Park Holidays UK Limited

Annual Report and Financial Statements

Registered number 02434151

Year ended 31 December 2023

Contents

STRATEGIC REPORT

About us

During the year, the Company operated 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 2023, the Company owns or operates holiday parks with a total of just over 20,100 pitches (2022: 20,000), 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 850 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.

Owner revenue

Recurring revenue from owners is predominantly pitch fees which are payable annually and the recharging of utility costs. 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 clauses in the pitch licence. The annual pitch fee paid by a caravan owner covers the holiday-season length which varies according to the permission/consent given by the relevant local authority.

Holiday home sales

The sale of new and second-hand static caravans and lodges to private buyers on a pitch 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 a pitch licence which can vary in length from 20-40 years. The licence allows holiday homeowners to occupy a pitch on-site until the expiry of their pitch licence in exchange for an annual pitch fee. 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. Financing options are available to customers for the purchase of caravans and lodges, accordingly the business is FCA regulated as an introducer.

Holiday lettings sales

Sale of short breaks and holidays to customers from a range of accommodation 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 mix in terms of the quality of units available to our customers for holiday lettings. Further growth within this revenue stream will be achieved through a combination of factors such as reviewing the mix of caravan and lodge fleet and investing in our people to ensure that customers are receiving the best service possible. Holiday letting sales remain an important means for potential holiday home owners to experience the lifestyle on our parks before committing to a purchase.

Other revenue

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

Trading conditions

Trading conditions in 2023 were more challenging than in recent years. Macro-economic factors such as the so-called cost-of-living crisis, inflation, bank base rate increases, and general economic uncertainty are amongst the most notable challenges. Furthermore 2023 was considered the first year of non-covid impacted trading since 2019. The business performed robustly partly thanks to increasing contribution from annual site fees.

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.

Strategic objectives

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

1. Continuously driving reliable and repetitive site fee income from owners with increasing tenure by offering a location of choice for their holiday home;
2. Researching and pursuing opportunities for expansion either organically by purchasing land adjacent to current parks, or by acquiring holiday parks consistent with the Company's existing portfolio in terms of quality, potential and geography;
3. Maintaining and enhancing strong and open relationships with all stakeholders hence protecting and enhancing our reputation;
4. Delivering where possible an enhanced customer experience by continued investment into park facilities, listening to feedback from customers and holiday owners and delivering a service that will make them want to return to our parks; and
5. Maintaining a high-quality workforce by focusing on recruiting the best people and enabling them to maintain high standards by investing in their training and future within the Company.

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

Corporate governance

For the year ended 31 December 2023, under the Companies (Miscellaenous Reporting) Regulations 2018. the company has applied the Wates Corporate Governance Principles for Large Private Companies, published by the Financial Reporting Council ("FRC") in December 2018.

The Wates Principles provide a framework for the Board of Directors to monitor corporate governance of the Company and see where governance standards can be raised to a higher level across the business.

The table below shows the six Wates Principles and indicates where more information can be found in this Report.

Principle	Page
Purpose and leadership	8, 9
Board composition	8, 9
Directors responsibilities	15
Opportunity and risk	5, 6, 7
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Stakeholder relationships and engagement	11, 12

Financial record keeping and reporting

During the year the Company is proud to have contributed in its Ultimate Parent Company, Sun Communities Inc. obtaining compliance with the Sarbanes-Oxley Act. To obtain this the group have been proven to operate a highly effective internal control environment.

STRATEGIC REPORT *(continued)*

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

The Board of Directors of Park Holidays UK 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 2023. The majority of key decisions in the year related to ongoing acquisition and disposal activities combined with investment to enhance the existing estate. When making those decisions the Directors have exercised their duty and considered stakeholders and the long-term success of the company.

When making decisions, we take the course of action that we consider best leads to the success of the Company 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 (page10) for more information and for examples of engagement that were undertaken across the business during 2023.

Our people are fundamental to the successful operation of the business. We aim to be a responsible employer in the approach that we take towards the pay and benefits that our employees receive and like to develop an environment where our employees feel valued and engaged in the business. The health, safety and well-being of our employees is also one of our primary considerations in the way we do business (see the section on 'Our people' within the Directors' Report (page 10) for more information).

Our approach on engagement and management of business relationships with suppliers and customers is discussed within the Directors' Report, see page 12.

The impact of the Group's operations on the community and the environment are discussed in detail within the Directors' Report, see page 11 and 12.

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.

We understand the need to act fairly between the colleagues of the Group 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 2023

The Company has reported a profit after tax of £161.5m for the year ended 31 December 2023, compared to a profit of £53.6m for the year ended 31 December 2022.

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 2023 £'000	Year ended 31 Dec 2022 £'000
EBITDA	**87,609**	91,768
Depreciation/Amortisation	**(14,876)**	(11,031)
Net finance expense	**(18,063)**	(11,642)
Non-underlying items	**87,324**	(4,192)
Profit before tax	**141,994**	64,903

For the year ended 31 December 2023 EBITDA was £87.6m, an decrease of 4.2m on 2022 EBITDA of £91.8m. The performance this year is also impacted by the acquisition of the Park Leisure Group and asset acquisitions of other parks through the course of the prior year. The business continues to see the benefit of long-term tailwinds in the UK holiday home market and also growth in market share. The business performance in 2023 comprises a greater proportion of steady, reliable, and repetitive income in the form of site fees and utility income from existing owners.

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 in the year were an expense of £87.3m (2022: expense of £4.2m). The key driver of the increase in costs is as a result of the £133.3m downwards revaluation of property assets, as well as an income generated from a waiver of intercompany debt following entries made as part of a transaction to rationalise the group structure. For further details see note 7.

Financial key performance indicators

A summary of the results for the Company for the year to 31 December 2023 are discussed below.

- Revenue increased by 1.5%.
- Gross Margin (Gross Profit as a % of Revenue) increased by 1.0%.
- Operating Profit before non-underlying items decreased by 9.9%.

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Revenue	**290,889**	286,642
EBITDA	**87,609**	91,768
Operating profit (pre non-underlying items)	**72,733**	80,737
Operating profit (post non-underlying items)	**160,057**	76,545
Profit before tax	**141,994**	64,903
Profit for the year	**161,536**	53,613
Gross Margin	**62.4%**	61.4%

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 Board and executive management meet regularly to identify and assess the risks currently being faced by the Company, and to determine the potential impacts and probability of occurrence. Furthermore the Company operates an internal audit function that acts independently to the Company, and reports directly into the ultimate parent company and controlling party, Sun Communities Inc.

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, given added complications of travel within the EU from the UK, 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 42 days before the start of the holiday.

STRATEGIC REPORT *(continued)*

Principal risks and uncertainties *(continued)*

Liquidity The operation of holiday parks is seasonal in nature but follows general trends each year. Throughout the holiday season cash flows are positive; but in the winter months it is significantly lower and in some months there can be more outgoings than receipts. It is essential that cash management remains a key focus for mitigating liquidity risks caused by seasonal trading.	The term loan and accordion facilities were repaid in the year and replaced by a larger term loan secured by the ultimate parent. A cash forecast is prepared every week to allow issues to be addressed before they materialise. See Going Concern narrative on page 20 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, Company 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.

STRATEGIC REPORT *(continued)*

Principal risks and uncertainties *(continued)*

OPERATIONAL RISKS (continued)	
Technology and Cyber Security As with many organisations, Company 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.
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

5th August 2024

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 Group financial statements of Tiger Topco 1 Limited, which is the smallest group in which the consolidated results of the Group are consolidated.

Dividends

No dividend payments were made during the year *(2022: £nil).*

The directors do not recommend the payment of a final dividend *(2022: £nil)*.

Directors

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

J Sills
C Ling
A Clish
R Ullman
K Dearing
A Weiss
J McLaren
C Middleton

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.

J Sills

Jeff Sills joined Park Holidays in 2006 with significant senior management experience, having spent his early career with Grand Metropolitan and Greene King where he was the Managing Directors of its Hungry Horse division. As CEO, he possesses over 35 years of retail and leisure experience. Jeff has lead Park Holiday UK's significant growth to where it stands today with 55 parks around Great Britan.

C Ling

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

A Clish

Tony Clish joined Park Holidays UK in 2006, bringing with him significant commercial sector experience in senior management having previously worked for Haven, as well as having a main board role with Haulfryn and Great British Holiday Parks backed by 3i and RBS Development Capital. Up until Tony's resignation in January 2024, he served as the Company's Commercial Director.

DIRECTORS' REPORT *(continued)*

Directors (continued)

R Ullman

Richard Ullman joined Park Holidays UK in 2013, have spent his early career with Greene King and Mill House Inns where he served as Operations Director. With over 20 years' experience in the retail and leisure sectors, Richard serves as the Company's Chief Operating Officer.

K Dearing

Karen Dearing was appointed as the Executive Vice President of Special Projects at Sun Communities Inc in April 2022. Prior to that Karen was the Chief Financial Officer for Sun Communities Inc, a role she held from 2008. Karen has significant residential park experience, and is responsible for integrating the UK assets in Sun Communities Inc.

A Weiss

Aaron Weiss is the Executive Vice President of Corporate Strategy and Business Development at Sun Communities Inc. and was appointed to this role in October 2021. Aaron joined Sun Communities with a comprehensive background in both real estate and lodging. Most recently, he was a Managing Director in Citigroup's Real Estate & Lodging Investment Banking Group in New York. Aaron has significant international M&A and Corporate Finance experience, and is responsible for providing strategic inputs from Sun Communities Inc.

J McLaren

John Mclaren serves as a Strategic Advisor to Sun Communities Inc, and was appointed to the board of directors of Park Holidays UK in April 2022 following Sun's acquisition of the UK group. John has been in the manufactured housing industry since 1995 and has previously serves as President and Chief Operating Officer of Sun Communities Inc.

C Middleton

Charles Middleton joined the Board in April 2022 having worked at British Land Company PLC for over 20 years. Charles is highly experienced in a wide range of financial roles having served as both Group Financial Controller, Company Secretary and Head of Tax during his time with the business. Charles is also Chair of Hackney CVS, a charity seeking to make Hackney a fairer place. Charles has many years of finance, REIT and FTSE experience.

The Board meet formally on a quarterly basis, with informal meetings in the intervening periods. They have a collective responsibility in the performance of their duties for the Group including:

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

Political contributions

The Company did not make any political donations or incur any political expenditure during the year *(2022: £nil)*.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters

Our People

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

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

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 members of head office to discuss the Group'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 Group. All staff are encouraged to come forward with any innovative ideas on new processes to be implemented or how existing processes could be improved, as by encouraging this behaviour it helps to improve employee satisfaction and, if successful, can lead to cost reductions for the business. We also encourage the involvement of employees in the company's performance through various incentive schemes.

In addition, we have been working with Investors in People for nearly 15 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 2023 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 Group'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 5.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters *(continued)*

Equal opportunities employer

The Group's policy is to ensure that all employees and job applicants are given equal opportunity, regardless of age, gender, gender identity, race, religion, sexual orientation or disability.

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 maintain a close partnership with 'Give Us Time', a charity that utilises accommodation donated by owners of holiday properties to support military families in need of rest, rehabilitation, and reconnection after long periods of active service. Since 2017, Park Holidays UK has committed to providing a minimum of 100 short break holidays each season for the charity to allocate to military families. In 2023, we welcomed 150 families to our parks through this scheme and were awarded the prestigious Donor of the Decade accolade.

St Michaels Hospice

Park Holidays UK has been fundraising for St Michaels Hospice through various events and activities for approximately 17 years, including fun bakes, dress-up dress-down days, and raffles.

Bexhill food bank

As part of our annual support for a local foodbank in the lead-up to Christmas, this year we partnered with Bexhill Foodbank and donated 204.9kg of food, equivalent to 250 meals.

Marine Conservation Society

Many of the fifty-plus parks under the Park Holidays and Park Leisure brands have actively supported the Great British Beach Clean initiative. Our teams have participated in the annual clean-up event to rid beaches of litter and raise awareness about the importance of proper waste disposal.

David Bellamy Conservation Award

Park Holidays UK is proud to have received the David Bellamy Conservation Award for our commitment to environmental conservation and sustainability practices across our parks. Many of our parks also support local nature reserves and actively engage in conservation efforts to preserve the natural environment.

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.

DIRECTORS' REPORT *(continued)*

Corporate, social and environmental matters *(continued)*

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 Company 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.

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 Group, are 11,665 tonnes of carbon dioxide equivalent (tCO_2e) at an emissions intensity of 40.100 tCO_2e per £m revenue for the period 1st January 2023 to 31st December 2023. This represents an overall decrease in emissions of 6.2% compared to the previous twelve months and a 3.8% increase 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.

DIRECTORS' REPORT *(continued)*

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

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

	2022	2023	% of Total	YoY Change %
Emissions source (tCO_2e)				
Fuel combustion: stationary (Natural Gas)	**532**	**619**	**5.3%**	**16.4%**
Fuel combustion: stationary (LPG Propane)	**7,841**	**9,158**	**78.5%**	**16.8%**
Fuel combustion: mobile	**948**	**976**	**8.4%**	**3.0%**
Purchased electricity	**3,115**	**911***	**7.8%**	**(70.8%)**
Total emissions (tCO_2e)	**12,436**	**11,664**	**100%**	**(6.2%)**
Revenue £m	**308.4**	**290.9**		**(9.1%)**
Intensity: (tCO_2e per £m)	**40.324**	**40.100**		**3.2%**

*The 2022 and 2023 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 2023 emissions from electricity were 9,039 tCO2e (including transmission and distribution losses), giving total emissions of 19,793 tCO2e, rather than 11,665 tCO2e for location-based methodology with an associated Intensity of 68.465 tCO2e per £m of revenue.

Emissions source	**Scope 1**	**Scope 2**	**Scope 3**	**Total**
Natural Gas	**619**	**-**	**-**	**619**
LPG Propane	**9,158**	**-**	**-**	**9,158**
Transport	**601**	**-**	**376**	**977**
Electricity	**-**	**191**	**720**	**911**
Total	**10,378**	**191**	**1,096**	**11,665**
Share of total	**89.0%**	**1.6%**	**9.4%**	**100%**

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)	**2022**	**2023**	**% of Total**	**YoY Change %**
Natural Gas)	**2,916,160**	**3,386,409**	**3.7%**	**16.1%**
LPG Propane	**36,552,832**	**42,794,455**	**47.3%**	**17.1%**
Transport fuel	**3,906,706**	**4,082,769**	**4.5%**	**4.5%**
Electricity	**37,141,886**	**40,177,056**	**44.4%**	**8.2%**
Total	**80,517,584**	**90,440,689**	**100%**	**12.3%**
Revenue £m	**308.4**	**290.9**		**(9.1%)**
Intensity: (kWh per £m)	**261,082**	**310,900**		**19.1%**

DIRECTORS' REPORT *(continued)*

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

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 2023 to December 2023, as per the financial accounts.

Energy efficient initiatives

Park Holidays have implemented and continued a number of energy efficiency measures in 2023 including;

1. Mattress recycling scheme continued with all fleet accommodation mattresses recycled, 440 total.
2. Significant progress was made in updating our hire fleet vans to be more energy efficient. We made 370 energy efficient fleet replacements which have 45% less energy consumption than a standard non-double glazed and centrally heated caravan.
3. Pledge for nature scheme focusing on improving habitats for wildlife, managing green space and engaging with local conservation bodies and projects.
4. Majority of our hand-held maintenance equipment is battery operated.
5. Fast EV charging points have been installed at a few locations and 44 more are due to be installed in 2024.
6. A water scheme in place to install reducing valves on all pitches is underway, 50% funded by local water authority.

Future developments

The Company 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
5th August 2024

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 group and parent company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

for year ended 31 December 2023

		31 December 2023			31 December 2022		
	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*	**290,889**	**-**	**290,889**	286,642	-	286,642
Cost of sales		**(109,508)**	**-**	**(109,508)**	(110,778)	-	(110,778)
Gross profit		**181,381**	**-**	**181,381**	175,864	-	175,864
Administrative expenses	*3*	**(108,852)**	**(12,737)**	**(121,589)**	(92,594)	(6,575)	(99,169)
Revaluation of property, plant and equipment		**-**	**(135,492)**	**(135,492)**	-	-	-
Total administrative expenses		**(108,852)**	**(148,229)**	**(257,081)**			
Other operating income	*4*	**204**	**596**	**800**	(2,533)	2,383	(150)
Waiver of intercompany debt		**-**	**234,957**	**234,957**	-	-	-
Operating (loss)/profit		**72,733**	**87,324**	**160,057**	80,737	(4,192)	76,545
Finance income	*8*	**88**	**-**	**88**	29	-	29
Finance expense	*8*	**(18,151)**	**-**	**(18,151)**	(11,671)	-	(11,671)
Profit before taxation		**54,670**	**87,324**	**141,994**	69,095	(4,192)	64,903
Tax on profit	*9*	**19,542**	**-**	**19,542**	(11,290)	-	(11,290)
Profit for the financial year		**74,212**	**87,324**	**161,536**	57,805	(4,192)	53,613
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Revaluation of property, plant and equipment	*11*	**-**	**(151,995)**	**(151,995)**	-	125,700	125,700
Deferred tax on revaluation	*19*	**-**	**35,091**	**35,091**	-	(39,316)	(39,316)
Other comprehensive loss for the year, net of income tax		**-**	**(116,904)**	**(116,904)**	-	86,384	86,384
Total comprehensive income for the year attributable to equity holders of the parent company		**74,212**	**(29,580)**	**44,632**	57,805	82,192	139,997

The results for the year arose solely from continuing operations.

Notes on pages 19 to 46 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

at 31 December 2023

	Note	**2023**		2022	
		£'000	**£'000**	£'000	£'000
Assets					
Non-current assets					
Tangible fixed assets	*11*		**1,113,262**		1,054,920
Intangible assets	*10*		**3,679**		2,790
Investments	*12*		**70,107**		70,107
Total non-current assets			**1,187,048**		1,127,817
Current assets					
Inventories	*13*	**58,833**		43,149	
Trade and other receivables	*14*	**751,818**		500,117	
Corporation tax receivable		**14,874**		1,633	
Cash and cash equivalents		**3,437**		9,801	
Total current assets		**828,962**		554,700	
Total assets			**2,016,010**		1,682,517
Current liabilities					
Trade and other payables	*15*	**(794,596)**		(536,502)	
Provisions	*16*	**(1,850)**		(1,850)	
Total current liabilities		**(796,446)**		(538,352)	
Non-current liabilities					
Trade and other payables	*17*		**(330,804)**		(252,712)
Other non-current liabilities			**(3,150)**		-
Deferred tax liability	*18*		**(99,055)**		(156,034)
Total non-current liabilities			**(433,009)**		(408,746)
Total liabilities			**(1,229,455)**		(945,465)
Net assets			**786,555**		735,419
Capital and reserves					
Called up share capital	*20*		**9,486**		9,486
Revaluation reserve	*20*		**286,528**		403,432
Profit and loss account			**481,700**		320,165
Capital contribution reserve			**8,841**		2,336
Shareholders' funds			**786,555**		735,419

For the year ending 31 December 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

Notes on pages 19 to 46 form part of these financial statements.

These financial statements were approved by the board of directors on 5thp August 2024 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 reserve**	**Total equity**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 January 2022		9,486	317,048	946	265,482	592,962
Profit for the year		-	-	-	53,613	53,613
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	*18*	-	(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
Profit for the year		-	-	-	161,536	161,536
Other comprehensive income:						
Revaluation of property, plant and equipment		-	(151,995)	-	-	(151,995)
Deferred tax impact on reserves	*18*	-	35,091	-	-	35,091
Total other comprehensive income		-	(116,904)	-	-	(116,905)
Total comprehensive income for the year		**-**	**(116,904)**	**-**	**161,536**	**44,631**
Transactions with owners, recorded directly in equity:						
Capital contribution		-	-	6,505	-	6,505
Transactions with owners, recorded directly in equity		-	-	**6,505**	-	**6,505**
Balance at 31 December 2023		**9,486**	**286,528**	**8,841**	**481,700**	**786,555**

Notes on pages 19 to 46 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.

NOTES *(continued)*

Accounting policies *(continued)*

1.2 Going concern

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 on operations and financial resources, the Group and Company will have sufficient funds to meet all liabilities as they fall due. Any scenarios whereby the business is not cash generative is considered a remote probability.

At the 31st December 2023, the Com pany had total assets less current liabilities of £1,222m (2022: £1,144m) and the closing cash balance was £3.4m (2022: £9.8m).

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 jointly with Sun Communities, of which £144m was undrawn 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 or demanding repayment of 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.

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.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.3 Financial instruments *(continued)*

(b) Classification *(continued)*

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.

ii) 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 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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.3 Financial liabilities and equity (continued)

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)*

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)*

1.6 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.

1.7 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.

1.8 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.

1.9 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)*

1.9 ***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)*

1.9 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'.

1.10 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.

1.11 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)*

1.11 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.

1.12 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.

1.13 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)*

1.13 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.

1.14 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”.

1.15 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.

1.16 Current and deferred taxation

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

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

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

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

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

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.

1.17 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)*

1.18 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 23	Year ended 31 Dec 22
	£'000	£'000
Sale of holiday homes	**137,928**	155,368
Income from rental pitches and holiday lets	**118,350**	109,778
Other income	**34,611**	21,496
	290,889	286,642

Timing of transfer of goods or service	**Year ended 31 Dec 23**	Year ended 31 Dec 22
	£'000	£'000
Products and services transferred at a point in time	**172,539**	240,216
Products and services transferred over time	**118,350**	46,426
	290,889	286,642

There was no revenue *(2022: £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 23	Year ended 31 Dec 22
	£'000	£'000
Receivables (see Note 14, Trade Receivables)	**39,801**	38,633
Contract liabilities (see Note 15)	**(78,193)**	(76,622)
	(38,392)	(37,989)

The contract liabilities primarily relate to the advance consideration received from customers for site fee income and holiday income received in advance.

The amount of revenue recognised in the current year that was included in the contract liability balance at the beginning of the year was £74.5m (2022: £54.3m).

(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.

	2023	**2024**	**2025 onwards**
	£'000	**£'000**	**£'000**
Site fee income	78,816	2,097	1,358

NOTES *(continued)*

3 Expenses

Included in profit are the following:	**Year ended 31 Dec 23 £'000**	Year ended 31 Dec 22 £'000
Depreciation and amortisation	**14,876**	11,031
Profit on sales of fixed assets	**2,986**	2,738

4 Other operating income

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Other income/(expense)	**204**	(2,533)
	204	(2,533)

Other income during the year relates mainly to management fees received. Non-underlying other operating income is presented in note 7.

5 Staff numbers and costs

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

	Year ended 31 Dec 23 No. of employees	Year ended 31 Dec 22 No. of employees
Administration	**270**	236
Operations	**2,229**	1,887
Directors	**4**	8
	2,503	2,131

Staff costs were as follows:

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Wages and salaries	**51,725**	42,417
Social security costs	**6,431**	5,779
Contributions to defined contribution plans	**776**	564
Equity-settled share-based payments	**7,062**	3,376
	65,994	52,136

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.

NOTES *(continued)*

6 Directors' remuneration

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

	Group Year to 31 Dec 2023 £'000	Group Year to 31 Dec 2022 £'000
Remuneration	**2,457**	3,093
Amounts paid to third parties in respect of directors' services	**-**	132
Equity-settled share-based payments	**3,024**	1,523
	5,481	4,748

The highest paid director received remuneration of £711,000 during the year *(2022: £985,000)*.

Directors' remuneration for 2023 includes both base salary for the year and a bonus based on the Group's trading performance over the 12 months to 31 December 2023.

No retirement benefits are accruing to any Directors, but the Group operates a number of defined contribution pension plans. The total expense for directors relating to these plans in the current year was £3,738 *(2022: £4,171)*. The number of directors that received contributions to defined contribution pension plans was 5 (2022: 5).

Remuneration of key management personnel is overseen by the Remuneration Committee of the Company's Ultimate Parent Company, Sun Communities Inc. The purpose of the Remuneration Committee is to incentivise key management personnel to drive the overall long term success of the business.

7 Non-underlying items

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Legal and professional costs	**266**	151
Acquisition expenses	**1,886**	1,797
Abortive planning	**1,029**	304
Severance costs	**132**	-
Restructuring costs	**81**	1,390
Share-based payment expense	**7,062**	2,933
Employer taxes on share-based payment	**1,081**	-
Management charges incurred	**1,200**	-
	12,737	6,575
Revaluation of property, plant and equipment	**135,492**	-
	135,492	-
Other operating income	**596**	(2,383)
	596	(2,383)
Waiver of intercompany debt	**234,957**	-
	234,957	-
Total non-underlying items	**89,481**	(4,192)

NOTES *(continued)*

7 Non-underlying items *(continued)*

Legal and professional costs

Costs in the current year primarily relate to continuing fees incurred following the sale of the company to Sun Communities and the related refinancing. Costs in the prior year primarily related to the sale of the group to Sun Communities and the related refinancing. These expenses were recharged to the company.

Acquisition expenses

Acquisition expenses incurred during 2023 related primarily to Sarbanes-Oxley Implementation project following the acquisition of the company by Sun Communities in 2022 (2022: business combination of the Park Leisure Group and the asset acquisition of Christies parks, Callaly, Newhaven and Bodmin).

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.

Severance costs

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

Restructuring costs
Costs in both the current and prior year are associated with an ongoing project to change the entity's structure and eliminate historic subsidiaries.

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. These costs are a function of the ownership structure of the group and not directly related to the trade of the business.

Management charges incurred

Management charges incurred relate to management and stewardship services received from the company's ultimate parent Sun Communities Inc.

Revaluation

A valuation performed at 31 December 2023 resulted in a revaluation going directly to the profit and loss account relating to

freehold and leasehold properties.

Other income

Other income relates to insurance proceeds recognised during the year.

NOTES *(continued)*

8 Net finance costs

	Group Year to 31 Dec 2023 £'000	Group Year to 31 Dec 2022 £'000
Finance costs		
- Lease interest	**12,332**	10,921
- Parent companies' interest	**5,664**	-
- Other interest payable	**155**	750
Finance costs	**18,151**	11,671
Finance income		
- Bank interest	**(88)**	(29)
Finance income	**(88)**	(29)
Net finance costs	**18,063**	11,642

9 Taxation

Recognised in the profit and loss account	**Year ended 31 Dec 23 £'000**	Year ended 31 Dec 22 £'000
UK corporation tax		
Current tax on income for the year	**6,164**	7,455
Adjustments in respect of prior periods	**(3,818)**	(18)
Total current tax	**2,346**	7,437
Deferred tax *(see Note 18)*		
Origination and reversal of timing difference	**(25,474)**	2,410
Adjustment in respect of prior periods	**2,804**	666
Effect of increased/decreased tax rate on opening balance	**783**	777
Total deferred tax	**(21,887)**	3,853
Tax on profit	**(19,542)**	11,290

The current tax charge for the period is lower *(2022: lower)* than the standard rate of corporation tax of 19%

Reconciliation of effective tax rate:	**Year ended 31 Dec 23 £'000**	Year ended 31 Dec 22 £'000
Profit before taxation	**141,994**	64,903
Tax calculated at 23.5% *(2022: 19%)*	**33,369**	12,332
Adjustments in respect of prior periods for current tax	**(3,817)**	(635)
Adjustments in respect of prior periods for deferred tax	**2,804**	-
Items not deductible for tax purposes	**2,722**	(575)
Income not deductible for tax purposes	**(55,215)**	
Impact of movement in tax rates	**783**	777
Deferred tax on chargeable gains on investment properties	**-**	(527)
Effect of tangible fixed asset transfer from subsidiary	**(188)**	(82)
Tax charge	**(19,542)**	11,290

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 2023 increased to 25% from 19% from 1 April 2023. The deferred tax balances have been calculated using the rates at which each temporary difference is expected to reverse.

NOTES *(continued)*

10 Intangible assets

	Goodwill £'000	Software £'000	Customer lists £'000	Brand £'000	Intangible assets £'000
Cost					
Balance at 1 January 2022	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
Additions internally developed	-	1,327	-	-	1,327
Transfers	-	-	-	-	-
Balance at 31 December 2023	**502**	**3,689**	**1,687**	**385**	**6,263**
Amortisation and impairment					
Balance at 1 January 2022	2	1,316	72	-	1,390
Amortisation charge for the year	-	230	401	125	756
Balance at 31 December 2022	2	1,546	473	125	2,146
Amortisation for the year	-	438	-	-	438
Balance at 31 December 2023	**2**	**1,984**	**473**	**125**	**2,584**
Net book value at 1 January 2022	500	536	1,615	385	3,036
Net book value at 31 December 2022	500	816	1,214	260	2,790
Net book value at 31 December 2023	**500**	**1,705**	**1,214**	**260**	**3,679**

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 £438k *(2022: £756k)* 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 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
Cost				
Balance at 1 January 2023	1,051,360	41,482	48,565	1,141,407
Additions	62,637	9,015	17,703	89,355
Transfer in from subsidiaries	272,327	-	-	272,327
Fair value loss through OCI	(151,995)	-	-	(151,995)
Fair value loss through P+L	(135,492)			(135,492)
Disposals	(650)	(5)	(8,079)	(8,734)
Balance at 31 December 2023	1,098,187	50,492	58,189	1,206,868
Depreciation and impairment				
Balance at 1 January 2023	51,371	22,143	12,974	86,488
Depreciation charge for the year	5,533	4,257	6,329	16,119
Depreciation eliminated on revaluation	(5,533)	-	-	(5,533)
Depreciation eliminated on disposals	-	(1)	(3,467)	(3,468)
Balance at 31 December 2023	51,371	26,399	15,836	93,606
Net book value				
Balance at 31 December 2022	999,989	19,339	35,592	1,054,920
Balance at 31 December 2023	1,046,816	24,093	42,353	1,113,262

The value of Land and Buildings includes £2.8m of assets under construction *(2022: £0.9m)*.

The gross carrying amount of fully depreciated property plant and equipment which was still in use at 31 December 2023 is £26.0m *(2022: £12.0*m*)*.

There were no contractual commitments at the balance sheet date.

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 (2022: 34 parks of 56 owned). Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for terms ranging from 100 to 125 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 2023 £'000	Land and Buildings 2022 £'000
Fair value at 31 December	**1,015,990**	1,051,360
Aggregate depreciation thereon	**(51,371)**	(51,371)
Net book value	**1,067,361**	999,989
Historical cost of revalued assets at 31 December	**337,533**	269,511
Aggregate depreciation thereon	**(6,143)**	(4,394)
Net book value	**331,389**	265,117

A full valuation was carried out by external experts as at 31 December 2023. 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.

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% (beyond where index data is available), which meant that at the year-end a revaluation was required. At 31 December 2023 there was £10.5m increase (2022: £10.1m 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 £10.5m (2022: £10.1m) was recognised.

NOTES *(continued)*

12 Fixed asset investments

	Shares in group undertakings	
	2023	2022
	£'000	£'000
Cost		
At beginning of year	**59,635**	59,635
Additions	**10,472**	10,472
Disposals	**-**	-
At end of year	**70,107**	70,107
Provisions		
At beginning of the year	**-**	-
Impairment	-	-
At end of year	-	-
Net book value	**70,107**	70,107

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
Sun Communities UK Parks 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 Inventories

	2023	2022
	£'000	£'000
Finished goods	**58,833**	43,149

The total amount of inventory included in cost of sales is £75.7m (2022: £69.2m).

NOTES *(continued)*

14 Trade and other receivables

	2023	2022
	£'000	£'000
Trade receivables	**39,801**	38,633
Amounts owed by group undertakings with common control	**697,672**	448,440
Other receivables	**559**	100
Prepayments and accrued income	**13,786**	12,944
	751,818	500,117

Contract assets of £4,060k existed within prepayments and accrued income at the year-end *(2022: £3,874k).*

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

	2023	2022
	£'000	£'000
Trade payables	**13,433**	21,962
Amounts owed to group undertakings with common control	**520,059**	342,166
Taxation and social security	**12,209**	10,544
Other payables	**6,245**	7,480
Lease liabilities	**1,020**	1,363
Other interest-bearing loans	**146,851**	59,125
Contract liabilities	**78,193**	76,622
Accruals	**16,586**	17,240
	794,596	536,502

16 Provisions

	Finance Provision £'000	**Litigation provision £'000**	**Total £'000**
Balance at 1 January 2023	596	1,254	1,850
Provisions made during the year	(178)	(1,170)	(1,348)
Provisions released during the year	-	290	290
Balance at 31 December 2023	418	374	792
Current	418	374	792
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.

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

	2023	2022
	£'000	£'000
Lease liabilities	**330,804**	252,712

18 Deferred tax assets and liabilities

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

	2023	2022
	£'000	£'000
Tangible fixed assets	**99,055**	156,005
Intangible assets	**-**	29
Deferred tax liabilities	**99,055**	156,034

Movement in deferred tax during the year

	1 January 2023	**Recognised in profit and loss**	**Recognised in reserves**	**31 December 2023**
	£'000	**£'000**	**£'000**	**£'000**
Tangible fixed assets	**156,005**	(21,859)	(35,091)	**99,055**
Intangible assets	**29**	(29)	-	**-**
Deferred tax liabilities	**156,034**	(21,888)	(35,091)	**99,055**

Movement in deferred tax during the prior year

	1 January 2022	Recognised in profit and loss	Recognised in reserves	31 December 2022
	£'000	£'000	£'000	£'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

NOTES *(continued)*

19 Employee benefits

- ***a) Description of share-based payment arrangements***

Sun UK Sub-Plan

In April 2022 a small number of senior employees and executive directors joined Sun's share-based payment scheme known as the UK Sub-Plan. This operates under the Sun Communities 2015 Equity Incentive Plan, complies with applicable UK laws and is solely applicable to employee participants located in the UK. The share-based compensation is awarded as service vesting restricted stock grants to executives and key employees. The Tiger Topco 1 Group has no obligation to settle the share-based payment transaction and as such it is accounted for as equity-settled. Sun Communities Inc, a REIT listed on the NYSE is the entity which issues the stock instruments.

- ***b) Measurement of share-based payment arrangements***

The UK Sub-Plan measures the fair value associated with the awards of restricted stock grants using the closing price of Sun's common stock as of the grant date to calculate compensation cost. Employee awards vest over 5 years from their grant date and are subject to continued employment by the employee.

Sun UK Sub-Plan

	Number of awards	**2023 Fair value price ($)**	**Number of awards**	**2022 Fair value price ($)**
Outstanding at 1 January	**54,200**	181	-	-
Granted during the year	**75,733**	139	54,200	181
Exercised during the year	**-**	-	-	-
Outstanding at 31 December	**129,933**	**320**	54,200	181

As at the reporting date the weighted average remaining contractual life was 4 years and 9 months. The weighted average exercise price under the Sun UK Sub-Plan is quoted in US dollars.

- ***c) Recognition of expense***

	Group 31 Dec 2023 £'000	Group 31 Dec 2022 £'000
Equity-settled share-based payments		
Park Holidays Employee Benefit Trust	**-**	1,196
Sun UK Sub-Plan	**7,062**	1,075
Recognised in profit and loss for the year	**7,062**	2,271

NOTES *(continued)*

20 Share Capital and Reserves

Called up share capital	No. of £1 shares ‘000	Ordinary shares £'000
Balance at January 2022	9,486	9,486
Balance at December 2022	9,486	9,486
Balance at December 2023	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

Land and buildings are held at their revalued amount. A revaluation took place at the 31 December 2023 which resulted in a downwards revaluation which partially flowed into profit for the year, reducing the revaluation reserve, and to the extent that the revalued amounts were lower than the related assets historical costs and flowed to other comprehensive income where a reversal of a previous valuation increase has taken place.

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.

Capital contribution reserve

The capital contribution reserve relates to amounts contributed by the parent company in respect of the long-term incentive plan In the year this was £6,505,000 (2022: £1,075,000).

Profit and loss account

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

NOTES *(continued)*

21 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 2023	924,951	2,823	112	927,886
Additions	38,050	1,616	-	39,666
Repayment of right-of-use assets	-	(1,096)	(112)	(1,208)
Revaluation/remeasurement	(119,798)		-	(119,798)
Increases due to lease liability remeasurement	10,533			10,533
Depreciation charge for the year	(1,323)	(509)	-	(1,832)
Balance at 31 December 2023	852,413	2,834	-	855,247

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	**2023 £'000**	2022 £'000
Interest on lease liabilities	12,312	11,518
Expenses related to short-term leases	-	189
Expenses related to leases of low-value assets accounted; excluding short-term leases of low value assets	-	46

(i) Property leases

The Company leases land and buildings for office space and storage facilities. 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.

(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.

NOTES *(continued)*

21 Leases *(continued)*

(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 but is subject to a cap and collar of 4-5% and 1% respectively.

Under IFRS16, the Group continues to account for the sale-and-leaseback transactions s that occurred in 2017 and 2018 as salesand-leaseback transactions. The Group recognised a right-of-use asset and lease liability for the leaseback on 1 January 2019, measured in the same way as the other right-of-use assets and lease liabilities at that date. The Group now has 34 parks under ground rent agreements of the 56 parks owned.

(V) Lease Maturity

Lease liabilities	**2023** **£'000**	2022 £'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	12,162	11,426
One to five years	48,114	43,324
More than five years	1,550,989	1,433,608
Total undiscounted lease liabilities at 31 December	1,611,265	1,488,358
Lease liabilities included in the statement of financial position at 31 December	331,824	254,075
Current	1,020	1,363
Non-current	330,804	252,712

(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 25 years and the use of retail and café premises at another park which both have a remaining lease term of less than 1 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.

	2023 **£'000**	2022 £'000
Operating lease		
Lease income	**53**	61

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

	2023 **£'000**	2022 £'000
Less than one year	**55**	13
One to two years	**13**	13
Two to three years	**13**	13
Three to four years	**13**	13
Four to five years	**13**	13
More than five years	**205**	218
Total undiscounted lease payments	**312**	283

NOTES *(continued)*

22 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 £500,000.

23 Share-based payments

a) Description and measurement of share-based payment arrangements

In April 2022 a small number of senior employees and executive directors joined Sun's share-based payment scheme known as the UK Sub-Plan. This operates under the Sun Communities 2015 Equity Incentive Plan, complies with applicable UK laws and is solely applicable to employee participants located in the UK. The share-based compensation is awarded as service vesting restricted stock grants to executives and key employees. The Tiger Topco 1 Group has no obligation to settle the share-based payment transaction and as such it is accounted for as equity-settled. Sun Communities Inc, a REIT listed on the NYSE is the entity which issues the stock instruments.

b) Recognition of expense

The UK Sub-Plan measures the fair value associated with the awards of restricted stock grants using the closing price of Sun's common stock as of the grant date to calculate compensation cost. Employee awards vest over 5 years from their grant date and are subject to continued employment by the employee.

Sun UK Sub-Plan

	Number of awards	2023 Fair value price ($)	Number of awards	2022 Fair value price ($)
Outstanding at 1 January	**54,200**	181	-	-
Granted during the year	**75,733**	139	54,200	181
Exercised during the year	**-**	-	-	-
Outstanding at 31 December	**129,933**	**320**	54,200	181

As at the reporting date the weighted average remaining contractual life was 4 years and 9 months. The weighted average exercise price under the Sun UK Sub-Plan is quoted in US dollars.

c) Recognition of expense

	Group 31 Dec 2023 £'000	Group 31 Dec 2022 £'000
Equity-settled share-based payments		
Park Holidays Employee Benefit Trust	**-**	1,196
Sun UK Sub-Plan	**7,062**	1,075
Recognised in profit and loss for the year	**7,062**	2,271

NOTES *(continued)*

24 Related party transactions

During the year a none of the key management personnel charged fees to Park Holidays UK for their services as a director through another company (2022: £0.1m). Directors' remuneration is disclosed in Note 6.

There were no loans made to key management personnel by the Company.

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

	Group	Group
	31 Dec 2023	31 Dec 2022
	£'000	£'000
Intercompany interest incurred	**5,663**	749

25 Ultimate parent company and parent company

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 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.

26 Accounting estimates and judgements

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

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

The 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.

• Share based payments (note 23)

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-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.

NOTES *(continued)*

27 Accounting estimates and judgements *(continued)*

• Land and Buildings (Note 11)

Freehold and Leasehold Land and Buildings are held at a re-valued amount. A revaluation has been carried out upon being acquired by Sun, and a valuation was carried out in December 2023 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 makes use of the report prepared by the property valuation company and their judgement when revaluing Group assets.

• 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 21)**

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

Judgements

• **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.

28 Events after the reporting period

On 31 May 2024, the Group disposed of Littondale Holiday Park.