Park Holidays UK Limited

Annual report and financial statements

Registered number 02434151

31 December 2022

Contents

STRATEGIC REPORT

About us

The Company currently operates 56 holiday parks that are located primarily in coastal locations in the south of England. The majority of the parks are within a two-hour drive time of London.

Business model

The Company 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 Segways, mini-golf and pitch and putt.

At 31 December 2022, the Company owns or operates holiday parks with a total of just over 20,000 pitches, consisting of static caravan pitches for holiday home usage by private buyers, owned hire fleet as well as pitches specific to touring and glamping. The parks range in size with the maximum size being nearly 900 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 Company is driven via an expansion strategy of new park acquisitions, land acquisitions adjacent to current parks and, where possible, the development of current park facilities.

Holiday home sales

The sale of new and second-hand static caravans and lodges on a pitch for holiday home ownership by private buyers on our parks. The purchase of a holiday home represents a long-term commitment from our customers as they are sold with the benefit of pitch licence. The licence allows holiday homeowners to occupy a pitch on-site until the legal expiry of their pitch licence (thirty years in the case of a lodge) in exchange for an annual pitch fee ('pitch fee'). The annual pitch fee covers the holiday season length which varies according to the permission/consent given by the relevant local authority. Growth in holiday home sales revenue is achieved by providing a wider variety of purchasing options to our pre-existing and new customers in addition to increasing the overall number of units sold on new and existing holiday parks.

Owner revenue

Recurring revenue from owners is predominantly pitch fees which are payable annually and the recharging of utility costs. Entertainment and facilities revenues 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 pitch fees, which are governed by the terms of the relevant clause in the pitch licence.

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 mix in terms of the quality of units available to our customers 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 arcades and various entertainment activities. Primarily, growth is driven by increased footfall but there has also been a focus on enhancing existing facilities raise the standard of all parks. We also have a loyalty card scheme open to all owners to encourage spending at our facilities.

Current trading conditions

Trading conditions in 2022 were more normal than in either 2020 or 2021 where the parks were closed for periods of time to inhibit the spread of coronavirus.

STRATEGIC REPORT *(continued)*

Strategy

With 'staycations' becoming increasingly popular, and with increased demand driven by continued restrictions and hesitancy surrounding international travel, potential customers have a variety of options as to where to holiday in the UK. With customer demand for UK holiday options likely to continue to increase, it is the Company's strategy to meet these higher levels of demand both in terms of holiday sales and in caravan sales whilst maintaining its existing relationships with holiday homeowners and stakeholders.

Corporate governance

Although the Company does not meet the definition of a 'large company' for Corporate reporting purposes, and therefore are not required to report on compliance with the provisions of the Combined Code on Corporate Governance, the Company 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 2022. The majority of key decisions in the year related to acquisition activities. When making those decisions the Directors have exercised their duty and considered stakeholders and the long-term success of the company.

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 (page

b) s 7 to 10) for more information and for examples of engagement that were undertaken across the business during 2022.

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 (pages 7 to 8) for more information).

c) Our approach on engagement and management of business relationships with suppliers and customers is discussed within the Directors' Report, see pages 9 to 10.

d) The impact of the Company's operations on the community and the environment are discussed in detail within the Directors' Report, see pages 8 to 9.

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 and in doing so, will contribute to the delivery of our strategic objectives. Information on the long-term strategy of the Company are discussed within the Strategic Report, see page 2.

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.

Overview of the year ended 31 December 2022

The Company has reported a profit after tax of £56.7m for the year ended 31 December 2022, compared to a profit of £55.4m for the year ended 31 December 2021.

STRATEGIC REPORT *(continued)*

Review of the business

EBITDA (pre non-underlying items)

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

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
EBITDA	**91,768**	79,579
Depreciation/Amortisation	**(11,031)**	(7,819)
Net finance expense	**(11,642)**	(9,650)
Non-underlying items	**(4,192)**	4,167
Profit before tax	**64,903**	66,277

For the year ended 31 December 2022 EBITDA was £91.8m, an increase of 15.3% (£12.2m) on 2021 EBITDA of £79.6m. The business has performed strongly in the year and continues to benefit from the shift in consumer preference towards domestic holidays.

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 is given in Note 7. Non-underlying items were an expense of £4.2m in the year (*2021: income of £4.2m)*.

Financial key performance indicators

A summary of the results for the Company for the year to 31 December 2022 are discussed below.

- Revenue increased by 28.6%.
- Gross Margin (Gross Profit as a % of Revenue) decreased by 4.6%.
- Operating Profit before non-trading costs increased by 12.5%.

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Revenue	**286,642**	222,869
EBITDA	**91,768**	79,579
Operating profit (pre non-underlying items)	**80,737**	71,760
Operating profit (post non-underlying items)	**76,545**	75,927
Profit before tax	**64,903**	66,277
Profit for the year	**54,699**	55,387
Gross Margin	**61.4%**	66.0%

STRATEGIC REPORT *(continued)*

Principal risks and uncertainties

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

Risk explanation and impact	Mitigation strategy
BUSINESS RISKS	
Customer expectations and pressure from competitors The Company faces local and international competition from holiday operators. If customer 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 Company is not meeting customer expectations, steps are taken to rectify the situation to ensure it is not repeated. Capital expenditure on facilities helps the business to exceed customer expectations and also attract customers away from competitors.
Brexit Risk of adverse economic outcomes because of Brexit. There remains a risk to the business as the UK and EU continue to map out future trading relationships.	The Company 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. Most of the direct suppliers are UK-based businesses and therefore it is not expected that 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. A potential benefit of Brexit remains in 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 a pandemic If there is another pandemic as seen in 2020 where the government could implement lockdowns, there is a risk that trading performance may suffer. There is also a risk to the health and welfare of our staff from contracting the disease and knock-on impacts to customer service as well.	We are able to use the previous experience gained of trading through a pandemic to be proactive in all measures taken to mitigate the negative impact of a disease. We are able to take actions in the event that forecasts or estimates show a significant negative trend. Most of our direct suppliers are UK based business and we have long established working relationships with them. Furthermore, all our accommodation is detached and self-catered, lending itself to use while adhering to social distancing measures.
Consumer confidence Inflation has been high for the UK economy, this could lead to a recession in the upcoming months or years.	We have addressed the impact on inflation and consumer confidence as part of the ongoing commercial response to the inflation and cost of living crisis.
FINANCIAL RISKS	
Credit Risk Due to the nature of the Company'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 Company has a credit policy in place and the exposure to credit is monitored. Owners can pay their site fees in full, via direct debit or via a specified payment plan and default is closely monitored. Credit terms for holidays can be for up to a year in advance if a customer pre-books but there is a requirement to pay the total balance of the holiday 30 days before the start of the holiday.
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 winter months it is significantly lower and in some months there can be	The term loan and accordion facilities were repaid in the year and replaced by a larger term loan secured by the ultimate parent.

more outgoings than receipts. It is essential that cash management remains a key focus for mitigating liquidity risks caused by seasonal trading.	A cash forecast is prepared every week to allow issues to be addressed before they materialise. See Going Concern narrative on page 17 for consideration of liquidity through the going concern period.
Interest rate risk The bank borrowing facilities are subject to floating rates of interest.	Company monitors interest rate exposure on a regular basis and takes appropriate action where deemed appropriate.
Inflation and cost of living pressures The UK economy has recently experienced inflation at multi-decade highs as well as unprecedented energy price rises. There is a risk customers will have less to spend on holidays.	The Company has a rigorous budgeting process and regularly assesses the impact of cost pressures. Whilst cost rises are sometimes unavoidable, Compnay has worked with its suppliers and energy broker to mitigate the impact of these as much as possible. The Company also considers the cost pressures on customers and looks to align pricing with this in consideration.
OPERATIONAL RISKS	
Health and safety Due to the high level of footfall on the Company's parks and facilities during the year (consisting of staff, contractors, owners and holiday guests) there is an inherent risk of an accident.	As a Company 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. Our Health and Safety guidelines have been expanded to incorporate how to operate our parks in the case of a pandemic.
Quality Employees The holiday park industry is a very competitive environment for recruiting and retaining skilled, high quality employees. As the Company continues to grow it is imperative that our people are able to grow with it.	The Park Holidays and Park Leisure brands are strong in the marketplace, with the businesses being an attractive choice for potential candidates, which is useful when opportunities come to light for new roles. However, where possible Company will try to promote from within the existing workforce to motivate and encourage staff to have a longer-term view. Currently the jobs market is highly competitive. The Company's brand and reputation in the marketplace has served it well and continues to attract the talent and resources needed to grow the business.
Business Continuity The effect of a power outage and the Companys' ability to continue normal business activities. The effect of flooding (Coastal & Surface) upon the parks and Companys' ability to continue normal business activities. The effect of falling trees/branches and related trip & obstruction hazards upon the parks and Company's ability to continue normal business activities	The Company 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 Company 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, Comany relies 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.

STRATEGIC REPORT *(continued)*

Principal risks and uncertainties *(continued)*

Regulatory Compliance Company is authorised by The Financial Conduct Authority (FCA) to provide access to regulated products and services for customers.	The Company can help customers find different financing options for purchasing a holiday home. This can include the use of a third-party finance provider. We take care to run the company in accordance with the FCA's Code of Conduct (COCON). We are careful to ensure that our sales processes follow our FCA authorisations, via regular training courses to sales staff and managers.

By order of the board

C A Ling
Director

25 September 2023

DIRECTORS' REPORT

Principal activity

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

Research and Development

The Company undertook no research or development during the year.

Financial instruments

Information in respect of the Company's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk can be found in the Company financial statements Tiger Topco 1 Limited, which is the smallest group in which results of the Company are consolidated.

Dividends

No dividend payments were made during the year *(2021: £nil).*

The directors do not recommend the payment of a final dividend *(2021: £nil)*.

Directors

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

J Sills
C Ling
A Clish
R Ullman
K Dearing (appointed 8th April 2022)
A Weiss (appointed 8th April 2022)
J McLaren (appointed 8th April 2022)

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

Political contributions

The Company did not make any political donations or incur any political expenditure during the year *(2021: £nil)*.

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 Regional Managers through site visits and regular catch ups. They also have the opportunity to put questions or ideas to senior leaders. Senior Management 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 quarterly meetings with all

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters *(continued)*

Our People *(continued)*

members of head office to discuss the Company's performance for the financial year to date 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 Company. 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 13 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 2022 Park Holidays retained the 'Investors in People – Silver Award', for good staff and recruitment practices – a measure of our commitment to people. This award is a 3-year assessment.

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 all relevant employees. The directors continue to prioritise health and safety issues across all areas of the Company's activities. The regard the directors have had to the employees on the principal decisions taken in the year is disclosed within the section 172 statement on page 2.

Equal opportunities and differently abled 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 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 Company'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.

Community

As a Group we encourage our people to get involved in charitable activities for both local and national causes. The Group supports local charities via various activities across its parks.

Give Us Time

We continue to work closely with 'Give Us Time', a charity that takes commercially let accommodation donated by owners of holiday groups, hotels, holiday homes and timeshares, and matches them with military families in need of rest, rehabilitation and reconnection with their families, often after long periods of time away on active service. Park Holidays UK started working with the charity in 2017 and pledges a minimum of 100 short break holidays each season for the charity to assign to military families in need. In 2022, we welcomed 111 families to our parks under this scheme.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters (continued)

St Michaels Hospice

Park Holidays UK has been fundraising for St Michaels Hospice through various events and activities for approximately 16 years. Last year we supported the 'Follow That Duck' initiative which was a live art trail featuring thirty 5ft ducks, hand-painted by local artists, along the streets of Hastings and Rother throughout the summer. Park Holidays UK donated £10,000 to the project which funded two of the ducks on display. When the event was concluded, all 30 ducks were auctioned to further boost the fundraising efforts. Park Holidays UK successfully bid for 2 of the ducks at the auction and these are now displayed at our head office, further promoting the Hospice. In 2023 Park Holidays UK have hosted 2 large Hospice committee meetings in our boardroom at head office, demonstrating continued our support to St Michaels Hospice.

Dom's Food Mission

Our annual support of a local foodbank in the run-up to Christmas once again selected Dom's Food Mission as our preferred foodbank charity. In 2021 Dom's Food Mission said Park Holidays UK had provided the largest single donation they had ever received, and we were able to almost match the scale of that donation again in 2022.

Park fundraising activity

Park Holidays UK continues to encourage all parks to participate in local fundraising events throughout the season. Often working with holiday homeowners who favour a particular charity or cause close to their hearts, special events put on by the park, particularly for holiday home owners, create a very fruitful environment for fundraising.

Environment

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.

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 quality.

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 all our waste avoids landfill.

The Group is 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 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 wastewater 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. 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 contractors must participate in our Pre-Qualifying Questionnaire Scheme which will be reviewed and updated annually; there is also a requirement to re-submit the relevant signed paperwork each year re-confirming their safety and ethical working practices. The regard the directors have had to the suppliers on the principal decisions taken in the year is disclosed within the section 172 statement on page 2.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters (continued)

Customers

One of our strategic aims is to deliver the best customer experience and by doing so, 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 on all aspects of their journey with us, from the booking process through to their holiday experience and we also have a dedicated holiday home after sales 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 most and ensure that we are tailoring our services to match their expectations. The regard the directors have had to the customers on the principal decisions taken in the year is disclosed within the section 172 statement on page 2.

Streamlined Energy and Carbon Reporting (SECR)

The market based gross greenhouse gas (GHG) emissions for the Company, including acquisitions in the year, are 12,436 tonnes of carbon dioxide equivalent (tCO_2e) at an emissions intensity of 38.875 tCO_2e per £m revenue for the period 1st January 2022 to 31st December 2022. This represents an overall decrease in emissions of 26.6% compared to the previous twelve months and a 45.7% reduction in carbon emissions intensity from the business activities. Location based emissions that are mandatory under the SECR legislation are shown below.

The gross GHG emissions figure includes all material Scope 1, 2 plus Scope 3 required to disclosed by the legislation; that is the emissions associated with the purchase of electricity, the combustion of gas and the consumption of fuel for the purposes of transport.

N.B. that across the portfolio the Company recharges tenants for both gas and electricity usage. This consumption has been included in this report.

Emissions source (tCO_2e)	**2021 Market - based**	**2022 Market-based**	**% of Total**	**YoY Change %**
Fuel combustion: stationary (Natural Gas)	**264**	**532**	**4.3%**	**101.5%**
Fuel combustion: stationary (LPG Propane)	**6,735**	**7,841**	**63.0%**	**16.4%**
Fuel combustion: mobile	**589**	**948**	**7.6%**	**60.9%**
Purchased electricity	**9,363**	**3,115***	**25.1%**	**(66.7%)**
Total emissions (tCO_2e)	**16,951**	**12,436**	**100%**	**(26.6%)**
Revenue £m	**222.9**	**286.6**		**25.6%**
Intensity: (tCO_2e per £m)	**76.048**	**43.391**		**(42.9%)**

*The 2022 emissions figure for purchased electricity above (and used throughout) reflects our investment in a zero-carbon electricity tariff at most our sites from October 2021 onwards. In terms of the Greenhouse Gas Protocol, this is called 'market-based' reporting - as opposed to 'location-based' reporting. Location-based reporting does not consider the electricity supply contracts a company has and instead uses a national carbon emissions factor for electricity. Following the location-based methodology (which is required to be reported under SECR alongside market-based figures), our 2022 emissions from electricity were 7,841 tCO2e (including transmission and distribution losses), giving total emissions of 17,160 tCO2e, rather than 12,436 tCO2e for location-based methodology with an associated Intensity of 43.391 tCO2e per £m of revenue.

Emissions source	**Scope 1**	**Scope 2**	**Scope 3**	**Total**
Natural Gas	**532**	**-**	**-**	**532**
LPG Propane	**7,841**	**-**	**-**	**7,841**
Transport	**599**	**-**	**348**	**948**
Electricity	**-**	**2,458**	**657**	**3,115**
Total	**8,972**	**2,458**	**1,005**	**12,436**
Share of total	**72.1%**	**19.8%**	**8.1%**	**100%**

DIRECTORS' REPORT *(continued)*

Streamlined Energy and Carbon Reporting (SECR) *(continued)*

Scope 1: Natural gas, bulk gas and company-operated transport. Scope 2: Electricity. Scope 3: Losses from electricity distribution and transmission and grey fleet usage. This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the organisation.

Energy Consumption (kWh)	**2021**	**2022**	**% of Total**	**YoY Change %**
Natural Gas)	**1,441,242**	**2,916,160**	**3.6%**	**102.3%**
LPG Propane	**29,245,753**	**36,552,832**	**45.4%**	**25.0%**
Transport fuel	**2,317,859**	**3,906,706**	**4.9%**	**68.5%**
Electricity	**40,512,903**	**37,141,886**	**46.1%**	**(8.3%)**
Total	**73,517,757**	**80,517,584**	**100%**	**9.5%**
Revenue £m	**228.2**	**286.6**		**25.6%**
Intensity: (kWh per £m)	**322,164**	**280,941**		**(12.8%)**

Boundary, methodology and exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings such as accommodations and offices plus company-owned and leased transport. This report covers operations of the Company, all based in the UK as required by SECR for Non-Quoted Large Companies. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019. Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope. The reporting period is January 2022 to December 2022, as per the financial accounts.

Energy efficient initiatives

Park Holidays have implemented and continued a number of energy efficiency measures in 2022 including;

- Mattress recycling scheme continued with over 500 recycled in the year.
- Significant progress was made in updating our hire fleet vans to be more energy efficient. 100% of our hire fleet caravans are double glazed and centrally heated. In 2023, we will be introducing energy efficient units which have 45% less energy consumed than a standard non double glazed and centrally heated caravan.
- Furniture from the clubhouse at Martello was donated to Waste to Wonder, a charity who donate second hand furniture to schools in the UK and globally.

Future developments

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

By order of the Board

C A Ling
Director
Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES
25 September 2023

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

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 company and to prevent and detect fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME

for year ended 31 December 2022

		31 December 2022			31 December 2021 As restated		
	Note	**Pre non-underlying items**	**Non-underlying items (note 7)**	**Result for the year**	Pre non-underlying items	Non-underlying items (note 7)	Result for the year
		£'000	**£'000**	**£'000**	£'000	£'000	£'000
Revenue	*2*	**286,642**	**-**	**286,642**	222,869	-	222,869
Cost of sales		**(110,778)**	**-**	**(110,778)**	(75,808)	-	(75,808)
Gross profit		**175,864**	**-**	**175,864**	147,061	-	147,061
Administrative expenses	*3,7*	**(92,594)**	**(6,575)**	**(99,169)**	(79,336)	(2,173)	(81,509)
Other operating income	*4,7*	**(2,533)**	**2,383**	**(150)**	4,035	6,340	10,375
Operating profit		**80,737**	**(4,192)**	**76,545**	71,760	4,167	75,927
Finance income	*8*	**29**	**-**	**29**	10	-	10
Finance expense	*8*	**(11,671)**	**-**	**(11,671)**	(9,660)	-	(9,660)
Profit before taxation		**69,095**	**(4,192)**	**64,903**	62,110	4,167	66,277
Tax on profit	*9*	**(11,290)**	**-**	**(11,290)**	(10,890)	-	(10,890)
Profit for the financial year		**57,805**	**(4,192)**	**53,613**	51,220	4,167	55,387
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Revaluation of tangible fixed assets	*11*	-	139,100	139,100	-	261,939	261,939
Impairment of tangible fixed assets	*11*	-	(13,400)	(13,400)	-	(5,934)	(5,934)
Deferred tax on revaluation	*19*	-	(39,316)	(39,316)	-	(76,506)	(76,506)
Other comprehensive loss for the year, net of income tax		**-**	**86,384**	**86,384**	-	179,499	179,499
Total comprehensive income for the year attributable to equity holders of the parent company		**57,805**	**82,192**	**139,997**	51,220	183,666	234,886

The results for the year arose solely from continuing operations.

Notes on pages 16 to 42 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

at 31 December 2022

	Note	**2022**		2021	
		£'000	**£'000**	£'000	£'000
Assets					
Non-current assets					
Tangible fixed assets	*11*		**1,054,920**		765,555
Intangible assets	*10*		**2,790**		3,036
Investments	*12*		**70,107**		59,635
Total non-current assets			**1,127,817**		828,226
Current assets					
Inventories	*14*	**43,149**		23,215	
Trade and other receivables	*15*	**500,117**		221,071	
Cash and cash equivalents		**9,801**		85,459	
Total current assets		**553,067**		329,745	
Total assets			**1,680,884**		1,157,971
Current liabilities					
Trade and other payables	*16*	**(534,869)**		(219,934)	
Provisions	*17*	**(1,850)**		(1,661)	
Total current liabilities		**(536,719)**		(221,595)	
Non-current liabilities					
Trade and other payables	*18*		**(252,712)**		(230,533)
Deferred tax liability	*19*		**(156,034)**		(112,881)
Total non-current liabilities			**(408,746)**		(343,414)
Total liabilities			**(945,465)**		(565,009)
Net assets			**735,419**		592,962
Capital and reserves					
Called up share capital	*21*		**9,486**		9,486
Revaluation reserve	*21*		**403,432**		317,048
Profit and loss account			**320,165**		265,481
Capital contribution reserve			**2,336**		946
Shareholders' funds			**735,419**		592,962

Notes on pages 16 to 42 form part of these financial statements.

These financial statements were approved by the board of directors on 25 September 2023 and were signed on its behalf by:

C A Ling

Director

Company registered number: 02434151

STATEMENT OF CHANGES IN EQUITY

	Note	Called up share capital	Revaluation reserve	Capital contribution reserve	Profit and loss account	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021		9,486	137,549	-	210,095	357,130
Profit for the year		-	-	-	55,387	55,387
Other comprehensive income:						
Revaluation of property, plant and equipment		-	261,939	-	-	261,939
Impairment of property, plant and equipment	*11*	-	(5,934)	-	-	(5,934)
Deferred tax impact on reserves	*19*	-	(76,506)	-	-	(76,506)
Total other comprehensive income		-	179,499	-	-	179,499
Total comprehensive income for the year		-	**179,499**	-	**55,387**	**234,886**
Transactions with owners, recorded directly in equity:						
Capital contribution		-	-	946	-	946
Transactions with owners, recorded directly in equity		-	-	**946**	-	**946**
Balance at 31 December 2021		**9,486**	**317,048**	**946**	**265,482**	**592,962**
Profit for the year		-	-	-	53,613	54,699
Other comprehensive income:						
Revaluation of property, plant and equipment		-	139,100	-	-	139,100
Impairment of property, plant and equipment	*11*	-	(13,400)	-	-	(13,400)
Deferred tax impact on reserves	*19*	-	(39,316)	-	-	(39,316)
Total other comprehensive income		-	86,384	-	-	86,384
Total comprehensive income for the year		-	**86,384**	-	**53,613**	**141,083**
Transactions with owners, recorded directly in equity:						
Capital contribution		-	-	1,390	-	1,390
Transactions with owners, recorded directly in equity		-	-	**1,390**	-	**1,390**
Balance at 31 December 2022		**9,486**	**403,432**	**2,336**	**320,165**	**735,419**

Notes on pages 16 to 42 form part of these financial statements.

NOTES

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation

Park Holidays UK Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the UK. The registered number is 02434151 and registered address is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex TN39 5ES.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").*

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Tiger Topco 1 Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Tiger Topco 1 Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, intangible assets and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of related party transactions with group companies;
- The effects of new but not yet effective IFRSs;
- An additional balance for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Tiger Topco 1 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 27.

The financial statements are prepared on the historical cost basis except land and buildings which are stated at their fair value.

Prior year restatement

The consolidated statement of total comprehensive income for the year ended 31 December 2021 has been restated in respect of the treatment of amounts paid to caravan owners to buy them out of their pitch licenses. Previously such payments had been accounted for as an increase to cost of sales, however the director's have now determined that those payments to customers

NOTES *(continued)*

1 Accounting policies *(continued)*

1.1 Basis of preparation (continued)

should be accounted for as a reduction to revenues in accordance with IFRS 15.70. The restatement decreased 2021 revenue and cost of sales by £5.3m with no change to the profit or the reserves of the group.

1.2 Going concern

Park Holidays UK Limited “the Company” is the main trading company within the Tiger Topco 1 Ltd Group “the Group”. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared trading forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of plausible downsides scenarios and their impact operations and financial resources, the Company will have sufficient funds to meet all liabilities as they fall due.

At the 31st December 2022, the Company had total assets less current liabilities of £16.4m (2021: £108.2m) and the closing cash balance was £9.8m (2021: £85.5m).

In 2022, the Tiger Topco 1 Group was sold to Sun Communities, Inc., a REIT trading on the New York Stock Exchange. The purchase resulted in the repayment of the Group’s senior debt and all PIK notes, and a term loan is now in place from the ultimate parent undertaking. In addition, the Group now has access to a £500m revolving credit facility from Sun Communities, of which £16m was drawn at the year end. While the term loan is not repayable during the going concern assessment period, the revolving credit facility, which the Group utilizes from time to time for short term working capital purposes and potentially for future acquisitions, is due on demand.

Therefore, as the Group forecasts show continued positive cash generation during the forecast period the going concern assessment is dependent on the Group’s parent company, Sun Communities Operating Limited Partnership not withdrawing the revolving credit facility during the assessment period. Sun Communities Operating Limited Partnership has provided written commitment to the directors of such financial support, for a period of at least twelve months following approval of these financial statements.

The directors are satisfied that Sun Communities have sufficient resources to provide continued financial support to the Group and, accordingly, have prepared these financial statements on the going concern basis.

The directors have undertaken a rigorous forecasting exercise to assess the Group’s ability to continue as a going concern. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Financial Instruments

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 company becomes 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 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.

i) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.3 Financial instruments (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 Company 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

*C*ash 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 Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company 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 company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company'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 company'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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.3 Financial instruments (continued)

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

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

(iii) Derivative financial instruments

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.

The Group recognises loss allowances for expected credit losses ("ECL") 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 Company 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 Company'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 Company is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Company 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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.4 Property, plant and equipment

Property, plant and equipment are stated at either fair value or cost less subsequent depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

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	-	10-25% straight line
Other fixed assets	-	10-25% straight line
IT equipment	-	25% straight line

Motor vehicles and caravan hire fleet are combined under other fixed assets and are respectively depreciated at 25% and 10%. Within hire fleet there are lodges which are depreciated straight line over 15 years.

Leased assets are depreciated over the term of the lease.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Land and Buildings comprises holiday home parks, owned or leased, and operated by the Company. 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.

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.

Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Land and building held under leases are held at their revalued amount under IAS 16. Other leased assets are recognised at an amount equal to present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Where an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in revaluation reserve.

1.5 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 Company.

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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.5 Business Combinations (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. 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.

1.6 Intangible assets

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 Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company 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 represent the identified values placed on those assets at the date of acquisition. Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

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 to 15 years
- Customer Lists 6 years
- Software 4 years

Amortisation of intangible assets is recognised in administrative expenses.

1.7 Inventories

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

1.8 Leases

At the inception of a contract, the Company 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 Company 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 Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company 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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.8 Leases *(continued)*

about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either;

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on a reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the bases of their relative stand-alone prices.

(A) As a lessee

The Company 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 Company's incremental borrowing rate. Generally, the Company 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 Company is reasonable certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company 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 Company 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 Company 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 Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(B) As a lessor

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

To classify each lease, the Company 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

NOTES (continued)

1 Accounting policies *(continued)*

1.8 Leases (continued)

(B) As a lessor *(continued)*

operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

1.9 Impairment of non-financial assets

The carrying amounts of the Company'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.

1.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company 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 profit and loss account in the periods 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 Company 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.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-

NOTES *(continued)*

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

1.10 Employee benefits (continued)

market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

No cash-settled share-based payment arrangements were established.

1.11 Provisions

A provision is recognised in the balance sheet when the Company 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.

1.12 Revenue

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

The sale of a holiday home itself is a distinct good when compared to the site fee included at the time of sale so the Company recognises income from caravan sales and site fees separately as each stream of income has different performance obligations. The sale of holiday homes and holiday home bundles are paid up front at the time of the sale. Holiday home revenue is recognised upon the transfer of ownership to the customer.

The revenue from the caravan element of a caravan bundle bought by the customer is recorded by deducting the site fees and extras, then the residual amount remaining is deemed to be the revenue. The value of the site fees and extras are specifically calculated through observable prices.

Some of the holiday homes sold to customers of the Company are in part funded by third party finance companies so the payment terms are in accordance with the finance provider's terms and conditions. However, in the event of a default by a customer, the Company may be required to re-purchase a holiday home from the finance company at a price based on an agreed formula. Payments to caravan owners to buy them out of their pitch licences are accounted for as a deduction to revenue in accordance with IFRS 15.70

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

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 up front or payment of a deposit with the balance at a later date. The timing of payment therefore differs to when the performance obligation is met, and therefore a contract liability is recognised.

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

NOTES *(continued)*

1 *Accounting policies* *(continued)*

1.12 Revenue (continued)

the performance obligation is met upon point of sale. No contract assets or liabilities arise due to the timing of payment matching the meeting of performance obligations.

1.13 Government Grants

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the estimated useful economic lives of the assets to which they relate or over the period in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the profit and loss are presented under the heading “Other income”.

1.14 Net financing costs

Net financing costs comprise interest on intra group debt, 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 is also recorded in finance costs. All remaining capitalised costs were expensed in 2022 due to the acquisition of the group by Sun communities.

1.15 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.16 Non-underlying items

The financial trading results of the Company are reflected in the ‘Pre non-underlying items’ column on the Statement of Total 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 Company’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 Company 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 Company’s underlying trading performance. Non-underlying items include, but are not limited to; transaction and

NOTES *(continued)*

1 *Accounting policies* *(continued)*

1.16 Non-underlying items (continued)

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.

Additional costs incurred and grant income received due to the coronavirus and associated government schemes has not been included in non-underlying items. Grant income received under the job retention scheme has been disclosed as part of Other Operating Income (Note 4).

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.

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 As restated £'000
Sale of holiday homes	**155,368**	112,559
Income from rental pitches and holiday lets	**109,778**	93,005
Other income	**21,496**	17,305
	286,642	222,869

Timing of transfer of goods or service	**Year ended 31 Dec 22 £'000**	Year ended 31 Dec 21 £'000
Products and services transferred at a point in time	**240,216**	138,223
Products and services transferred over time	**46,426**	84,646
	286,642	222,869

There was no revenue *(2021: £nil)* recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods.

(ii) Contract balances

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

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 £'000
Receivables (see Note 15, Trade Receivables)	**38,633**	11,094
Contract assets (within Prepayments and accrued income, Note 15)	**-**	1,585
Contract liabilities (see Note 16)	**(76,622)**	(55,719)
	(37,989)	(43,040)

The contract assets primarily relate to the company's rights to consideration for services provided 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 *(2021: £nil)* recognised in the period from performance obligations satisfied (or partially satisfied) in previous periods as all performance obligations were settled in the year and there were no changes to revenue timing estimates.

During the year £nil (2021:£0.7m) transferred from contract assets recognised at the beginning of the period to receivables.

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £53,586,000 *(2021: £41,283,000).*

NOTES *(continued)*

2 Revenue from contracts with customers *(continued)*

(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.

	2022	**2023**	**2024 onwards**
	£'000	**£'000**	**£'000**
Site fee income	72,465	1,297	1,012
	72,465	1,297	1,012

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 profit are the following:	**Year ended 31 Dec 22 £'000**	Year ended 31 Dec 21 £'000
Depreciation and amortisation	**11,031**	7,819
Profit on sales of fixed assets	**2,738**	(251)

Auditor's remuneration:	**Year ended 31 Dec 22 £'000**	Year ended 31 Dec 21 £'000
Audit of these financial statements	-	211

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent (Note 26).

4 Other operating income

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 £'000
Other income/(expense)	**(2,533)**	1,958
Government grants	**-**	2,077
	(2,533)	4,035

Government grants in the prior year relate to the Coronavirus Job Retention Scheme. There were no unfulfilled conditions, or any other contingencies attached to the grant.

5 Staff numbers and costs

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 Dec 22 No. of employees	Year ended 31 Dec 21 No. of employees
Administration	**236**	173
Operations	**1,887**	1,646
Directors	**8**	4
	2,131	1,823

NOTES *(continued)*

5 Staff costs *(continued)*

Staff costs were as follows:

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 £'000
Wages and salaries	**42,417**	36,618
Social security costs	**5,779**	3,152
Contributions to defined contribution plans	**564**	453
Equity-settled share-based payments	**3,376**	946
	52,136	41,169

Share-based payments

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as an employee cost. The employee cost in each accounting period is based on the accounting period as a proportion of the total vesting period.

6 Directors' remuneration

All directors' remuneration has been borne by another group company.

Total remuneration paid to directors in the year was £3,093,000 *(2021: £2,753,40*0*).* The highest paid director received remuneration of £984,865 in the year *(2021: £855,000).*

Directors' remuneration for 2022 includes both base salary for the year and a bonus based on the Group's trading performance.

No retirement benefits are accruing to any Directors *(2021: nil*). The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was nil *(2021: nil).*

7 Non-underlying items

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Refinancing and legal costs	**151**	339
Acquisition costs	**1,797**	585
Impairment	**-**	151
Abortive planning	**304**	-
Restructuring costs	**1,390**	152
Share based payment expense	**2,933**	946
Revaluation (reversal of previous impairments)	**(2,383)**	(6,340)
	4,192	(4,167)

Refinancing and legal costs

Costs primarily related to the sale of the group to Sun Communities. These expenses were recharged to the Group.

Acquisition expenses

Acquisition expenses incurred during 2022 related to the business combination of the Park Leisure Group and the asset acquisition of Christies parks, Callaly, Newhaven and Bodmin (2021: Acquisition of Bridge Leisure Group and Bay View Holiday Park).

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 company.

NOTES *(continued)*

7 Non-underlying items *(continued)*

Severance costs

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

Share-based payment expense

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as a non-underlying employee cost. See note 6. These costs are a function of the ownership structure of the group and not directly related to the trade of the business.

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.

Revaluation

A desktop valuation at 31 December 2022 resulted a revaluation going directly to the profit and loss account relating to freehold and leasehold properties.

8 Net finance costs

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 £'000
Finance income	**29**	10
Finance cost	**(11,671)**	(9,660)
Net finance costs	**(11,642)**	(9,650)

Ground rent finance cost in 2022 accounts for £8.2m of the balance *(2021: £8.2m)*.

9 Taxation

Recognised in the profit and loss account	**Year ended 31 Dec 22 £'000**	Year ended 31 Dec 21 £'000
UK corporation tax		
Current tax on income for the year	**7,455**	8,972
Adjustments in respect of prior periods	**(18)**	(91)
Total current tax	**7,437**	8,881
Deferred tax *(see Note 19)*		
Origination and reversal of timing difference	**2,410**	912
Adjustment in respect of prior periods	**666**	(191)
Effect of increased/decreased tax rate on opening balance	**777**	1,288
Total deferred tax	**3,853**	2,009
Tax on profit	**11,290**	10,890

The current tax charge for the period is lower *(2021: lower)* than the standard rate of corporation tax of 19%.

NOTES *(continued)*

9 Taxation *(continued)*

Reconciliation of effective tax rate:	**Year ended 31 Dec 22 £'000**	Year ended 31 Dec 21 £'000
Profit before taxation	**64,903**	66,277
Tax calculated at 19% *(2021: 19%)*	**12,332**	12,593
Adjustments in respect of prior periods for current tax	**(635)**	(91)
Adjustments in respect of prior periods for deferred tax	**-**	(191)
Fixed asset differences	**-**	(3,223)
Items not deductible for tax purposes	**(575)**	294
Impact of movement in tax rates	**777**	1,508
Deferred tax on chargeable gains on investment properties	**(527)**	-
Effect of tangible fixed asset transfer from subsidiary	**(82)**	-
Tax charge	**11,290**	10,890

Factors that may affect future tax charge:

Under Finance Act 2021 enacted on 10 June 2021, the Corporation Tax rate for the year ended 31 December 2022 remains at 19% but will increase to 25% as the main rate of corporation tax from 1 April 2023. The deferred tax balances have been calculated using the rates at which each temporary difference is expected to reverse.

10 Intangible assets

	Goodwill £'000	Software £'000	Customer lists £'000	Brand £'000	Intangible assets £'000
Cost					
Balance at 1 January 2021	188	1,564	204	-	1,956
Additions internally developed	-	288	-	-	288
Transfers	314	-	1,483	385	2,182
Balance at 31 December 2021	502	1,852	1,687	385	4,426
Additions internally developed	-	510	-	-	510
Transfers	-	-	-	-	-
Balance at 31 December 2022	**502**	**2,362**	**1,687**	**385**	**4,936**
Amortisation and impairment					
Balance at 1 January 2021	2	1,122	50	-	1,174
Amortisation charge for the year	-	194	22	-	216
Balance at 31 December 2021	**2**	**1,316**	**72**	**-**	**1,390**
Amortisation for the year	-	230	401	125	756
Balance at 31 December 2022	**2**	**1,546**	**473**	**125**	**2,146**
Net book value at 1 January 2021	186	442	154	-	782
Net book value at 31 December 2021	500	536	1,615	385	3,036
Net book value at 31 December 2022	**500**	**816**	**1,214**	**260**	**2,790**

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

Amortisation and impairment charge

The amortisation and impairment charge of £756,000 *(2021: 216,000)* is recognised within administrative expenses in the profit and loss account.

NOTES *(continued)*

11 Tangible fixed assets

	Land and Buildings £'000	Plant & Machinery £'000	Other Fixed Assets £'000	Total £'000
Cost				
Balance at 1 January 2021	481,965	6,229	34,216	545,739
Revaluation	266,732	-	-	266,732
Remeasurement	6,086	-	-	6,086
Additions through business combinations	1,937	-	-	1,937
Additions	18,409	379	9,129	30,792
Transfer in from subsidiaries	-	43	3,353	3,886
Disposals	-	-	(8,218)	(8,218)
Balance at 31 December 2021	775,129	6,651	38,480	846,954
Depreciation and impairment				
Balance at 1 January 2021	46,408	2,134	10,828	73,689
Depreciation charge for the year	1,590	549	3,564	7,603
Depreciation eliminated on revaluations	(1,848)	-	-	(1,848)
Transfers from other group subsidiaries	-	-	233	233
Impairment	6,236	-	-	6,236
Disposals	-	-	(4,514)	(4,514)
Balance at 31 December 2021	52,386	2,683	10,111	81,399
Cost				
Balance at 1 January 2022	775,129	33,345	38,480	846,954
Additions	63,571	6,712	13,302	83,585
Additions through business combinations	31,144	576	-	31,719
Transfer in from subsidiaries	56,086	850	1,439	58,375
Revaluation	125,430	-	-	125,430
Disposals	-	-	(4,655)	(4,655)
Balance at 31 December 2022	1,051,360	41,482	48,565	1,141,407
Depreciation and impairment				
Balance at 1 January 2022	52,386	18,902	10,111	81,399
Depreciation charge for the year	1,638	3,241	4,960	9,839
Depreciation eliminated on disposals	-	-	(2,097)	(2,097)
Reversal of impairment	(2,653)	-	-	2,653
Balance at 31 December 2022	51,371	22,143	12,974	86,487
Net book value				
Balance at 31 December 2021	722,743	3,968	28,369	765,555
Balance at 31 December 2022	999,989	19,339	35,592	1,054,920

Additions in 2022 include £115,982 for hire fleet caravans that transferred from stock in the year *(2021: £266,049).* The value of Land and Buildings includes £0.9m of assets under construction *(2021: £3.8m)*.

The gross carrying amount of fully depreciated property plant and equipment which was still in use at 31 December 2022 is £12.0m *(2021: £*8.7m*)*.

Leased Land and Buildings

The Group has a number of sale and leaseback agreements, secured on the land of 34 parks of the total 56 owned *(2021: 25 parks of 40 owned)*. 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.

NOTES *(continued)*

11. Tangible fixed assets (continued)

Revaluations

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

	Land and Buildings 2022 £'000	Land and Buildings 2021 £'000
Fair value at 31 December	**1,004,530**	775,129
Aggregate depreciation thereon	**(3,682)**	(52,386)
Net book value	**1,000,848**	722,743
Historical cost of revalued assets at 31 December	**269,511**	269,511
Aggregate depreciation thereon	**(4,394)**	(4,394)
Net book value	**265,117**	265,117

A full valuation was carried out by external experts upon being acquired by Sun. There was subsequently a desktop review carried out in December 2022. The Group uses Kroll 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date . 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 reviews 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 Kroll. To assess fair value, management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage in a full valuation report. This advice is combined with park performance over the last year and management review the same factors that the valuer uses (as noted above) to assess fair value.

A desktop revaluation was last carried out by Kroll on the 31 December 2022. This was carried out in accordance with the techniques explained above and resulted in a net revaluation gain which went directly to other comprehensive income.

The best use and high use value of assets are equal in the year *(2021: equal).*

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. Calculation for the ROU asset and lease liability assume a future rate increase of 1%, which meant that at the year-end a revaluation was required. At 31 December 2022 there was £10.1m increase *(2021: £7.2m increase)* in the liability with a corresponding entry entered for 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, an impairment of £10.1m *(2021: £7.2m)* was recognised.

NOTES *(continued)*

12 Fixed asset investments

	Shares in group undertakings	
	2022	2021
	£'000	£'000
Cost		
At beginning of year	**59,635**	58,759
Additions	**10,472**	1,840
Disposals	**-**	-
At end of year	**70,107**	60,599
Provisions		
At beginning of the year	**-**	(964)
Impairment	-	-
At end of year	-	(964)
Net book value	**70,107**	59,635

The Company has 100% interest in the ordinary share capital of the following companies, all of which are registered in England and Wales:

Subsidiary undertakings (all shareholdings are in ordinary shares)	Registered Address	Principal Activity
Martello Beach Limited	**	Non-Trading
The South Devon Holiday Parks Limited	**	Non-Trading
Ladycroft Limited	**	Non-Trading
Hammerton Caravan Group Limited	**	Non-Trading
Hammerton Leisure Limited	**	Non-Trading
Seaview Holiday Park Limited	**	Non-Trading
Golden Sands Limited	**	Dormant
Crumpwood Limited	**	Dormant
Coghurst Hall Holiday Village Limited	**	Dormant
Harts Holiday Village Limited	**	Dormant
Marlie Farm Holiday Village Limited	**	Dormant
Cinque Ports Leisure Homes Limited	**	Dormant
Harts Holiday Camps Limited	**	Dormant
Evengain Limited	**	Micro entity
WSG Operating Company Limited*	**	Micro entity
Bay View Park Limited	**	Non-trading
Park Holidays UK Finance Limited*	**	Micro entity

* Investments held indirectly, all other subsidiary undertakings are held directly.

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

13 Acquisitions

Acquisitions in the prior year

Bay View Holiday Park

On 22 February 2021 Park Holidays UK Limited acquired the entire share capital of Bay View Park Limited ("Bay View") for a cash consideration of £1,167,000. Total funding required for the acquisition amounted to £1,840,000, including redemption debt of £673,000, as shown in the table below. Redemption debt is debt specifically agreed to be paid by Park Holidays UK Limited on behalf of Bay View.

NOTES *(continued)*

13 Acquisitions *(continued)*

Acquisitions in the current year *(continued)*

Bay View Holiday Park *(continued)*

Funding	£'000
Redemption debt funding	
Redemption debt	673
Total redemption debt funding	**673**
Equity funding	
Ordinary share capital	1,167
Total equity funding	**1,167**
Total funding	**1,840**

Bay View Holiday Park is located in Pevensey Bay, East Sussex, less than a mile from the Pevensey Bay Holiday Park operated by Park Holidays UK Limited. Featuring a 9-hole golf course, the Bay View Holiday Park was seen as an attractive addition to the Park Holidays UK Limited portfolio, in terms of extra capacity, considerable development opportunity and in widening the spectrum of entertainment offerings.

Shortly after acquisition, the assets and liabilities of the Bay View Holiday Park were combined and subsumed into Park Holidays UK Limited's Pevensey Bay Holiday Park along with property simultaneously purchased from the owners of Bay View. Incorporating the newly acquired land and holiday park facilities the enlarged Pevensey Bay Holiday Park is in a strong position to greatly develop its new, much larger footprint and generate long term benefits for the Park Holidays UK portfolio, including more opportunities for caravan sales.

The Bay View Holiday Park contributed a profit of £221,000 to the Group's profit in the period from purchase date to 31 December 2021. This was without generating any caravan sale revenue. If the park had traded for a full year, revenue would have been an estimated £448,000 and earnings before interest, tax, depreciation and amortisation ('EBITDA') would have been an estimated £221,000. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to Park Holidays UK Limited.

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	1,167
Total consideration	**1,167**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Customer Lists	-
Property Plant and Equipment	1,937
Inventories	1
Debtors and prepayments	109
Cash	2
Trade and other creditors	(693)
Accruals and deferred income	(92)
Lease liability	(97)
Total identifiable net assets	**1,167**
Goodwill generated on acquisition	**-**

NOTES *(continued)*

Acquisitions in the prior year *(continued)*

Pakefield Holiday Park *(continued)*

There was no contingent consideration, and the business combination was achieved in a single stage.

Acquisition expenses of £59,000 arose as a result of the transaction. These Administrative expenses are one-off costs and identified separately in the Group's financial statements by being presented in columnar format in the Income Statement under Non-underlying items and detailed in Note 7 Non-underlying items.

Bridge Leisure Group

On the 18th of May 2021, the Tiger Topco 1 Group acquired Bridge Leisure, a leading UK holiday park operator comprising 9 holiday parks, via its wholly owned subsidiary undertaking Tiger Bidco Limited ("Bidco"). The parks acquired are spread across the South-West, Peak District, Yorkshire, and Scotland, expanding the geography of the Park Holidays portfolio. This acquisition has widened the scope for other acquisitions which may have previously been operationally impractical due to location.

Shortly after acquisition, the assets and liabilities of the Bridge parks were transferred across into Park Holidays UK Limited. The trade and assets, excluding the land, buildings, deferred tax, cash and lease liabilities were transferred. Silver Sands Leisure Park Limited, Turnberry Holiday Park Limited, Trevella Caravan Company Limited, Sand Le Mere Caravan Park Limited and Bowland Fell Park Limited were transferred at book value. The trade and assets, excluding land, buildings, deferred tax, cash and lease liabilities, of Bridge Leisure Parks Limited and Seaview Holiday Village Limited were transferred at their fair values.

Subsequent to the acquisition the nine Bridge holiday parks were added as new venues on the Park Holidays UK website. The nine Bridge parks contributed £8,174,000 of earnings before interest, tax, depreciation and amortisation ('EBITDA'). If the Bridge Group had traded for a full year revenue would have been an estimated £31.5m and EBITDA would have been an estimated £8.6m.

14 Inventories

	2022	2021
	£'000	£'000
Finished goods	**43,149**	23,215

Finished goods recognised as cost of sales in the year amounted to £63,454,260 (*2021: £*37,930,663*)*. The write-down of inventories to net realisable value amounted to an upwards valuation of £79,315 *(2021*: upwards £181,315). There were no reversals of write-downs in the year.

15 Trade and other receivables

	2022	2021
	£'000	£'000
Trade receivables	**38,633**	11,094
Amounts owed by group undertakings with common control	**448,440**	195,710
Other receivables	**100**	3,459
Corporation tax	**-**	1,562
Prepayments	**12,944**	7,661
Accrued income	**-**	1,585
	500,117	221,071

Contract assets of £nil existed within accrued income at the year-end *(2021: £1,585,000).*

NOTES *(continued)*

16 Trade and other payables: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade payables	**21,962**	24,004
Amounts owed to group undertakings with common control	**339,529**	104,574
Corporation tax	**(1,633)**	-
Corporation tax group relief	**2,637**	-
Taxation and social security	**10,544**	748
Other payables	**66,589**	11,673
Lease liabilities	**1,363**	3,362
Contract liabilities	**76,622**	55,719
Accruals	**17,240**	19,854
	534,869	219,934

17 Provisions

	Coronavirus costs £’000	**Finance Provision £’000**	**Litigation provision £’000**	**Total £'000**
Balance at 1 January 2021	1,338	-	-	
Provisions made during the year	423	-	-	
Provisions released during the year	(100)	-	-	
Balance at 31 December 2021	1,661	-	-	1,661
Provisions made during the year	-	596	1,254	1,850
Provisions released during the year	1,661	-	-	1,661
Balance at 31 December 2022	**-**	**596**	**1,254**	**1,850**
Current	-	596	1,254	1,850
Non-current	-	-	-	-

Finance provision costs primarily relate to repossessions which had not yet been actioned by the finance houses at the year end. The timing and amount of outflow of resources are uncertain at the balance sheet date and are therefore based on estimates of the timing and amount of outflow.

Litigation provision costs relate to ongoing legal costs where the timing and amount of outflow of resources are uncertain at the balance sheet date and are therefore based on estimates of the timing and amount of outflow.

18 Trade and other payables: amounts falling after more than one year

	2022	2021
	£'000	£'000
Lease liabilities	**252,712**	230,533

NOTES *(continued)*

19 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	2022	2021
	£'000	£'000
Tangible fixed assets	**156,005**	112,852
Intangible assets	**29**	29
Deferred tax liabilities	**156,034**	112,881

Movement in deferred tax during the year

	1 January 2022 £'000	**Recognised in profit and loss £'000**	**Recognised in reserves £'000**	**31 December 2022 £'000**
Tangible fixed assets	**112,852**	3,837	39,316	**156,005**
Intangible assets	**29**	-	-	**29**
Deferred tax liabilities	**112,881**	3,837	39,316	**156,034**

Movement in deferred tax during the prior year

	1 January 2021 £'000	Recognised in profit and loss £'000	Recognised in reserves £'000	31 December 2021 £'000
Tangible fixed assets	34,337	2,009	76,506	112,852
Intangible assets	29	-	-	29
Deferred tax liabilities	34,366	2,009	76,506	112,881

20 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £564,000 *(2021: £453,000).*

21 Capital and Reserves

Called up share capital	No. of £1 shares '000	Ordinary shares £'000
Balance at January 2021	9,486	9,486
Balance at December 2021	9,486	9,486
Balance at December 2022	9,486	9,486

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

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 valuation was carried out by external valuers in December 2022 which resulted in an uplift to some assets and an impairment to some assets which went to the profit and loss reserve.

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.

NOTES *(continued)*

21 Capital and Reserves *(continued)*

Capital contribution reserve

The capital contribution reserve is used to recognise the grant date fair value of joint beneficial interests in parent company shares issued to senior employees via the Park Holidays Employee Benefit Trust.

Profit and loss account

The profit and loss account represents cumulative profit and losses, net of dividends and other reserve movements.

22 Leases

(A) Leases as a lessee

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

Right of use assets

	Land and Buildings £'000	Plant and Machinery £'000	Other assets £'000	Total £'000
Balance at 1 January 2022	584,254	3,075	9,937	597,266
Additions	52,160	254	-	52,414
Transfers in to Park Holidays from fellow subsidiaries	29,787	-	-	29,787
Repayment of right-of-use assets	-	-	(8,028)	(8,028)
Revaluation/remeasurement	80,759	-	-	80,759
Depreciation charge for the year	(1,345)	(849)	(1,798)	(3,992)
Balance at 31 December 2022	745,615	2,480	111	748,206

Amounts recognised in profit or loss

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

Leases under IFRS 16	**2022 £'000**	2021 £'000
Interest on lease liabilities	-	9,612
Expenses related to short-term leases	189	228
Expenses related to leases of low-value assets accounted; excluding short-term leases of low value assets	46	44

(i) Property leases

The Company 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 Company 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)*

22 Leases *(continued)*

(iii) Other leases

The Company leases vehicles and equipment, with lease terms of three to seven years. In some cases, the Company 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 Company 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.

The Company 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 Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

(iv) Sale-and-leaseback

In 2017, the Company 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 Company 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.

(V) Lease Maturity

Lease liabilities	**2022**	2021
	£'000	£'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	11,426	11,280
One to five years	43,324	40,306
More than five years	1,433,608	1,065,392
Total undiscounted lease liabilities at 31 December	1,488,358	1,116,978
Lease liabilities included in the statement of financial position at 31 December	254,075	233,895
Current	1,363	3,362
Non-current	252,712	230,533

(B) Leases as a lessor

The Company 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 Company acts as a lessor is as below.

	2022	2021
	£'000	£'000
Operating lease		
Lease income	**19**	41

NOTES *(continued)*

22 Leases *(continued)*

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

	2022	2021
	£'000	£'000
Less than one year	**13**	36
One to two years	**13**	15
Two to three years	**13**	13
Three to four years	**13**	13
Four to five years	**13**	13
More than five years	**218**	244
Total undiscounted lease payments	**283**	334

23 Contingencies

Some of the holiday homes sold to customers of the Company are in part funded by third party finance companies. In the event of a default by a customer, the Company may be required to re-purchase a holiday home from the third -party finance company at a price based on an agreed formula. 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 Company has a corporate credit card facility with Natwest bank with a credit limit of £200,000.

24 Share-based payments

a) Description and measurement of share-based payment arrangements

In April 2021 the Park Holidays Employee Benefit Trust (the “Trust”) was created as part of the Group’s management incentive scheme to enable it to attract, retain and motivate certain key employees and executive directors. The Company has taken advantage of the disclosure exemptions provided to it as a subsidiary undertaking of Tiger Topco 1 Limited, whose equity instruments are central to the share-based payment arrangements of the Group's management incentive scheme. Full details of the description, measurement and IFRS 2 disclosures of the share-based payment arrangements are reported in the Annual Report and Financial Statements of the Group. As at the reporting date the weighted average remaining contractual life was 3 months. The weighted average exercise price is also the weighted average fair value at the measurement date.

b) Recognition of expense

	2022	2021
	£'000	£'000
Equity-settled share-based payments	**1,075**	946

25 Related party transactions

During the year a member of the key management personnel charged fees to Park Holidays UK for their services as a director through another company, amounting to £0.1m (2021: £0.17m). Directors’ remuneration is disclosed in Note 6.

There were no loans made to key management personnel by the Company. However, a member of the key management personnel did receive a loan from a fellow group undertaking during the year. The loan was to facilitate the purchase of a joint beneficial interest in a number of shares in Tiger Topco 1 Limited as part of the Group's share-based payment arrangements, full details of which are reported in the Annual Report and Financial Statements of the Group.

At 31 December 2022 the balances in the table below existed between the Company and the Group:

	Receivables outstanding		**Payables outstanding**	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Parent	**447,977**	195,292	**263,382**	38,899
Subsidiaries	**463**	418	**76,147**	65,675
	448,440	195,710	**339,529**	104,574

NOTES *(continued)*

26 Ultimate parent company and parent company of larger group

The immediate parent of the Company is CP Equityco Ltd. The Company is a subsidiary undertaking of Tiger Topco 1 Limited which is incorporated in England and Wales. The largest and smallest group in which results of the company are consolidated in the year is that headed by Tiger Topco 1 Limited, incorporated in England and Wales and whose registered office is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

On 8 April 2022, the Tiger Topco 1 Group was acquired by Sun Communities, Inc., a REIT trading on the New York Stock Exchange.

27 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 Company 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 (Note 11)

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 re-valuing company assets. An assessment of fair value in the year is detailed in Note 11.

• Inventory valuation (Note 14)

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.

• Deferred tax (Note 19)

Deferred tax is recognised by the Company when a difference between the Company'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.

NOTES *(continued)*

27 Accounting estimates and judgements *(continued)*

• **Capitalisation of labour costs**

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

• Intangible assets (Note 10)

Intangible assets 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.

• **Leases (Note 22)**

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 Company's existing borrowings and market data at the point of transition. Management deems the discount rates calculated to be reasonable and accurate.