through a significant interest in the ordinary shares of the company at 31st December 2019 and subsequently to the date of approval of the financial statements. The Directors do not deem there to be an ultimate controlling party as none of the limited partners in the limited partnership have an ownership of more than 20% of the issues share capital of the company. No other group accounts include the results of the company.

NOTES *(continued)*

25 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:

• Revenue (Note 2)
Bundled services are accounted for under IFRS 15 by allocating the observable price to service elements of the bundle and allocating the remaining balance to the caravan sale. Judgement is used in deferring service revenue to future periods to when performance obligations will be met, and in determining the observable price of the services. The deferral calculation is driven by historic data pertaining to customers' utilisation of the services.

• 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 year; 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.

•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.

• Business combinations
The Group identifies separate assets and liabilities upon acquisition and recognises those assets at their fair value. The assessment of fair value for tangible items is undertaken with reference to active market conditions where possible. Separable intangibles recognised in business combinations are valued based on an income-based approach.

• Leases (Note 21)
On estimating the value of finance leases at transition; three discount rates for three different lease periods were calculated. These discount rates took into consideration the value of the leased asset, the interest rates on the Group's existing borrowings and market data at the point of transition. Management deem the discount rates calculated to be reasonable and accurate.

NOTES *(continued)*

26 Change in significant accounting policies

IFRS 16 - Leases

The Group applied IFRS 16 from 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The Group's revised accounting policy for leases is provided in Note 1.11 and transition disclosures are provided below.

a) *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 1.11.

b) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to the ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for more leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases of IT equipment (see Note 21). For leases of other assets, which were classified as operating under IAS 17, the Group recognised right-of-use assets and lease liabilities.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measure at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to all of the leases

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application

(ii) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

c) As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

d) Sale-and-leaseback

Under IFRS 16, the Group continues to account for the sale-and-leaseback transactions that occurred in 2017 and 2018 as sale-and-leaseback transactions. The Group recognised a right-of-use asset and lease liability for the leaseback on 1 January 2019, measured in the same way as other right-of-use assets and lease liabilities at that date.

NOTES *(continued)*

26 Changes in significant accounting policies *(continued)*

IFRS 16 – Leases *(continued)*

e) Impacts on financial statements

On transition to IFRS 16 the Group recognised an additional £9,666,000 of right-of-use assets and £13,108,000 of lease liabilities; recognising the difference in retained earnings.

The following table summarises the quantitative impact of adopting IFRS 16 on the Group's financial statements for the year ending 31 December 2019.

	Impact of adoption of IFRS 16		
	Balances without adoption of IFRS 16 1 Jan 2019	**Adjustments 1 Jan 2019**	**At transition 1 Jan 2019**
	£'000	**£'000**	**£000**
Statement of Financial Position			
Property, plant and equipment	389,647	9,665	399,312
Prepayments	5,891	(207)	5,684
Accrued expenditure	(5,642)	233	(5,409)
Deferred tax asset	-	578	578
Other interest-bearing loans and borrowings	(197,520)	(13,108)	(210,628)
P&L Reserve	**(2,305)**	**(2,839)**	**(5,144)**

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. However, due to the difference in lease periods across the Group; the incremental borrowing rate was calculated for 3 different loan periods as detailed below:

Less than 14 years - 5.55%
14 – 25 years - 5.86%
More than 25 years- 6.08%

The weighted-average incremental borrowing rate applied was 5.9%.

The following table summarises the difference between the operating lease commitments disclosed under IAS 17 at 31 December 2019 in the Group's financial statements and the lease liabilities recognised at 1 January 2019:

	Group £'000
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	24,478
Discounted using the incremental borrowing rate at 1 January 2019	13,108
Finance lease liabilities recognised as at 31 December 2018	197,520
Lease liabilities recognised at 1 January 2019	**210,628**

27 Subsequent events

Subsequent to the balance sheet date, the Group has secured £30m of additional financing as a contingency against the on-going impacts of the coronavirus pandemic. The £30m raised is in the form of a £15m revolving credit facility and £15m of additional loan notes. To date this additional liquidity has not been needed.