

Bridge Leisure Midco Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 09100290

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Bridge Leisure Midco Limited

Company Information

Directors	A S Howe S J Williams R J Thompson
Registered number	09100290
Registered office	31 & 32 Shenley Pavilions Chalkdell Drive Shenley Wood Milton Keynes England MK5 6LB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Bridge Leisure Midco Limited

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Bridge Leisure Midco Limited

Strategic Report For the Year Ended 31 December 2019

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2019.

Business review

The Company is an intermediate holding company and member of the Group headed by Bridge Leisure Topco Limited. As such, the Company does not generate any revenue but passes through interest from the loan notes held at Bridge Leisure Finco Limited through to subsidiaries. There are no administration expenses in relation to this.

The Company has net assets of £75,465 (2018 - £75,465) and current net assets of £1,493,889 (2018 - £1,358,081). The directors monitor the funding requirements of the Company, which is supported by the parent company when required. The directors do not anticipate any changes in the Company's performance or position in the foreseeable future.

Financial Risk Management Assessment and Policies

The Company is an intermediate holding company and member of the Group headed by Bridge Leisure Topco Limited. The directors of the Company monitor the financial position and performance, together with other internal and external factors, as part of the wider group funding and risk management. Further details can be found in the financial statements of Bridge Leisure Topco Limited, available from Companies House.

Principal risks and uncertainties

As a holding company the principal risks and uncertainties are driven by the performance of subsidiary entities.

Financial key performance indicators

The Company does not use any particular key performance indicators.

Bridge Leisure Midco Limited

Strategic Report (continued) For the Year Ended 31 December 2019

Section 172 (1) Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1) (a)-(f) Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

Our stakeholders

The directors consider that the following groups are the Company's key stakeholders. The Board seeks to understand the respective interests of such stakeholder groups so that these may be properly considered in the Board's decisions. We do this through various methods, including: direct engagement by Board members; receiving reports and updates from members of management who engage with such groups; and coverage in our Board papers of relevant stakeholder interests with regard to proposed courses of action.

- a) Employees
- b) Investors
- c) Customers
- d) Suppliers
- e) Communities and the environment

The likely consequences of any decision in the long term

The Board reviews the long term strategy and budget on an annual basis. Within this review, we consider the balance of capital investment for future, long term growth with the need to maintain a resilience to risk through having sufficient liquidity.

The interests of the company's employees

The Board actively engage with all employees in the company through:

- 1) Effective communication using online tools such as Workspace.
- 2) Regular park visits to engage with employees at all levels and in all areas of the workforce. Obtaining feedback and supporting the employees that may be facing difficult or challenging circumstances.

The need to foster the company's business relationships with suppliers, customers and others

The Board is briefed on any changes in key suppliers and where this is material the Board approves such changes. The Board places high importance on customer satisfaction and we receive regular updates on feedback and is expanding emphasis on net promoter score targets.

The impact of the company's operations on the community and the environment

The company engages with local planning authorities in all aspects of the regulatory framework governing the development of the parks and the Board takes its responsibilities regarding this with high esteem.

The desirability of the company maintaining a reputation for high standards of business conduct

The Board recognises the importance of operating a robust corporate governance framework. We have regular Board meetings addressing audit, risk and compliance.

The company does not make any political donations.

The need to act fairly as between members of the company

The majority of shareholders are represented by Will Skinner, a member of the Board. All shareholders are treated equally and fairly. The Board ensures that the shareholder interests are considered in key decisions.

Bridge Leisure Midco Limited

Strategic Report (continued) For the Year Ended 31 December 2019

This report was approved by the board on 23 December 2020 and signed on its behalf.



R J Thompson
Director

Bridge Leisure Midco Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report together with the financial statements for the year ended 31 December 2019.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2018 - £NIL).

The directors do not recommend the payment of a final dividend (2018 - £Nil).

Directors

The directors who served during the year were:

S J Elliott (resigned 2 September 2020)

A S Howe

S J Williams

R J Thompson was appointed as a director on 2 September 2020.

Going concern

The Company is a member of the group headed by Bridge Leisure Topco Limited, where the Company directors are also appointed.

The Group prepares cash flow forecasts and re-forecasts regularly as part of the business planning process. The Directors have reviewed forecast cash flows for the period until June 2022 and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts have been prepared based on management's best estimate of the trading plan and considering the current financing and government support available.

As described in note Bridge Leisure Topco Ltd financial statements, the group has refinanced its debt in July 2020 which has provided additional liquidity and headroom in the forecast period. This has also included a covenant waiver on the group's leverage covenant until December 2022, and the EBITDA covenant until December 2021, with a monthly liquidity covenant from July 2020.

Management have also prepared downside and stress testing forecasts which model the impact of scenarios which include potential disruption to the 2021 season including potential park closures or local lockdowns. These forecasts show that, due to the seasonality of the Group's business, potential closures of the Group's park prior to the Easter holidays in 2021 would be unlikely to have an impact on the Group's ability to meet its covenant requirements over the forecast period through to December 2021. Under a reverse stress test modelled, if the Group's parks were required to close for an extended period between April to September 2021, whilst the forecasts still show that the Group would still be able to operate within existing facilities, the forecasts under this scenario do show a breach of the Group's EBITDA covenant at December 2021. However, the Directors consider that such a scenario is sufficiently remote not to represent a material uncertainty and accordingly these financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business.

Engagement with employees

Bridge Leisure Parks is proud to be a great employer with a highly motivated and experienced team of directors and employees. We have a policy of supporting our experienced managers in running their parks for the benefit of owners and holiday makers alike and view our employees as key assets of the business, with their welfare integral to the continued growth of the business.

Bridge Leisure Midco Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Group and Company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Recent Developments

Since the year end the company was significantly impacted by the Covid-19 global pandemic. The primary impact was the UK wide lockdown which began on 23 March 2020 and meant that all our parks were closed for visitors until they were allowed to reopen in July. During this period the company worked hard to minimise cash losses and preserve liquidity while looking after its employees and customers through a combination of investor and government support.

The company agreed amendments to its existing financing facility in July 2020 which provided it with significant covenant and liquidity headroom for the foreseeable future. In addition, the shareholders continued to support the business with a further investment of £3m to support it during this time.

Since reopening the parks in July 2020, the company has seen trading recover quickly to expected levels.

A further lockdown for England was implemented on 5 November 2020 lasting through to 2 December 2020, followed by a tiered system of restrictions at regional levels. However, there was limited financial impact to the business compared to the previous lockdown as the parks are in their low season period whereby there are minimal volumes of holidays and many of the parks begin to wind down for winter closure.

See Note 2.3 for further details on the going concern status of the company.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 December 2020 and signed on its behalf.



R J Thompson
Director

Bridge Leisure Midco Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bridge Leisure Midco Limited

Independent Auditor's Report to the Members of Bridge Leisure Midco Limited

Opinion

We have audited the financial statements of Bridge Leisure Midco Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Bridge Leisure Midco Limited

Independent Auditor's Report to the Members of Bridge Leisure Midco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Bridge Leisure Midco Limited

Independent Auditor's Report to the Members of Bridge Leisure Midco Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 23 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bridge Leisure Midco Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Interest receivable and similar income	5	135,808	123,462
Interest payable and similar charges	6	(135,808)	(123,462)
Result before tax		-	-
Tax on result		-	-
Result for the year attributable to the owners of the parent company		-	-

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 13 to 20 form part of these financial statements.

Bridge Leisure Midco Limited
Registered number:09100290

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	7		75,465		75,465
Current assets					
Debtors: amounts falling due after more than one year	8	1,493,889		1,358,081	
Debtors: amounts falling due within one year	8	21,874,535		21,874,535	
Creditors: amounts falling due within one year	9	(21,874,535)		(21,874,535)	
Net current assets			1,493,889		1,358,081
Total assets less current liabilities			1,569,354		1,433,546
Creditors: amounts falling due after more than one year	10		(1,493,889)		(1,358,081)
Net assets			75,465		75,465
Capital and reserves					
Called up share capital	11		755		755
Share premium account	12		74,710		74,710
Profit and loss account	12		-		-
Total equity			75,465		75,465

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.



R J Thompson
Director

The notes on pages 13 to 20 form part of these financial statements.

Bridge Leisure Midco Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2019	755	74,710	75,465
Comprehensive income for the year			
Profit for the year	-	-	-
At 31 December 2019	755	74,710	75,465

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2018	755	74,710	75,465
Comprehensive income for the year			
Profit for the year	-	-	-
At 31 December 2018	755	74,710	75,465

The notes on pages 13 to 20 form part of these financial statements.

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Bridge Leisure Midco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

There are no significant judgements used in applying accounting policies or key sources of estimation uncertainty.

The presentation currency is pounds sterling (GBP). All amounts are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bridge Leisure Topco Limited as at 31 December 2019 and these financial statements may be obtained from 31 & 32 Shenley Pavilions, Chalkdell Drive, Shenley Wood, Milton Keynes, England, MK5 6LB.

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern

The Company is a member of the group headed by Bridge Leisure Topco Limited, where the Company directors are also appointed.

Bridge Leisure Topco Limited has provided assurance to the Company that it will continue to make funds available, should this be required, and will not call for repayment any intercompany debt unless the company is in a position to make such repayments, to enable the Company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements.

The Group prepares cash flow forecasts and re-forecasts regularly as part of the business planning process. The Directors have reviewed forecast cash flows for the period until June 2022 and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts have been prepared based on management's best estimate of the trading plan and considering the current financing and government support available.

As described in note Bridge Leisure Topco Ltd financial statements, the group has refinanced its debt in July 2020 which has provided additional liquidity and headroom in the forecast period. This has also included a covenant waiver on the group's leverage covenant until December 2022, and the EBITDA covenant until December 2021, with a monthly liquidity covenant from July 2020.

Management have also prepared downside and stress testing forecasts which model the impact of scenarios which include potential disruption to the 2021 season including potential park closures or local lockdowns. These forecasts show that, due to the seasonality of the Group's business, potential closures of the Group's park prior to the Easter holidays in 2021 would be unlikely to have an impact on the Group's ability to meet its covenant requirements over the forecast period through to December 2021. Under a reverse stress test modelled, if the Group's parks were required to close for an extended period between April to September 2021, whilst the forecasts still show that the Group would still be able to operate within existing facilities, the forecasts under this scenario do show a breach of the Group's EBITDA covenant at December 2021. However, the Directors consider that such a scenario is sufficiently remote not to represent a material uncertainty and accordingly these financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business.

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The financial statements contain information about Bridge Leisure Midco Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group, being that of the Company's ultimate parent, Bridge Leisure Topco Limited.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's financial statements are borne by another group company. In the directors' opinion a reasonable allocation of the audit fee to the Company would be £2,500 (2018 - £600).

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

5. Interest receivable and similar income

	2019 £	2018 £
Loan note interest	<u>135,808</u>	<u>123,462</u>

6. Interest payable and similar charges

	2019 £	2018 £
Loan note interest	<u>135,808</u>	<u>123,462</u>

7. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2019	<u>75,465</u>
At 31 December 2019	<u>75,465</u>

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Bridge Leisure Bidco Limited	Holding company	Ordinary	100%
Bridge Leisure Parks (Holdings) Limited	Holding company	Ordinary	100%
Bridge Leisure Parks (Finance) Limited	Holding company	Ordinary	100%
Bridge Leisure Management Limited	Management services company	Ordinary	100%
Bridge Leisure Management (North) Limited	Management services company	Ordinary	100%
Bridge Leisure Parks Limited	Management company	Ordinary	100%
Sand Le Mere Caravan Park Limited	Caravans park operator	Ordinary	100%
Turnberry Holiday Park Limited	Caravans park operator	Ordinary	100%
Trevella Caravan Company Limited	Caravans park operator	Ordinary	100%
Silver Sands Leisure Park Limited	Caravans park operator	Ordinary	100%
Seaview Holiday Village Limited	Caravans park operator	Ordinary	100%
Bowland Fell Park Limited	Caravans park operator	Ordinary	100%

Bridge Leisure Bidco Limited is held directly. The remaining subsidiaries are held indirectly.

The registered office of all the subsidiaries is 31 & 32 Shenley Pavilions, Chalkdell Drive, Shenley Wood, Milton Keynes, MK5 6LB.

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	<u>1,493,889</u>	<u>1,358,081</u>
Due within one year		
Amounts owed by group undertakings	<u>21,874,535</u>	<u>21,874,535</u>

Amounts owed by group undertakings are interest free and repayable on demand.

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	<u>21,874,535</u>	<u>21,874,535</u>

Amounts owed to group undertakings are interest free and repayable on demand.

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Loan notes	<u>1,493,889</u>	<u>1,358,081</u>

In July 2020 the Group refinanced its debt, which included:

- £3,000,000 investment from shareholders in the form of £10,000 additional equity investment and issue of 8% unsecured subordinated redeemable loan notes 31-Jan-2025 for subscription price of £2,990,000.
- Covenant requirements on the bank loan and facilities including minimum liquidity (tested monthly from July 2020), minimum 12-month EBITDA (tested quarterly from December 2021) and a leverage test (suspended until December 2022).
- Revolving credit facility increased to £5,000,000 of which £1,000,000 was drawn in November 2019 and £2,000,000 has been drawn down since year end.
- Accrued but unpaid interest outstanding at the date of the refinancing is added to the principal and due for repayment at the end of the term
- The repayment dates remain as 1 February 2024 for all existing bank debt other than the revolving credit facility which is 1 February 2023.

The Company has entered into an unlimited cross guarantee in respect of an overdraft facility, secured over all the assets of the Bridge Leisure Topco Limited and all its subsidiaries as listed in the parent company accounts. The net indebtedness of the above companies in respect of the overdraft facility at 31 December 2019 was £116,184 (2018 - £108,923).

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
75,465 (2018 - 75,465) Ordinary shares of £0.01 each	<u>755</u>	<u>755</u>

12. Reserves

The Company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Share premium

Share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

13. Related party transactions

The company is a wholly owned subsidiary of Bridge Leisure Topco Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned group members.

14. Post balance sheet events

Following the COVID-19 outbreak and the impact this has had on the economy and travel industry, together with the groups operations, the Directors have performed qualitative and quantitative assessments of the associated risks facing the business and its ability to continue as a going concern.

The COVID-19 outbreak is considered a non-adjusting subsequent event.

The group has completed a refinancing in 2020 as described in the financial statements of Bridge Leisure Topco Limited and in Note 10 of these financial statements.

Bridge Leisure Midco Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

15. Ultimate parent company and parent undertakings of larger group

The Company is a subsidiary of Bridge Leisure Finco Limited, a company incorporated in England and Wales and registered at 31 & 32 Shenley Pavilions, Chalkdell Drive, Shenley Wood, Milton Keynes, England, MK5 6L. The ultimate parent company is Bridge Leisure Topco Limited, incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Bridge Leisure Topco Limited, whose registered office is 31 & 32 Shenley Pavilions, Chalkdell Drive, Shenley Wood, Milton Keynes, England, MK5 6LB. The consolidated accounts of this Company are available to the public and may be obtained from Companies House, Cardiff. No other group accounts include the results of the Company.

The controlling party is Phoenix Equity Partners.