Center Parcs (Holdings 1) Limited

Annual report and financial statements

For the 52 weeks ended 23 April 2020

Company registration number: 07656429

Financial statements
52 weeks ended 23 April 2020

Contents

Financial statements
52 weeks ended 23 April 2020

Directors and auditor

Directors
M P Dalby
C G McKinlay
Z B Vaughan
N J Adomait
B T Annable

Company Secretary
R Singh-Dehal

Independent auditor
Deloitte LLP
Statutory Auditor
1 Woodborough Road
Nottingham
NG1 3FG

Registered office
One Edison Rise
New Ollerton
Newark
Nottinghamshire
NG22 9DP

Strategic report
For the 52 weeks ended 23 April 2020

The Directors present their Strategic report on the Group for the 52 weeks ended 23 April 2020 (2019: 52 weeks ended 25 April 2019).

Review of the Business

The principal activity of the Group is the operation of short break holiday villages. The Center Parcs business operates five holiday villages in the United Kingdom, at Sherwood Forest in Nottinghamshire, Elveden Forest in Suffolk, Longleat Forest in Wiltshire, Whinfell Forest in Cumbria and Woburn Forest in Bedfordshire. Center Parcs targets the premium sector of the UK family short break market, offering an escape from the stresses and strains of modern life and helping families come together.

Center Parcs invests heavily to ensure that we deliver high quality service, accommodation and facilities, combined with an unrivalled array of activities that cater for the most discerning of families, as well as the most changeable of British weather. There is nothing prescriptive about a short break at Center Parcs, with each family free to choose to do as little or as much as they wish. Center Parcs remains a unique proposition for families in the UK market with a history of consistently high occupancy and continued revenue and EBITDA growth, prior to the impact of the Covid-19 pandemic (see below). This is combined with enviable guest feedback scores and consistently high levels of returning guests.

Each of the Group's holiday villages is set in a forest environment amongst approximately 400 acres of forest and lakes and is normally open 365 days per year. Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within the comfortable, quiet and family-friendly setting, the Center Parcs villages provide guests with high-quality accommodation and more than 150 leisure and spa activities. There are over 4,300 units of accommodation across the five villages. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children's pools and jacuzzis. Other on-site experiences include outdoor activities such as cycling, boating and quadbikes; indoor activities such as ten-pin bowling, badminton and pottery; and leisure amenities such as spas, dining and retail.

Impact of the Covid-19 pandemic

Following UK Government advice in the light of the Covid-19 pandemic, the Group's five holiday villages were closed to guests on 20 March 2020 and remained closed as at 23 April 2020. All guests who had their short breaks cancelled due to the village closures were contacted and offered either a replacement holiday at a later date (with a financial incentive) or a full refund of amounts paid. It was originally announced that the villages would remain closed until 14 May 2020. However, in line with government guidance, as the pandemic worsened this was revised a number of times until the villages were able to re-open on 13 July 2020, albeit with reduced accommodation capacity and guest activities.

At the financial period-end approximately 90% of the Group's employees were furloughed under the UK Government's Job Retention Scheme. The Group also benefited from the 12-month business rates holiday announced for the leisure industry and agreed with HMRC that certain tax liabilities can be deferred.

In addition to Government support measures the Business took decisive action to reduce remaining operating costs during the periods of closure. Residual operating costs of £11.0m were incurred in the period from closure on 20 March 2020 to the financial year-end on 23 April 2020. In the subsequent period to 13 July 2020 when the villages remained closed, costs averaged between £6m and £7m every 4 weeks.

The Group continues to actively monitor developments and government advice and will increase available accommodation capacity and guest activities as soon as it is safe and practicable to do so. Activities to ensure adherence with this advice include hand sanitisation stations, deep cleaning of accommodation between departing and arriving guests, increased cleaning and disinfection of public areas and social distancing measures throughout the villages. This will enable guests to enjoy their breaks in the knowledge that the highest standards in relation to Covid-19 have been put in place.

The Group also took swift action to ensure a strong liquidity position was maintained and promptly secured additional funding from the Group's owner, Brookfield. As at 15 July 2020, £139m of funds were provided with a further £21m approved for use if required. In addition to this Brookfield have also indicated that additional funding could be made available should the need arise.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Impact of the Covid-19 pandemic (continued)

Current trading patterns indicate there remains strong demand for the Group's breaks through the third and fourth quarters of our financial year ending 22 April 2021, with bookings for quarter four significantly ahead of the same time last year as at 15 July 2020. Therefore, the fundamentals of the Company's model remain sound and give comfort that demand is there as operations resume.

Whilst at this stage it is too early to know the full impact of the pandemic on the financial year ending 22 April 2021, the result and financial position of the Company is likely to be significantly impacted by the temporary suspension of operations and the consequent refund of customer deposits.

Going concern

As described in note 1, the Directors have prepared the financial statements on a going concern basis as they believe the actions taken to date, together with the Group's current liquidity position and contingency plans to secure additional funding, will allow the Group to continue its activities. However, although the Directors are confident in the Group's current position, given the village closures until 13 July 2020 and an uncertain pace of recovery, the Directors recognise that there exists a material uncertainty which may cast significant doubt about the application of the going concern assumption in the financial statements.

Financial performance

The results of the Group for the period show a profit after taxation of £23.0 million (2019: profit of £62.8 million). Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items was £200.0 million (2019: £232.6 million). These results were negatively impacted by the closure of the UK holiday villages on 20 March 2020 in light of the Covid-19 pandemic, as set out in note 5.

During the period the Group incurred exceptional/non-underlying administrative costs of £2.2 million, representing £2.0 million in respect of costs to exit a contract and £0.2 million of legal and other associated costs relating to an equity contribution provided by the Group's parent company. Taxation on these expenses has also been treated as an exceptional/non-underlying item, as has the impact of the change in applicable deferred tax rate from 17% to 19%.

During the prior period ended 25 April 2019, the Group incurred an exceptional/non-underlying finance cost of £7.7 million in respect of a refinancing of the Group's debt. Taxation on this expense was also treated as an exceptional/non-underlying item.

Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the period was £443.7 million (2019: £480.2 million).
- Adjusted EBITDA: Earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items. Adjusted EBITDA for the period was £200.0 million (2019: £232.6 million).
- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 88.0% (2019: 97.1%).
- ADR (Average Daily Rate): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of lodge nights sold. ADR for the period was £194.91 (2019: £191.74).
- RevPAL (Rent per available lodge night): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total available number of lodge nights. RevPAL for the period was £171.54 (2019: £186.08).

The key performance indicators above were negatively impacted by the closure of the UK holiday villages on 20 March 2020 in light of the Covid-19 pandemic.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Principal risks and uncertainties
The Directors and senior managers adopt a proactive approach to the management of potential risks and uncertainties which could have a material impact on the performance of the business and execution of its growth strategy, and are actively involved in the Group's Risk Committee. In addition to ongoing monitoring, this Risk Committee meets quarterly to oversee risk management arrangements and ensure appropriate processes are put in place to mitigate potential risks and uncertainties. The Fire, Health and Safety Steering Committee also meets bi-monthly to oversee operational risks.

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and execution of its growth strategy. These risks include, but are not limited to:

Operational risk factors

Health and safety
The health, safety and welfare of the Group's guests and employees are central to its operations. The Group is committed to maintaining industry leading standards in health and safety including fire and food safety and adopts a proactive approach to its safety management. All incidents are recorded and reviewed to monitor trends and capture learning points that are then integrated into the business. The Fire, Health and Safety Steering Committee reviews major incidents and is focused on continuous improvement to mitigate the risk.

Business continuity
The Group operates five holiday villages in the United Kingdom and a significant interruption of any one would have a material impact on the Group. As a result, the Risk Committee supervises comprehensive risk management arrangements including business continuity plans which are regularly tested with the support of external specialists. These arrangements are supported by a broad insurance programme. The revenue loss resulting from the closure of the villages due to the Covid-19 pandemic was not covered by the Group's insurance.

Supply chain
The Group has a large number of suppliers and prides itself on the quality of its product. The Group could be adversely affected by a fall in the standard of goods or services supplied by third parties or by a failure of a key partner. Quality risks are mitigated via a robust supplier registration system with food and safety further supported by independent advisors. In addition, the Risk Committee considers supply chain contingency arrangements and takes appropriate measures to mitigate this risk.

Contractual arrangements
The Group has contracts with third parties for the supply of goods and services. Contracts are negotiated at arms' length and the Group does not enter into contracts that are outside the ordinary course of business or those that contain onerous terms. The Group adopts a compliance programme to ensure that it is compliant with its material contractual commitments. There is no single contractual counterparty that is critical to the running of the business. The failure of any critical contractual counterparty is managed through supply chain contingency arrangements (see Supply chain).

Employees
The Group's performance largely depends on its managers and staff, both on the villages and at head office. The resignation of key individuals or the inability to recruit staff with the right experience and skills could adversely impact the Group's results. To mitigate these issues the Group has invested in training programmes for its staff and has a number of bonus schemes linked to the Group's results and achievement against key performance indicators linked to guest satisfaction that are designed to reward and retain key individuals.

Input price increases
The Group's margin can be adversely affected by an increase in the price of key costs to the business including, but not limited to, wages, overheads and utilities. The Group takes proactive steps to manage any such increases including cost control, forward buying and budgeting for any increase.

Brand
The Center Parcs brand could be adversely affected by a serious incident, accident or similar occurrence or just a slow decline in the brand's appeal to consumers. The Group mitigates the risk of a serious incident, accident or similar occurrence by maintaining industry-leading health and safety systems and standards of training. The risk of a slow decline in the brand's appeal is managed through continuous product innovation, marketing campaigns and brand development.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Principal risks and uncertainties (continued)

Fraud
The Group operates five sites across the United Kingdom. Risk of fraud exists in misappropriation of assets, including banking, theft of stock and theft of cash takings. The Group mitigates this risk through the management structure and regular financial review with, and extensive use of, business systems. In addition, the Group's internal audit function undertakes regular reviews of financial controls with particular focus on cash and stock transactions. The Group is also subject to regular external audits.

<u>Market risk factors</u>

General Economic conditions
The disposable income of the Group's guests and/or their holiday preferences are and will be affected by changes in the general economic environment and this may result in a fall in the number of guests and/or a decrease in on-site expenditure. The Group regularly reviews its product offering and engages with guests to ensure it provides value for money to meet guest needs.

Brexit
Until the terms of the UK's formal exit from the European Union are finalised it remains difficult for businesses to predict the impact it will have on them and their financial performance. Thus far, the formal exit as not had a material impact on the business of Center Parcs. However, we will continue to monitor political and economic developments and have plans in place for all eventualities.

Covid-19 pandemic
Starting with the closure of the villages in March 2020 the Covid-19 pandemic has had a significant impact on the Group's business. Whilst the villages are now re-opened the situation continues to evolve with government advice being regularly updated. The measures mandated by the government are outside the control of the Group. However, the Group has experienced teams who are capable of managing the impacts of the disruption on guests, colleagues and other key stakeholders. These teams have already put in place procedures to ensure the safe re-opening of the villages and will continue to monitor changing advice and implement further procedures as required.

Although the villages are now open it is not clear how long government restrictions and social distancing measures will last, or whether tighter restrictions will be reintroduced resulting in one or more villages having to close again. It is therefore not certain how quickly operations will return to pre-crisis levels.

If these risks and uncertainties materialise, they could result in a material change in the forecast liquidity position of the Group.

Competition
The Center Parcs brand is synonymous with high quality short breaks in a forest environment but the Group competes for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. The Directors believe that this risk is mitigated by the strength of the Center Parcs brand and the continual investment in the accommodation and central facilities (including retail and restaurants), coupled with the innovation amongst the leisure activities and the responsiveness to guest surveys.

Seasonality and weather
Demand for short breaks is influenced by the main holiday periods at Easter, the Summer holidays and the Christmas/New year period. This risk is mitigated by online dynamic pricing which encourages demand outside of the peak periods. The accommodation is located within forest environments and a significant number of activities take place outdoors. Therefore, demand may be impacted by the prevailing weather. This risk is minimal because guests tend not to book on impulse and the vast majority of breaks and activities are booked in advance. Additionally, the Group maintains diversity between its indoor and outdoor activities to mitigate this risk.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Principal risks and uncertainties (continued)

Financial risks

The Directors and senior managers regularly review the financial requirements of the Group and the associated risks. The Group does not use complicated financial instruments and where financial instruments are used they are used to reduce interest rate risk. The Group does not hold financial instruments for trading purposes. The Group finances its operations and developments through a mixture of retained earnings and borrowings as required. Historically, the Group has sought to reduce its cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

Interest rate risk

Principal sources of borrowings are fixed interest rate loan notes.

Liquidity risk

The Group maintains sufficient levels of cash and committed funding to enable it to meet its medium-term working capital, lease liability and funding obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible the Group enters into supply contracts denominated in Sterling. The Group does not operate a hedging facility to manage currency risk as it is not considered to be material.

Credit risk

The Group's cash balances are held on deposit with a number of UK banking institutions. Credit risk in respect of the Group's revenue streams is limited as the vast majority of customers pay in advance.

Financial reporting risk

The Group's financial systems are required to process a large number of transactions securely and accurately; any weaknesses in the systems could result in the incorrect reporting of financial results and covenant compliance. This risk is mitigated by the production of detailed management accounts which are regularly compared to budgets and forecasts. The Group is also subject to an annual external audit.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Section 172 Statement and our stakeholders

We report here on how our Directors have discharged their duties under Section 172 of the Companies Act 2006 and this statement reflects the contribution by the Group to the performance of the Center Parcs business.

Section 172 sets out the matters to which the Directors must have regard to in performing their duty to promote the success of the Group for the benefit of its shareholders, which includes having regard to other stakeholders and the likely consequences of any decision in the longer term. The Board considers it crucial that the Group maintains a reputation for high standards of business conduct.

The Board is responsible for setting, monitoring and upholding the culture, values, standards, ethics, brand and reputation of the Group, to ensure that our obligations to our guests, employees, shareholder and others are met. Management drives the embedding of the culture and values throughout the business. The Board monitors adherence to the Center Parcs policies and compliance with corporate governance requirements. The Board also considers the wider social issues within which our businesses operate, including the environment and the local communities in which our villages are situated. We look to build relationships with all our stakeholders based on openness and continuing dialogue. We value diversity and inclusivity in our workforce and beyond and the employee section of this report provides further details.

The Board considers the likely consequences of any decision in the long term and identifies stakeholders who may be affected and carefully considers their interests and any potential impact as part of the Board's decision-making process.

In March 2020, following legislation passed by the UK Government in response to the COVID-19 pandemic, the Group's five holiday villages were closed to guests and remained closed as at 23 April 2020. Given the risk posed by the Covid-19 pandemic, the health, safety and well-being of our employees and guests was our highest priority throughout the Covid-19 pandemic. We also considered the interests of our shareholders, suppliers and other stakeholders during this period. Guests who had their short breaks cancelled due to the village closures were contacted and offered either a replacement holiday at a later date or a full refund of amounts paid. Employees who were furloughed under the UK Government's Job Retention Scheme received top up payments. Communications with our employees, guests and other stakeholders were open, transparent and timely throughout this rapidly evolving period.

Stakeholder engagement

The table below sets out the approach to stakeholder engagement during the year.

Stakeholder group	How the Board engages	Why the Board engages	Issues relevant to this group
Guests	The Board receives guest satisfaction reports, known as Delivering Excellent Service (DES) reports, for each village and monitors the guest satisfaction levels and particular issues at each village. Management and the Directors undertake regular village inspections and report their findings to the Board. Management deal with escalated guest complaints and report to the Board, where necessary.	We recognise that understanding what is important to our guests is key to our long-term success. We welcome all guests and want to provide them with a range of accommodation, facilities and activities and provide an excellent short break for our guests. We want our guests to become advocates of our business.	Accommodation range, price and quality. Convenience and accessibility. Customer service. Fair marketing. Health and safety. Personal data responsibility. Environment and sustainability

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Section 172 Statement (continued)

Stakeholder group	How the Board engages	Why the Board engages	Issues relevant to this group
Employees	We have employee councils for each Village and our Head Office. These are fully elected employee forums which meet four times a year. Management attend Councils and feedback to the Board. Village management hold open forums with employees on a quarterly basis and report to the Board. Employee engagement surveys are undertaken every two years to inform the key employee initiatives and the KPIs for the coming years. Employee KPIs are approved by the Board. An independent whistleblowing helpline is available to all employees 24/7 and escalated complaints are reported to the Board.	We believe our colleague engagement methods are effective in building and maintaining trust and communication. They encourage open and honest discussions and allow our employees to influence real change within our business. We recognise that Center Parcs can only be a great place to visit if it is a great place to work and we can only deliver great customer service through the hard work and commitment of our employees. We want Center Parcs to be an employer of choice and value diversity and inclusion.	Diversity and inclusion. Fair employment. Fair pay and benefits. Training and career opportunities. Health and safety. Personal data responsibility. Environment and community.
Suppliers	Management and Directors meet regularly with key suppliers and the Board receives reports on their performance.	All suppliers are managed in line with our Procurement Policy and must comply with our Ethical Trading Policy. This ensures supply risk is managed appropriately and provides oversight of risks such as data security, corporate responsibility, modern slavery and sustainable sourcing. Any critical issues are reported to the Board. We believe we can only provide goods and service of a high standard if we maintain relationships with suppliers who meet our high standards.	Fair trading terms including prompt payment. Anti-bribery. Ethics and slavery. Operational improvement.
Environment	The Board receives regular reports on environmental and sustainability matters and approves annual KPIs and continually challenges the business to do more.	We are committed to minimising the impact of our business operations on the environment. We recognise our responsibility to carefully manage the natural resources required to care and provide for our guests and the wellbeing of the plant.	Energy usage (including renewable energy usage). Recycling and waste management. Packaging material minimisation. Emissions from Group vehicles. Tree planting.

Strategic report
For the 52 weeks ended 23 April 2020 (continued)

Section 172 Statement (continued)

Stakeholder group	How the Board engages	Why the Board engages	Issues relevant to this group
Community	The Board receives regular updates on our community activities including our corporate charity partnership with Together for Short Lives. Our employees are actively encouraged to volunteer and fundraise for our corporate charities. Guests are also encouraged during the booking journey to make donations. The Board approves matched donations on an annual basis. The Board also receives reports on the various other charities which receive donated breaks throughout the year. The Center Parcs Community Fund allows each of our villages and Head Office to sponsor local projects. The Board receives regular updates on the Fund.	We have an extremely close relationship with the communities surrounding our villages, with the majority of our employees living locally and our commitment to using local suppliers wherever possible. We believe that being a responsible member of the community plays a vital part in our long-term success.	Charitable donations. Volunteering. Use of local suppliers.
Shareholder, investors in the funds held by the ultimate parent and debt holders	The Board has quarterly meetings with the shareholder. The Center Parcs business's quarterly results are presented to debt holders and they are given the opportunity to question members of the Board. Corporate reports and the Annual Review are published on the website.	We work to ensure that our shareholder and their representatives have a good understanding of our strategy, business model and culture. It is important to our shareholder than we provide complete transparent information so their fund investors can drill down into the underlying investments. We believe our engagement methods are effective in building and maintaining trust with our shareholder.	Long-term value creation. Growth and funding opportunities. Financial stability. Transparency. Ethics and corporate responsibility. Risk management.

Approved by the board

M P Dalby
Director
15 July 2020

Directors' report
For the 52 weeks ended 23 April 2020

The Directors present their report and the audited consolidated financial statements for the 52 weeks ended 23 April 2020 (2019: 52 weeks ended 25 April 2019).

The registration number of the Company is 07656429.

Information about the use of financial instruments by the Group is provided in note 17 to the financial statements.

Future developments

No changes to the nature of the business are anticipated in the longer term, but trading practices are expected to be different in the short-term in light of the Covid-19 pandemic.

On 29 July 2019, Center Parcs Ireland Limited, a related party company, opened a new Center Parcs holiday village in the Republic of Ireland. Center Parcs (Holdings 1) Limited and Center Parcs Ireland Limited have the same ultimate parent company.

Dividends
During the period the Company paid dividends totalling £61.2 million (2019: £183.2 million). Of this total, the Company distributed cash of £61.2 million and receivables of £nil (2019: cash of £183.0 million and receivables of £0.2 million). The Directors have not proposed the payment of a final dividend (2019: final dividend of £20.1 million).

Directors
The Directors who served during the period and up to the date of this report, unless otherwise stated, were as follows:

M P Dalby	
C G McKinlay	
Z B Vaughan	
K O McCrain	(resigned on 11 May 2020)
N J Adomait	
B T Annable	(appointed on 11 May 2020)

The Group headed by Center Parcs (Holdings 1) Limited maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against its Directors and Officers that may be incurred as a result of their position within the Company and the companies within the Group. The Directors and Officers have the benefit of an Indemnity provision in accordance with the Company's Articles of Association. These indemnities were in place for the whole of the period ended 23 April 2020 and as at the date of this report.

Employees
The Group is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age or religion. Center Parcs is an inclusive employer and values diversity among its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is principally achieved through formal and informal briefings, the quarterly internal Group magazine 'Center Forward' and annual presentations of the financial results by the CEO. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests, via village and head office council meetings which take place four times a year. In addition, all employees with more than six months' service receive an annual bonus related to the overall profitability of the Group.

Political donations
No political donations were made in the current or prior period.

Directors' report
For the 52 weeks ended 23 April 2020 (continued)

Energy and Carbon Regulations

The Group is required to report each period on its UK energy use and the associated GHG emissions which are set out in the table below.

	52 weeks ended 23 April 2020	
	kWh	CO_2e tonnes
Fuel types:		
Natural Gas	205,687,786	37,816
Electricity Grid and Renewable	54,436,617	13,914
Biogas and Biomass	15,447,593	122
Petrol and Diesel	-	1,281
	275,571,996	**53,133**
Greenhouse Gas Emissions Intensity Ratio:		
CO_2e tonnes per £100,000 of revenue		11.97

Data has been collected in respect of the period ended 23 April 2020 and reported on a consistent basis with that used for the Group's Energy Savings Opportunity Scheme (ESOS) reporting. The Group holds the ISO14001 Environmental Management System certification.

The Group has implemented a number of energy efficiency actions to limit emissions, including the following:

- Annual Group-wide targets for energy reduction, waste recycling and water use efficiency.
- Employing a dedicated Corporate Sustainability Manager who, along with the village teams, continues to drive energy efficiency initiatives across the business and ensures best practice is adopted at all locations.
- Village EMS action groups actively manage standards, monitor performance and encourage and implement energy efficiency and environmentally beneficial initiatives.
- Additional sub-metering data to drive carefully targeted efficiency actions.
- Compliance with the newly introduced ISO4001 certification standard which places greater emphasis on the active management of Directors and Senior Management in driving efficiencies and standards. All 2019/2020 interim external audits were passed with no non-conformities.
- Continuing to investigate and implement large scale carbon reduction schemes at our villages, including Anaerobic Digestion and Solar Farms.
- Ongoing development of our long-term sustainability for the next five and ten years, creating a clear vision of achievements by 2030.
- Continuing to expand our use of EV across the village and head office vehicles, including the investigation of greater provision of EV charge points.

Directors' report
For the 52 weeks ended 23 April 2020 (continued)

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable IFRS as adopted by the European Union have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

Statement of disclosure of information to the auditor
In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Directors' report is approved, the following applies:

a) so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
b) he/she has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Independent auditor
Deloitte LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by

M P Dalby
Director
15 July 2020

Independent auditor's report to the members of Center Parcs (Holdings 1) Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Center Parcs (Holdings 1) Limited (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 23 April 2020 and of the Group's profit for the 52 weeks then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that as a result of the adverse impacts of COVID-19 on both Center Parcs (Holdings 1) Limited directly and the wider travel, hospitality and leisure industry, there is uncertainty in relation to forecasting the nature and extent of government and social distancing restrictions that would impact the villages, the impact of consumer sentiment and hence the length of time it will take to achieve a full recovery, uncertainty in relation to the ability of the Company to secure additional funding which may be required in certain scenarios and uncertainty over the ability of the Company to obtain waivers for any forecast potential breach of financial covenants. As stated in Note 1, these events or conditions, along with the other matters as set forth in Note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Center Parcs (Holdings 1) Limited (continued)

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Group and of the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Nottingham, UK
15 July 2020

Group Income Statement

For the 52 weeks ended 23 April 2020

		52 weeks ended 23 April 2020			52 weeks ended 25 April 2019		
	Note	**Before exceptional and non-underlying items £m**	**Exceptional and non-underlying items £m**	**Total £m**	Before exceptional and non-underlying items £m	Exceptional and non-underlying items £m	Total £m
Revenue	2	**443.7**	**-**	**443.7**	**480.2**	**-**	**480.2**
Cost of sales		**(127.2)**	**-**	**(127.2)**	(129.1)	-	(129.1)
Gross profit		**316.5**	**-**	**316.5**	**351.1**	**-**	**351.1**
Administrative expenses		**(116.5)**	**(2.2)**	**(118.7)**	(118.5)	-	(118.5)
EBITDA	*2*	***200.0***	***(2.2)***	***197.8***	***232.6***	***-***	***232.6***
Depreciation and amortisation		**(60.8)**	**-**	**(60.8)**	(57.7)	-	(57.7)
Total operating expenses		**(177.3)**	**(2.2)**	**(179.5)**	(176.2)	-	(176.2)
Operating profit	3	**139.2**	**(2.2)**	**137.0**	**174.9**	**-**	**174.9**
Finance income	6	**0.3**	**-**	**0.3**	0.2	-	0.2
Finance expense	6	**(94.3)**	**-**	**(94.3)**	(90.9)	(7.7)	(98.6)
Profit before taxation		**45.2**	**(2.2)**	**43.0**	**84.2**	**(7.7)**	**76.5**
Taxation	7	**(9.7)**	**(10.3)**	**(20.0)**	(15.2)	1.5	(13.7)
Profit for the period attributable to equity shareholders	20	**35.5**	**(12.5)**	**23.0**	**69.0**	**(6.2)**	**62.8**

All amounts relate to continuing activities.

Covid-19 pandemic

All five of the UK Center Parcs villages closed to the public on 20 March 2020 and remained closed at 23 April 2020, in line with Government guidance in light of the Covid-19 pandemic. Analysis of the financial results during the closure period is provided in note 5 to the financial statements.

Group Statement of Comprehensive Income

For the 52 weeks ended 23 April 2020

	Note	**2020 £m**	2019 £m
Profit for the period		**23.0**	62.8
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	25	**(0.9)**	(0.6)
Tax relating to components of other comprehensive income	18	**0.2**	0.1
Other comprehensive income for the period	20	**(0.7)**	(0.5)
Total comprehensive income for the period		**22.3**	62.3

The notes on pages 19 to 56 form part of these financial statements

Balance Sheets

	Note	Group As at 23 April 2020 £m	Group As at 25 April 2019 £m	Company As at 23 April 2020 £m	Company As at 25 April 2019 £m
Assets					
Non-current assets					
Goodwill	8	**157.5**	157.5	-	-
Other intangible assets	9	**145.6**	148.5	-	-
Property, plant and equipment	10	**1,475.2**	1,480.0	-	-
Right-of-use assets	11	**32.6**	30.5	-	-
Investments in subsidiary undertakings	12	-	-	**508.4**	466.9
Deferred tax asset	18	**0.4**	0.2	-	-
		1,811.3	1,816.7	**508.4**	466.9
Current assets					
Inventories		**1.8**	3.9	-	-
Trade and other receivables	13	**10.9**	9.9	-	-
Current tax asset		**8.6**	-	-	-
Cash and cash equivalents		**36.4**	60.2	-	-
		57.7	74.0	-	-
Liabilities					
Current liabilities					
Borrowings	15	**(0.1)**	(0.3)	-	-
Current tax liability		-	(0.1)	-	-
Trade and other payables	14	**(147.4)**	(190.3)	-	(110.9)
		(147.5)	(190.7)	-	(110.9)
Net current liabilities		**(89.8)**	(116.7)	-	(110.9)
Non-current liabilities					
Borrowings	15	**(1,881.2)**	(1,879.3)	-	-
Lease liabilities	16	**(36.5)**	(33.6)	-	-
Retirement benefit obligations	25	**(1.6)**	(1.3)	-	-
Deferred tax liability	18	**(111.1)**	(97.3)	-	-
		(2,030.4)	(2,011.5)	-	-
		(308.9)	(311.5)	**508.4**	356.0
Equity attributable to owners of the parent					
Equity share capital	19	**1.0**	1.0	**1.0**	1.0
Share premium	20	**41.5**	-	**41.5**	-
Other reserve	20	**(154.0)**	(154.0)	-	-
Retained earnings	20	**(197.4)**	(158.5)	**465.9**	355.0
Total equity		**(308.9)**	(311.5)	**508.4**	356.0

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The profit for the parent company for the period was £172.1 million (2019: profit of £436.5 million). The financial statements on pages 15 to 56 were approved by the Board of Directors on 15 July 2020 and were signed on its behalf by:

M P Dalby
Director

Center Parcs (Holdings 1) Limited
Registered no. 07656429

The notes on pages 19 to 56 form part of these financial statements

Cash Flow Statements

	Note	Group		Company	
		52 weeks ended 23 April 2020	52 weeks ended 25 April 2019	**52 weeks ended 23 April 2020**	52 weeks ended 25 April 2019
		£m	£m	**£m**	£m
Cash flows from operating activities					
Operating profit		**137.0**	174.9	**-**	-
Depreciation and amortisation	3	**60.8**	57.7	**-**	-
Working capital and non-cash movements	21	**(32.5)**	7.1	**-**	-
Difference between the pension charge and contributions		**(0.6)**	(0.5)	**-**	-
Corporation tax paid and payments for group relief	7	**(13.5)**	(14.0)	**-**	-
Net cash from operating activities		**151.2**	225.2	**-**	-
Cash flows (used in)/from investing activities					
Purchase of property, plant and equipment		**(53.5)**	(59.5)	**-**	-
Purchase of intangible assets		**(4.3)**	(6.8)	**-**	-
Sale of property, plant and equipment		**0.1**	0.1	**-**	-
Interest received		**0.3**	0.2	**-**	-
Dividends received		**-**	-	**61.2**	138.0
Investment in subsidiary undertaking		**-**	-	**(41.5)**	-
Net cash (used in)/from investing activities		**(57.4)**	(66.0)	**19.7**	138.0
Cash flows used in financing activities					
Repayment of external borrowings		**(0.3)**	(350.2)	**-**	-
Proceeds from external borrowings		**-**	482.7	**-**	-
Issue costs on secured debt	22	**(0.4)**	(4.8)	**-**	-
Break costs on secured debt		**-**	(6.1)	**-**	-
Interest paid		**(96.9)**	(83.7)	**-**	-
Dividends paid	20	**(61.2)**	(183.0)	**(61.2)**	(183.0)
Settlement of intragroup loans	26	**-**	-	**-**	45.0
Repayment of lease liabilities	16	**(0.3)**	-	**-**	-
Equity contribution	19	**41.5**	-	**41.5**	-
Net cash used in financing activities		**(117.6)**	(145.1)	**(19.7)**	(138.0)
Net (decrease)/increase in cash and cash equivalents		**(23.8)**	14.1	**-**	-
Cash and cash equivalents at beginning of the period		**60.2**	46.1	**-**	-
Cash and cash equivalents at end of the period		**36.4**	60.2	**-**	-
Reconciliation of net cash flow to movement in net debt					
(Decrease)/increase in cash and cash equivalents		**(23.8)**	14.1	**-**	-
Cash outflow/(inflow) from movement in debt		**0.3**	(132.5)	**-**	-
Change in net debt resulting from cash flows		**(23.5)**	(118.4)	**-**	-
Non-cash movements and deferred issue costs		**(2.0)**	1.3	**-**	-
Movement in net debt in the period		**(25.5)**	(117.1)	**-**	-
Net debt at beginning of the period		**(1,819.4)**	(1,702.3)	**-**	-
Net debt at end of the period	22	**(1,844.9)**	(1,819.4)	**-**	-

Net debt represents borrowings less cash and cash equivalents.

The notes on pages 19 to 56 form part of these financial statements.

Statements of Changes in Equity

Group	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 25 April 2019	1.0	-	(154.0)	(158.5)	(311.5)
Comprehensive income					
Profit for the period	-	-	-	23.0	23.0
Other comprehensive income	-	-	-	(0.7)	(0.7)
Transactions with owners					
Dividends	-	-	-	(61.2)	(61.2)
Equity contribution	-	41.5	-	-	41.5
At 23 April 2020	**1.0**	**41.5**	**(154.0)**	**(197.4)**	**(308.9)**

Group	Share capital £m	Other reserve £m	Retained earnings £m	Total equity £m
At 26 April 2018	1.0	(154.0)	(35.4)	(188.4)
Impact of change in accounting policy – IFRS 16	-	-	(2.2)	(2.2)
Adjusted balances at 26 April 2018	1.0	(154.0)	(37.6)	(190.6)
Comprehensive income				
Profit for the period	-	-	62.8	62.8
Other comprehensive income	-	-	(0.5)	(0.5)
Transactions with owners				
Dividends	-	-	(183.2)	(183.2)
At 25 April 2019	**1.0**	**(154.0)**	**(158.5)**	**(311.5)**

Company	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
At 25 April 2019	1.0	-	355.0	356.0
Comprehensive income				
Profit for the period	-	-	172.1	172.1
Transactions with owners				
Dividends	-	-	(61.2)	(61.2)
Equity contribution	-	41.5	-	41.5
At 23 April 2020	**1.0**	**41.5**	**465.9**	**508.4**

Company	Share capital £m	Retained earnings £m	Total equity £m
At 26 April 2018	1.0	101.7	102.7
Comprehensive income			
Profit for the period	-	436.5	436.5
Transactions with owners			
Dividends	-	(183.2)	(183.2)
At 25 April 2019	**1.0**	**355.0**	**356.0**

The notes on pages 19 to 56 form part of these financial statements.

Notes to the financial statements
for the 52 weeks ended 23 April 2020

1. Accounting policies

General information
The Company is a private company limited by shares, which is incorporated and domiciled in the UK, and is registered in England and Wales. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Basis of preparation
These consolidated financial statements for the 52 weeks ended 23 April 2020 (2019: 52 weeks ended 25 April 2019) have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies disclosed have been applied consistently to both periods presented. The impact on retained earnings of the adoption of IFRS 16 ‘Leases’ in the prior period is set out in note 16 to these financial statements.

The accounting reference date of Center Parcs (Holdings 1) Limited is 22 April.

Going concern
The Group reported a profit for the year of £23.0m (2019 £62.8m) and generated operating cash inflows of £151.2m (2019 £225.2m). The consolidated financial statements have been prepared on a going concern basis. The Directors consider this to be appropriate for the reasons set out below.

Coronavirus (Covid-19) pandemic
As at the date of approving these financial statements the impacts of Covid-19 on the Group’ trading have been assessed. Government response to the pandemic continues to evolve and customer sentiment to short break holidays remains uncertain although there are indications of strong demand for Center Parcs breaks. As such, the Group will continue to monitor and re-assess the impact of the pandemic.

Due to measures taken by the UK Government all UK villages were closed to guests on 20 March 2020 and remained closed until 13 July 2020. This resulted in all affected guests in that period being offered either a full refund or the option to move their break to a later date. During the closure period, the Group reported no revenue and whilst there has been a corresponding reduction in variable costs, the Group had to fund its fixed costs and refund guests for breaks that were cancelled. Where possible mitigating actions have been taken by management to minimise such costs. Refunds of £62 million have been given to affected guests as at the date of issuance of these financial statements.

On 13 July 2020 all UK villages re-opened to guests albeit with social distancing restrictions in place. These restrictions result in reduced available accommodation capacity and on-site activities which are likely to remain impacted until such restrictions are lifted. Whilst it is difficult to predict the future with any certainty, we currently do not anticipate a return to pre-Covid trading levels until early in calendar year 2021. However, demand for the Group’s breaks do remain strong and current forward bookings for the final quarter of the financial year ending 22 April 2021 are ahead of those seen for the equivalent period in the year to 23 April 2020 at this time last year.

In order to preserve liquidity during the closure period, the Group took the following measures:

- Secured additional funding from the Group’s owner, Brookfield. As at 15 July 2020 they had provided funding of £139 million of funds to ensure the liquidity of the Group. Further committed funds of £21 million are approved for use if required and Brookfield have indicated that additional funding could be made available should the need arise.
- A significant element of the Group’s cost base relates to wages and salaries. The majority of the Group’s staff were furloughed during the period of closure with the Group benefitting from the Government’s job retention scheme. The hours of remaining staff undertaking essential activities were reviewed to further reduce costs where possible.
- Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.
- Agreed deferrals of certain tax payments and benefitted from Business rates relief.
- Reviewed capital expenditure and delayed certain non-essential projects.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Going concern (continued)

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, under the re-opening scenario noted above, the Group will have sufficient funds to meet its liabilities as they fall due for that period. Under this scenario there would be no breach of lending facilities. Other than £0.1m of mortgage repayments there are no capital repayments of debt falling due within the forecast period.

With regard to this forecast and other factors which may impact the Group's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. However, given that the Covid-19 situation continues to evolve, there exists a material uncertainty related to events or conditions that may cast significant doubt about the Group's ability to continue as a going concern.

The events or conditions are as follows:

- As at the date of approval of these financial statements the Group has cash balances of £102 million. The Group's owner, Brookfield, has already provided £139 million of funds to ensure the liquidity of the Group. Further committed funds of £21 million are approved for use if required and Brookfield have indicated that additional funding could be made available should the need arise. However, as noted elsewhere, there remains some uncertainty with regards forecasting both the pace of recovery and the eventual levels to which trading will return and accordingly it is possible that further funding will be required that as at the date of approval of these financial statements has not yet been secured.
- Depending on how quickly the Group's trading recovers or if there are further Government imposed restrictions that result in the closure of one or more villages for a period of time, there is a risk that existing financial covenants will be breached although the Directors have taken a number of actions to mitigate the risk and as at the date of approval of these financial statements do not anticipate any breaches.
- The Group has only recently recommenced operations, in line with UK Government advice. As at the current date there remains a requirement to ensure certain social distancing measures are in place and certain activities are not as yet able to operate. As a result, these measures may have a significant impact on the format of the breaks in the near term. While there are indications of strong demand for the Group's breaks with bookings for the fourth quarter significantly ahead of the prior year, the ability to initially operate at the previous high levels of occupancy will be restricted. While the fundamentals of the Group's model remain sound, the above factors naturally create challenges in the ability to accurately forecast the cash flows of the Group.

The Directors have already taken a number of measures as described above to manage the Group's liquidity position. In the light of these material uncertainties and in the case where further funding was not forthcoming, the Directors have a range of further measures which are within their control, to protect the Group's liquidity position even further, including:

- Further encouragement for customers to change their break to a future date in the event of a cancellation of their break rather than receiving a full refund.
- Additional changes to working arrangements to reduce staff costs further.
- Negotiations with HMRC for further delay of payroll and indirect tax payments.
- A £90 million committed liquidity facility that remains undrawn. This is available to pay certain senior expenses and Class A note interest.

The Directors believe the cash flow forecast outlined above is reasonable in light of the re-opening of the villages and the current Government risk levels. However, COVID-19's continued presence may see a change in Government advice and/or further periods of lock down in the future. Such lock downs could result in further village closures on a national or regional level or affect the ability of guests and employees to travel to site. These uncertainties clearly introduce a level of subjectivity in assessing assumptions to be used in a downside case. However, the Directors have prepared downside forecasts which assume the closure of one village for a period of eight weeks or two villages for a period of four weeks.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Going concern (continued)

As with the base case scenario this downside case would not see the Group breach lending covenants or suffer a liquidity shortage. However, were the Group to require access to further liquidity this could be sought from the Group's owner. The Directors believe that this support would be available and forthcoming for a number of reasons including:

- Previous actions and commitments in supporting the Group with £139 million already provided and a further £21 million approved for use if required.
- Center Parcs' potential value to Brookfield is very significant and hence injection of further cash to protect this value could reasonably be expected.
- BSREP II is one of Brookfield Asset Management's flagship funds which closed with total equity commitments of $9 billion. BSREP II still has equity commitments available to satisfy any needed follow-on capital calls from existing investments and expenses or other liabilities.
- Brookfield have provided a letter of support to the Directors of the Group indicating their intention to provide such funding in the event that it is required.
- Three of the Group's Directors are "Investor Directors" appointed by the Group's owners. They are uniquely placed to understand both the Group's business and potential actions by the owners. They have indicated that they believe it reasonable to believe support would be made available.

However, ultimately there is no guarantee that this support would be provided and as a consequence there exists a material uncertainty that additional funding may not be available.

As a result of the options available to them the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Center Parcs (Holdings 1) Limited ('the Company') and entities controlled by the Company. A company controls another entity when it is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a structured entity under IFRS 10 'Consolidated financial statements' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 28.

The financial statements of subsidiary undertakings are prepared for the same financial reporting period as the Company.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

On 11 June 2015 the Group acquired CP Woburn (Operating Company) Limited; prior to that date both the Group and CP Woburn (Operating Company) Limited were under the common control of the parent company CP Cayman Midco 1 Limited. The acquisition formed part of a group reconstruction and has been accounted for using merger accounting principles which present the financial statements as if CP Woburn (Operating Company) Limited had always been part of the Group using the pre-combination carrying values.

Under merger accounting principles, the assets and liabilities of CP Woburn (Operating Company) Limited have been consolidated based on their pre-combination book values and the difference between the consideration payable and the book values of the net assets is recorded in equity in the other reserve.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical judgements in applying the Group's accounting policies

Discount rate used to determine the value of the Group's defined benefit pension scheme obligation (note 25):

The Group's defined benefit pension scheme obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived.

Key sources of estimation uncertainty

Useful economic lives and residual values of property, plant and equipment and other intangible assets (notes 9/10):

The Group reviews the estimated useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. During the current period, the Directors have concluded that no revision is required to either useful economic lives or residual values of these assets, and that residual values exceed carrying values.

Impairment test for goodwill (note 8):

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Revenue

Revenue relates to accommodation rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Revenue relating to accommodation is recognised on a straight-line basis over the period of the holiday. The performance obligation for non-rental income, and hence the basis for revenue recognition, is when the related product or service is provided to the guest. All revenue is recorded net of VAT.

Payment for accommodation rental income is received in advance of holidays commencing, and is recorded as 'deferred income' within Trade and other payables until the holiday commences. As such, no revenue was recognised during the period the villages were closed as a result of the Covid-19 pandemic.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on an accruals basis. All revenue arises in the United Kingdom.

For disaggregation purposes, revenue as presented in note 2 is split between accommodation and on-site spend.

Cost of sales

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales. Depreciation and amortisation charges are not considered part of cost of sales.

Operating segments

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

Exceptional/non-underlying items

Exceptional/non-underlying items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance. Examples of exceptional/non-underlying items are the costs of Group restructures, expenses incurred when refinancing debt and movements in the fair value of embedded derivatives.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Goodwill
Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Other intangible assets
Software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives, which are generally considered to be either four or seven years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Other intangible assets
Other purchased intangible assets are capitalised at cost, amortised on a straight-line basis over their useful economic lives and tested for impairment annually. The brand is not amortised as it is considered to have an indefinite life; the carrying value of the brand is subject to an annual impairment review.

Impairment of assets
At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication at the end of a reporting period that the asset may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Property, plant and equipment
The Directors chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction) so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, which are typically as follows:

Installations	10 to 20 years
Fixtures and fittings	5 to 10 years
Motor vehicles	4 years
Computer hardware	4 years

Buildings are depreciated to residual value over 50 years. Land is not depreciated. The Group's water boreholes are depreciated on a straight-line basis over 13 years.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Maintenance expenditure
It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases
The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group calculates an appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The deprecation starts at the commencement date of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an administrative expense in the consolidated income statement in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for impairment. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value. Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Current and deferred tax

The tax currently payable is based on the taxable profit for the year. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Group classifies its financial assets into two categories, being those measured at amortised cost and those measured at fair value. Where assets are measured at fair value gains and losses are recognised either in the income statement or in other comprehensive income, depending on the nature of the asset. Financial assets are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets

Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the nature of the financial instrument acquired. Other financial liabilities are carried at amortised cost using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any expected credit losses.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Cash and cash equivalents
For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs
Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Early termination costs
Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments
The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions
Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Employee benefits

Pensions

- Defined contribution pension scheme

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

- Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability. Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Other reserve

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

1. Accounting policies (continued)

New standards and interpretations
A number of new or revised accounting standards were effective for the first time in the current period. None of these have significantly impacted the financial statements of the Group or Company and are unlikely to have a material impact in the future.

The International Accounting Standards Board (IASB) has issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to standards as part of their annual improvement process.

IFRS 3	Business Combinations	
	Definition of a Business	1 January 2020
IFRS 7	Financial Instruments: Disclosures	
	Interest Rate Benchmark Reform	1 January 2020
IFRS 17	Insurance Contracts	
	New accounting standard	1 January 2021
IAS 1	Presentation of Financial Statements	
	Definition of Material	1 January 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	
	Definition of Material	1 January 2020

The Directors do not anticipate that the adoption of any standards listed above will have a material impact on the Group or Company's financial statements in the period of initial application, although the assessment is ongoing.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

2. Segmental reporting

52 weeks ended 23 April 2020	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Woburn Forest £m	Central Services £m	Total £m
Revenue	93.8	92.2	85.9	85.2	86.6	-	443.7
EBITDA before non-underlying/exceptional items	50.3	46.8	43.6	41.3	42.2	(24.2)	200.0
Non-underlying/exceptional items							(2.2)
Depreciation and amortisation							(60.8)
Operating profit							137.0

52 weeks ended 25 April 2019	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Woburn Forest £m	Central Services £m	Total £m
Revenue	100.8	100.9	92.2	91.1	95.2	-	480.2
EBITDA before non-underlying/exceptional items	56.7	54.2	50.3	47.1	50.2	(25.9)	232.6
Depreciation and amortisation							(57.7)
Operating profit							174.9

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 ‘Operating Segments’. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the five holiday villages that the business operates. Central Services costs are centrally managed administration costs. The accounting policies of the reportable segments are the same as the Group’s accounting policies described in note 1.

The primary profit measure used by the Chief Operating Decision Maker is EBITDA before non-underlying/exceptional items, being earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items. The internal reporting does not disaggregate the balance sheet to each operating segment.

The split of revenue by business stream was £269.9 million (2019: £290.6 million) for accommodation and £173.8 million (2019: £189.6 million) for on-site spend.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

3. Operating profit

The following items have been included in arriving at the Group's operating profit:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Staff costs (note 24)	**111.0**	114.6
Cost of inventories	**39.0**	41.7
Depreciation of property, plant and equipment – owned assets (note 10)	**53.0**	50.1
Depreciation of right-of-use assets (note 11)	**0.6**	0.6
Amortisation of intangible assets (note 9)	**7.2**	7.0
Repairs and maintenance expenditure on property, plant and equipment	**12.1**	12.4
Services provided by the Group's auditor	**0.3**	0.4

During the period, the Group obtained the following services from the Group's auditor:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Charged to the income statement		
Audit of the parent company, subsidiary and consolidated financial statements	**0.3**	0.2
Deferred cost in respect of the secured debt		
Corporate finance services	**-**	0.2
	0.3	0.4

The Directors monitor the level of non-audit work undertaken by the auditor and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity. The audit fee above includes £2,000 (2019: £2,000) for the audit of the parent company.

4. Exceptional/non-underlying items

The following exceptional/non-underlying items are reflected in the financial statements:

	2020 £m	2019 £m
Operating items		
Administrative expenses	**(2.2)**	-
	(2.2)	-
Non-operating items		
Finance expense	**-**	(7.7)
Taxation	**(10.3)**	1.5
	(10.3)	(6.2)
	(12.5)	(6.2)

The £2.2 million exceptional/non-underlying administrative expenses for the current period represents £2.0 million in respect of costs to exit a contract and £0.2 million of legal and other associated costs relating to the equity contribution provided by the Group's parent company in light of the Covid-19 pandemic (note 19). Taxation on these expenses has also been treated as an exceptional/non-underlying item, as has the impact of the change in applicable deferred tax rate from 17% to 19%.

The £7.7 million exceptional/non-underlying finance expense in the prior period represented the premium paid on the settlement of the A3 tranche of the Group's secured debt of £6.1 million and accelerated amortisation of deferred issue costs in respect of the A3 tranche of £1.6 million. Taxation on this expense was also treated as an exceptional/non-underlying item.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

5. Results prior to and during the Covid-19 pandemic closure

All five of the UK Center Parcs villages closed to the public on 20 March 2020 and remained closed at 23 April 2020, in line with Government guidance in light of the Covid-19 pandemic. The Group earned no revenue during this period but incurred costs necessary to maintain the sites in a safe and secure mothballed condition. The Group's trading performance prior to and during this closure is set out below.

	Result prior to closure before exceptional and non-underlying items £m	Closure Period before exceptional and non-underlying items £m	Total before exceptional and non-underlying items £m	Exceptional and non-underlying items £m	Total £m
Revenue	**443.7**	**-**	**443.7**	**-**	**443.7**
Cost of sales	(122.4)	(4.8)	(127.2)	-	(127.2)
Gross profit/(loss)	**321.3**	**(4.8)**	**316.5**	**-**	**316.5**
Administrative expenses	(110.3)	(6.2)	(116.5)	(2.2)	(118.7)
EBITDA	**211.0**	**(11.0)**	**200.0**	**(2.2)**	**197.8**

Expenditure incurred during the closure period includes payroll, energy and maintenance costs. In addition, certain categories of inventory with limited useful lives were disposed of or donated to charities where appropriate. The expenses during the closure period presented above are net of the payroll costs reimbursable under the UK Government's Job Retention Scheme and benefit from the Business Rates holiday announced for the UK Leisure industry with effect from 1 April 2020.

6. Net finance costs

	Group		Company	
	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m	**52 weeks ended 23 April 2020 £m**	52 weeks ended 25 April 2019 £m
Finance expense				
Interest payable on borrowings	**(91.9)**	(88.9)	**-**	-
- Less: Interest capitalised	**-**	0.5	**-**	-
Interest expense on lease liabilities	**(1.9)**	(1.9)	**-**	-
Interest payable to Group undertakings	**-**	-	**-**	(26.0)
Other interest and similar charges	**(0.5)**	(0.6)	**-**	-
Total finance expense before exceptional/non-underlying items	**(94.3)**	(90.9)	**-**	(26.0)
Exceptional/non-underlying finance expense				
- Accelerated amortisation of deferred issue costs	**-**	(1.6)	**-**	-
- Premium on settlement of the A3 notes	**-**	(6.1)	**-**	-
	-	(7.7)	**-**	-
Total finance expense	**(94.3)**	(98.6)	**-**	(26.0)
Finance income				
Bank interest receivable	**0.3**	0.2	**-**	-
Interest receivable from Group undertakings	**-**	-	**-**	13.7
Total finance income	**0.3**	0.2	**-**	13.7
Net finance costs	**(94.0)**	(98.4)	**-**	(12.3)

Interest payable on borrowings includes amortisation of deferred issue costs of £3.5 million (2019: £3.6 million).

The interest rate applied in determining the amount of interest capitalised in the prior period was approximately 4.8%.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

7. Taxation

(a) Taxation

The Group paid corporation tax of £13.1 million (2019: £3.1 million) during the period and made payments for taxation group relief of £0.4 million (2019: £10.9 million).

The Group tax charge is made up as follows:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Current tax:		
- Current period	**(1.8)**	(5.6)
- Prior periods	**(4.4)**	(1.7)
	(6.2)	(7.3)
Deferred tax:		
- Origination and reversal of temporary differences	**(17.5)**	(7.9)
- Adjustments in respect of prior periods	**3.7**	1.5
Taxation (note 7(b))	**(20.0)**	(13.7)

The Company had a tax charge of £nil in the period (2019: £nil).

(b) Factors affecting the tax charge

Group
The tax assessed for the period is higher (2019: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is reconciled below:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Profit before taxation	**43.0**	76.5
Profit before taxation multiplied by the standard rate of corporation tax in the UK	**8.2**	14.5
Adjustments in respect of prior periods	**0.7**	0.2
Permanent differences and expenses not deductible for tax purposes	**1.0**	0.6
Impact of change in corporation tax rate	**10.7**	(1.0)
Brought forward losses not previously recognised	**(0.6)**	(0.6)
Tax charge for the period (note 7(a))	**20.0**	13.7

Company
The tax assessed for the period is lower (2019: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is reconciled below:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Profit before taxation	**172.1**	436.5
Profit before taxation multiplied by the standard rate of corporation tax in the UK	**32.7**	82.9
Group relief not paid for	**-**	2.4
Income from subsidiary undertakings – not subject to tax	**(32.7)**	(85.3)
Tax charge for the period (note 7(a))	**-**	-

<u>Change of corporation tax rate and factors that may affect future tax charges</u>

Finance Act 2016, which was substantively enacted on 6 September 2016, had included provisions to reduce the standard rate of corporation tax in the UK to 17% with effect from 1 April 2020. Finance Act 2020 included provisions to maintain the standard rate of corporation tax in the UK at 19%, and these were substantively enacted on 17 March 2020 through the Provisional Collection of Taxes Act.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

8. Goodwill

Cost and net book value	Group £m
At 23 April 2020, 25 April 2019 and 26 April 2018	**157.5**

Impairment test for goodwill
Goodwill relates to the acquisition of the Sherwood, Elveden, Longleat and Whinfell Villages only. It is allocated equally to four cash-generating units (CGUs), being the four villages.

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the four villages.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a rolling five-year period.

Key assumptions used for value-in-use calculations

The value-in-use calculation is based on forecasts approved by the Board covering the next ten years with a terminal value applied after year five. The cash flow assumptions in the calculation reflect the anticipated impact of the Covid-19 pandemic, using the Directors' base case scenario as discussed in note 1.

The key assumptions of the value-in-use calculation are Adjusted EBITDA margin, growth rates and the discount rate; the long-term growth rate applied is 2.0% (2019: 2.0%) and the discount rate applied is 10.8% (2019: 8.7%).

Management determine forecast Adjusted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

The Company has no goodwill.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

9. Other intangible assets

	Software £m	Brand £m	Total £m
Cost			
At 26 April 2019	42.1	121.2	163.3
Additions	4.3	-	4.3
At 23 April 2020	**46.4**	**121.2**	**167.6**
Amortisation			
At 26 April 2019	14.8	-	14.8
Charge for the period	7.2	-	7.2
At 23 April 2020	**22.0**	**-**	**22.0**
Net book amount at 25 April 2019	27.3	121.2	148.5
Net book amount at 23 April 2020	**24.4**	**121.2**	**145.6**

	Software £m	Brand £m	Total £m
Cost			
At 27 April 2018	37.4	121.2	158.6
Additions	6.8	-	6.8
Disposals	(2.1)	-	(2.1)
At 25 April 2019	**42.1**	**121.2**	**163.3**
Amortisation			
At 27 April 2018	9.9	-	9.9
Charge for the period	7.0	-	7.0
On disposals	(2.1)	-	(2.1)
At 25 April 2019	**14.8**	**-**	**14.8**
Net book amount at 26 April 2018	27.5	121.2	148.7
Net book amount at 25 April 2019	**27.3**	**121.2**	**148.5**

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 8 has been undertaken and no impairment was indicated (2019: £nil).

The Company has no other intangible assets.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

10. Property, plant and equipment

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
Cost						
At 26 April 2019	1,171.4	426.5	144.6	19.7	4.0	1,766.2
Additions	1.8	10.0	25.5	2.1	9.1	48.5
Disposals	-	(6.2)	(8.4)	(0.4)	(0.3)	(15.3)
Transfers	0.8	2.7	2.5	0.2	(6.2)	-
At 23 April 2020	**1,174.0**	**433.0**	**164.2**	**21.6**	**6.6**	**1,799.4**
Depreciation						
At 26 April 2019	15.7	190.1	64.6	15.8	-	286.2
Charge for the period	0.2	27.0	23.4	2.4	-	53.0
On disposals	-	(6.2)	(8.4)	(0.4)	-	(15.0)
At 23 April 2020	**15.9**	**210.9**	**79.6**	**17.8**	**-**	**324.2**
Net book amount at 25 April 2019	1,155.7	236.4	80.0	3.9	4.0	1,480.0
Net book amount at 23 April 2020	**1,158.1**	**222.1**	**84.6**	**3.8**	**6.6**	**1,475.2**

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
Cost						
At 27 April 2018	1,157.2	405.3	132.7	19.1	8.5	1,722.8
Additions	5.8	18.0	25.7	2.1	7.7	59.3
Disposals	-	-	(14.4)	(1.5)	-	(15.9)
Transfers	8.4	3.2	0.6	-	(12.2)	-
At 25 April 2019	**1,171.4**	**426.5**	**144.6**	**19.7**	**4.0**	**1,766.2**
Depreciation						
At 27 April 2018	15.5	163.5	58.7	14.3	-	252.0
Charge for the period	0.2	26.6	20.3	3.0	-	50.1
On disposals	-	-	(14.4)	(1.5)	-	(15.9)
At 25 April 2019	**15.7**	**190.1**	**64.6**	**15.8**	**-**	**286.2**
Net book amount at 26 April 2018	1,141.7	241.8	74.0	4.8	8.5	1,470.8
Net book amount at 25 April 2019	**1,155.7**	**236.4**	**80.0**	**3.9**	**4.0**	**1,480.0**

The Company has no property, plant and equipment.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

11. Right-of use assets

	£m
Cost	
At 26 April 2019	31.1
Additions	0.1
Remeasurement	2.6
	33.8
Depreciation	
At 26 April 2019	(0.6)
Charge for the period ended 23 April 2020	(0.6)
Net book amount at 23 April 2020	**32.6**

	£m
Cost	
Recognised on adoption of IFRS 16 'Leases'	30.9
Additions	0.2
	31.1
Depreciation	
Charge for the period ended 25 April 2019	(0.6)
Net book amount at 25 April 2019	**30.5**

Details of assets held under leases are set out in note 16.

The Company has no right-of-use assets.

12. Investments in subsidiary undertakings

Company	£m
Cost and net book value	
At 26 April 2018 and 25 April 2019	466.9
Equity contribution	41.5
At 23 April 2020	**508.4**

The investment at 23 April 2020 relates to 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company.

Center Parcs (Holdings 2) Limited made a profit of £172.1 million for the period ended 23 April 2020 million (2019: profit of £448.8 million) and had net assets at that date of £508.4 million (2019: £466.9 million).

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

A list of all subsidiary undertakings consolidated in these financial statements is set out in note 27.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

13. Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
Amounts falling due within one year:	**£m**	£m	**£m**	£m
Trade receivables	**2.1**	5.1	**-**	-
Prepayments and accrued income	**2.7**	4.2	**-**	-
Other receivables	**6.1**	0.6	**-**	-
	10.9	9.9	**-**	-

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2019: £nil). Credit risk in respect of the Group's revenue streams is limited as the vast majority of customers pay in advance.

Included within other receivables is £5.7 million in respect of payroll costs to be reimbursed under the UK Government's Job Retention Scheme.

14. Trade and other payables

	Group		Company	
	2020	2019	**2020**	2019
	£m	£m	**£m**	£m
Trade payables	**3.7**	6.6	**-**	-
Other tax and social security	**6.8**	17.1	**-**	-
Other payables	**2.3**	4.1	**-**	-
Amounts owed to related parties	**1.8**	0.4	**-**	-
Amounts owed to Group undertakings	**-**	-	**-**	110.9
Accruals	**44.6**	62.8	**-**	-
Deferred income	**66.8**	99.3	**-**	-
Other financial liabilities	**21.4**	-	**-**	-
	147.4	190.3	**-**	110.9

Amounts owed to Group undertakings at 25 April 2019 represented an interest-free payable due to Center Parcs (Operating Company) Limited. This was settled during the current period and further details are set out in note 26.

All amounts owed to related parties and Group undertakings at the current and prior period-end are unsecured and repayable on demand.

Deferred income represents revenues received at the period end date that relate to future periods; the principal component is accommodation income. Deferred income principally relates to bookings for holidays in the 12 months immediately following the balance sheet date; approximately 1% of bookings relate to the subsequent year.

As at 23 April 2020 all breaks with guest departure dates up to and including 13 May 2020 had been cancelled, as a result of the Covid-19 pandemic, and therefore amounts owed to guests in respect of those breaks has been presented as other financial liabilities. The re-opening date for the UK villages was subsequently postponed until 13 July 2020 and hence a proportion of liabilities categorised as deferred income in the above table were ultimately reclassified to other financial liabilities and refunded to guests.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

15. Borrowings

	Group	
	2020	2019
Current	**£m**	£m
Mortgage due within one year	**0.1**	0.3

	Group	
	2020	2019
Non-current	**£m**	£m
Mortgage	**-**	0.1
Secured debt	**1,881.2**	1,879.2
	1,881.2	1,879.3

Mortgage

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in November 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £1,000 (2019: £4,000).

Secured debt

All assets of the Group are pledged as security under a whole business securitisation debt structure.

The secured debt consists of the following:

	2020	2019
	£m	£m
Tranche A2	**440.0**	440.0
Tranche A4	**349.0**	350.5
Tranche A5	**379.5**	379.5
Tranche B3	**480.0**	480.0
Tranche B4	**250.0**	250.0
Unamortised deferred issue costs	**(17.3)**	(20.8)
	1,881.2	1,879.2

On 15 June 2017 the Group issued an additional £100.0 million of Tranche A4 secured notes via a tap issue, at a premium of £9.5 million; this premium is being amortised over the period to expected maturity and amortisation of £1.1 million (2019: £1.1 million) was credited to the income statement during the period.

On 20 November 2018 the Group issued a further £100.0 million of Tranche A4 secured notes via a tap issue, at a premium of £3.2 million; this premium is being amortised over the period to expected maturity and amortisation of £0.4 million (2019: £0.2 million) was credited to the income statement during the period. On the same date the Group issued £379.5 million of New Class A5 notes. Part of the proceeds of these new notes was used to settle the Group's Class A3 secured notes.

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

The tranche A4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 3.588% and the interest rate from expected maturity to final maturity is 4.244%.

The tranche A5 notes have an expected maturity date of 28 August 2028 and a final maturity date of 28 February 2047. The interest rate to expected maturity is fixed at 3.690% and the interest rate from expected maturity to final maturity is fixed at 4.190%.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

15. Borrowings (continued)

The tranche B3 notes have an expected maturity date of 28 August 2022 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity is fixed at 4.250%.

The tranche B4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity is fixed at 4.875%

The tranche B3 and B4 debt is subordinated to the Class A debt. All tranches of secured debt include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

Interest of £13.8 million (2019: £18.0 million) was accrued in respect of the secured debt at 23 April 2020.

The maturity of the Group's borrowings is as follows:

	Less than one year £m	Two to five years £m	Greater than five years £m	Premium and deferred issue costs £m	Total £m
At 23 April 2020					
Mortgage	0.1	-	-	-	0.1
Secured debt	-	920.0	969.5	(8.3)	1,881.2
Total borrowings	**0.1**	**920.0**	**969.5**	**(8.3)**	**1,881.3**
At 25 April 2019					
Mortgage	0.3	0.1	-	-	0.4
Secured debt	-	920.0	969.5	(10.3)	1,879.2
Total borrowings	**0.3**	**920.1**	**969.5**	**(10.3)**	**1,879.6**

The Group has no borrowings denominated in foreign currency.

The Company has no borrowings.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

16. Leases

Lease liabilities

Current and prior period disclosures for the Group, as required by IFRS 16 'Leases', are as follows:

	23 April 2020 £m	25 April 2019 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**1.7**	1.6
One to five years	**6.6**	6.0
More than five years	**296.7**	291.0
Total undiscounted lease liabilities at 25 April 2019	**305.0**	298.6
Lease liabilities included in the consolidated balance sheet		
Current	**-**	-
Non-current	**(36.5)**	(33.6)
Total lease liabilities	**(36.5)**	(33.6)
Amounts recognised in the income statement		
Interest on lease liabilities	**(1.9)**	(1.9)
Total recognised in the income statement	**(1.9)**	(1.9)
Amounts recognised in the cash flow statement		
Repayment of lease liabilities	**(0.3)**	-
Interest on lease liabilities	**(1.4)**	(1.6)
Total recognised in the cash flow statement	**(1.7)**	(1.6)

Lease liabilities are predominantly in respect of the land at the Longleat and Woburn villages. Both of these lease agreements include five-yearly upwards only rent reviews calculated with reference to revenue increases. The Longleat lease ends in 2073 and the Woburn lease ends in 2109.

The Company has no lease liabilities.

The impact on retained earnings of the adoption of IFRS 16 'Leases' in the prior period was as follows:

	£m
Recognition of right-of-use assets (note 11)	30.9
Recognition of lease liabilities	(33.1)
Elimination of rent prepayments	(0.4)
Recognition of associated deferred tax (note 18)	0.4
Reduction in retained earnings as at 26 April 2018	**(2.2)**

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

17. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 23 April 2020 and 25 April 2019 all of the Group's financial assets were classified as those measured at amortised cost and all of the Group's financial liabilities were categorised as other financial liabilities.

	Group	
	2020	2019
Financial assets	**£m**	£m
Trade receivables	**2.1**	5.1
Other receivables	**6.1**	0.6
Cash and cash equivalents	**36.4**	60.2
	44.6	65.9

	Group	
	2020	2019
Financial liabilities	**£m**	£m
External borrowings	**1,881.3**	1,879.6
Lease liabilities	**36.5**	33.6
Trade payables	**3.7**	6.6
Accruals	**44.6**	62.8
Other payables	**25.5**	4.5
	1,991.6	1,987.1

The only financial instruments held by the Company are other payables of £nil (2019: £110.9 million) which are categorised as other financial liabilities.

Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Group's secured borrowings have been categorised as Level 1 (2019: Level 1) and fair values have been derived from unadjusted quoted market prices in active markets.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

17. Financial instruments (continued)

Fair value of financial assets and financial liabilities

The fair value of the Group's secured debt is:

	23 April 2020		25 April 2019	
	Book value	**Fair value**	Book value	Fair value
	£m	**£m**	£m	£m
Tranche A2	440.0	496.1	440.0	534.0
Tranche A4	349.0	346.6	350.5	368.0
Tranche A5	379.5	379.4	379.5	397.2
Tranche B3	480.0	437.9	480.0	488.5
Tranche B4	250.0	223.9	250.0	252.6
	1,898.5	**1,883.9**	**1,900.0**	**2,040.3**

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

Maturity of financial liabilities
The non-discounted minimum future cash flows in respect of financial liabilities are:

At 23 April 2020	**Mortgage £m**	**Secured debt £m**	**Total £m**
In less than one year	0.2	90.6	90.8
In two to five years	-	1,191.0	1,191.0
In more than five years	-	1,024.4	1,024.4
	0.2	**2,306.0**	**2,306.2**

At 25 April 2019	**Mortgage £m**	**Secured debt £m**	**Total £m**
In less than one year	0.3	90.6	90.9
In two to five years	0.3	1,243.3	1,243.6
In more than five years	-	1,062.7	1,062.7
	0.6	**2,396.6**	**2,397.2**

The Company has no non-current financial liabilities.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

17. Financial instruments (continued)

Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value. All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants. The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes. The Group does not actively trade in derivative financial instruments.

Interest rate risk

As at 23 April 2020 and 25 April 2019 the Group had fixed rate loan notes and a floating rate mortgage as its only external funding sources.

Liquidity risk

As at 23 April 2020, the Group held sufficient levels of cash and committed funding to enable it to meet its medium-term working capital, lease liability and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

18. Deferred tax

	Group 2020 £m	2019 £m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	**0.4**	0.2
	0.4	0.2
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	**(111.1)**	(97.3)
	(111.1)	(97.3)

Forecasts agreed by the Directors indicate that the deferred tax assets will be utilised in the foreseeable future against taxable profits. The movement on the deferred tax account is:

	Group 52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
At the beginning of the period	**(97.1)**	(91.2)
Charged to the income statement	**(13.8)**	(6.4)
Credited to the statement of comprehensive income	**0.2**	0.1
Impact of change in accounting policy – IFRS 16	**-**	0.4
At the end of the period	**(110.7)**	(97.1)

	Land and buildings £m	Accelerated capital allowances £m	Short-term temporary differences £m	Pension £m	Intangible assets £m	Leases £m	Total £m
At 25 April 2019	(67.2)	(2.6)	(3.4)	0.2	(20.6)	(3.5)	(97.1)
(Charged)/credited to the income statement	(7.7)	(3.7)	(0.2)	-	(2.4)	0.2	(13.8)
Credited to the statement of comprehensive income	-	-	-	0.2	-	-	0.2
At 23 April 2020	**(74.9)**	**(6.3)**	**(3.6)**	**0.4**	**(23.0)**	**(3.3)**	**(110.7)**

	Land and buildings £m	Accelerated capital allowances £m	Short-term temporary differences £m	Pension £m	Intangible assets £m	Leases £m	Total £m
At 26 April 2018	(67.7)	0.6	(3.7)	0.2	(20.6)	-	(91.2)
Credited/(charged) to the income statement	0.5	(3.2)	0.3	(0.1)	-	(3.9)	(6.4)
Credited to the statement of comprehensive income	-	-	-	0.1	-	-	0.1
Impact of change in accounting policy – IFRS 16	-	-	-	-	-	0.4	0.4
At 25 April 2019	**(67.2)**	**(2.6)**	**(3.4)**	**0.2**	**(20.6)**	**(3.5)**	**(97.1)**

The Group has an unrecognised deferred tax asset of £4.0 million (2019: £4.1 million). This relates to carried forward tax losses in non-trading subsidiaries which are not forecast to be utilised in the foreseeable future. Deferred tax is calculated at a rate of 19% (2019: 17%).

The Company has no deferred tax.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

19. Equity share capital – Company

Allotted and fully paid	2020 £m	2019 £m
1,000,006 (2019: 1,000,005) ordinary shares of £1 each	**1.0**	1.0

During the period the Company issued one share to its parent company, CP Cayman Limited, at a premium of £41.5 million to facilitate an equity contribution (note 20).

Management of capital
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

20. Share premium, other reserve and retained earnings

Group	Share premium £m	Other reserve £m	Retained earnings £m
At 26 April 2019	-	(154.0)	(158.5)
Profit for the period	-	-	23.0
Net movement on pension scheme	-	-	(0.7)
Dividends	-	-	(61.2)
Equity contribution (note 19)	41.5	-	-
At 23 April 2020	**41.5**	**(154.0)**	**(197.4)**

Group	Other reserve £m	Retained earnings £m
At 27 April 2018	(154.0)	(35.4)
Impact of change in accounting policy – IFRS 16	-	(2.2)
Adjusted balances at 27 April 2018	(154.0)	(37.6)
Profit for the period	-	62.8
Net movement on pension scheme	-	(0.5)
Dividends	-	(183.2)
At 25 April 2019	**(154.0)**	**(158.5)**

Company	Share premium £m	Retained earnings £m
At 26 April 2019	-	355.0
Profit for the period	-	172.1
Dividends	-	(61.2)
Equity contribution (note 19)	41.5	-
At 23 April 2020	**41.5**	**465.9**

Company	Retained earnings £m
At 27 April 2018	101.7
Profit for the period	436.5
Dividends	(183.2)
At 25 April 2019	**355.0**

During the period the Company paid dividends totalling £61.2 million (2019: £183.2 million). Of this total, the Company distributed cash of £61.2 million and receivables of £nil (2019: £183.0 million of cash and £0.2 million of receivables).

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

21. Working capital and non-cash movements

	Group	
	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Loss/(profit) on disposal of property, plant and equipment	**0.3**	(0.1)
Decrease/(increase) in inventories	**2.1**	(0.1)
Increase in trade and other receivables	**(1.0)**	(0.7)
(Decrease)/increase in trade and other payables	**(33.9)**	8.0
	(32.5)	7.1

22. Analysis of net debt

	At 25 April 2019 £m	Cash flow £m	Non-cash movements and deferred issue costs £m	At 23 April 2020 £m
Cash and cash equivalents				
Cash at bank and in hand	60.2	(23.8)	-	**36.4**
	60.2	(23.8)	-	**36.4**
Borrowings due within one year				
Mortgage	(0.3)	0.3	(0.1)	**(0.1)**
	(0.3)	0.3	(0.1)	**(0.1)**
Borrowings due after more than one year				
Mortgage	(0.1)	-	0.1	**-**
Secured debt	(1,879.2)	-	(2.0)	**(1,881.2)**
	(1,879.3)	-	(1.9)	**(1,881.2)**
Net debt	**(1,819.4)**	**(23.5)**	**(2.0)**	**(1,844.9)**

	At 26 April 2018 £m	Cash flow £m	Non-cash movements and deferred issue costs £m	At 25 April 2019 £m
Cash and cash equivalents				
Cash at bank and in hand	46.1	14.1	-	**60.2**
	46.1	14.1	-	**60.2**
Borrowings due within one year				
Mortgage	(0.3)	0.2	(0.2)	**(0.3)**
	(0.3)	0.2	(0.2)	**(0.3)**
Borrowings due after more than one year				
Mortgage	(0.3)	-	0.2	**(0.1)**
Secured debt	(1,747.8)	(132.7)	1.3	**(1,879.2)**
	(1,748.1)	(132.7)	1.5	**(1,879.3)**
Net debt	**(1,702.3)**	**(118.4)**	**1.3**	**(1,819.4)**

Net debt represents borrowings less cash and cash equivalents.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

22. Analysis of net debt (continued)

Non-cash movements and deferred issue costs represent the following:

	2020	2019
	£m	£m
Deferred issue costs incurred during the period		
- Cash settled	**0.4**	4.8
- Accrued	**-**	0.4
- Settlement of accrued costs	**(0.4)**	-
Amortisation of deferred issue costs (note 6)		
- Ordinary	**(3.5)**	(3.6)
- Exceptional/non-underlying	**-**	(1.6)
Amortisation of premium on issue of secured notes (note 15)	**1.5**	1.3
	(2.0)	1.3

23. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £11.1 million (2019: £21.4 million).

The Company has no capital commitments.

24. Employees and Directors

	Group	
	52 weeks ended 23 April 2020	52 weeks ended 25 April 2019
Staff costs during the period:	**£m**	£m
Wages and salaries	**101.1**	105.4
Social security costs	**6.4**	6.1
Pension costs	**3.5**	3.1
	111.0	114.6

As at 23 April 2020 approximately 90% of the Group's employees were furloughed under the UK Government's Job Retention Scheme. The table above is presented net of payroll costs reimbursable under those arrangements, which totalled £5.7 million.

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 23 April 2020	52 weeks ended 25 April 2019
By activity:	**Number**	Number
Leisure, retail and food and beverage	**3,738**	3,835
Housekeeping, technical and estate services	**4,066**	3,972
Administration	**912**	915
	8,716	8,722

Employee numbers include only those on contracts of service and hence exclude temporary workers.

The Company has no employees.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

24. Employees and Directors (continued)

Key management compensation

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Short-term benefits and pension contributions	**2.0**	2.6

Key management compensation encompasses the Directors and certain senior managers of the Group.

Directors' remuneration

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Remuneration in respect of qualifying services	**1.0**	1.4

One Director (2019: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £10,000 (2019: £10,000) in the period. In addition, retirement benefits are accruing to one Director (2019: one Director) under the Group's defined benefit pension scheme.

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Aggregate emoluments	**0.6**	0.9
Accrued pension at the end of the period	**0.3**	0.3

Advances to Director

During a previous period, a loan of £0.5 million was advanced to Mr C G McKinlay. This loan attracts interest at a rate of 2.5% per annum. A repayment of £nil was received during the period (2019: a repayment of £0.2 million), resulting in a balance of £0.2 million owed to the Group at 23 April 2020 (2019: £0.2 million). This balance is included within other receivables.

25. Pension commitments

Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 23 April 2020 were £3.3 million (2019: £2.9 million).

Accruals per note 12 include £0.5 million (2019: £0.5 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The last available actuarial valuation of the scheme at the balance sheet date was that performed as at 31 July 2017. This was updated to 23 April 2020 by a qualified independent actuary.

The impact of guaranteed minimum pensions ("GMP") equalisation is expected to be less than £0.1 million.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

25. Pension commitments (continued)

Actuarial assumptions used are as follows:

	2020	2019
Discount rate	**1.65%**	2.50%
Rate of price inflation (RPI)	**2.45%**	3.20%
Rate of price inflation (CPI)	**1.65%**	2.20%
Rate of increase in salaries	**1.65%**	2.20%
Life expectancy from age 60, for a male:		
Currently age 60	**28.6 years**	28.5 years
Currently age 50	**29.9 years**	29.3 years

The amounts recognised in the balance sheet are determined as follows:

	2020 £m	2019 £m
Present value of funded obligations	**(15.6)**	(16.3)
Fair value of plan assets	**14.0**	15.0
Net pension liability	**(1.6)**	(1.3)

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	Number of members	**Liability split**	**Duration (years)**
Active members	1	57%	20
Deferred members	2	14%	20
Pensioners	4	29%	16
Total	**7**	**100%**	**19**

At the prior year balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	Number of members	**Liability split**	**Duration (years)**
Active members	1	55%	20
Deferred members	5	30%	21
Pensioners	2	15%	16
Total	**8**	**100%**	**20**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2020 %	2019 %
Equity securities	**-**	37
Debt securities	**-**	63
Liability Driven Investment	**26**	-
Buy & Maintain Credit	**9**	-
Multi-Asset Funds	**63**	-
Cash and cash equivalents	**2**	-
	100	100

In November 2019 the Trustees decided to move to a fiduciary management arrangement. The aim of this change was to increase the target return of the Scheme's portfolio, while retaining the same level of risk as the previous investment strategy. To meet the required risk and return characteristics of the new strategy, the portfolio allocation has been significantly changed since the previous accounting period-end.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

25. Pension commitments (continued)

The movement in the defined benefit obligation over the period is as follows:

	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 25 April 2019	15.0	(16.3)	(1.3)
Current service cost	-	(0.2)	(0.2)
Interest income/(expense)	0.4	(0.4)	-
	0.4	**(0.6)**	**(0.2)**
Remeasurements:			
- Return on plan assets, excluding amount included in interest	(0.3)	-	(0.3)
- Loss from change in financial assumptions	-	(0.7)	(0.7)
- Experience losses	-	0.1	0.1
	(0.3)	**(0.6)**	**(0.9)**
Employer contributions	0.8	-	0.8
Benefit payments from plan	(1.9)	1.9	-
At 23 April 2020	**14.0**	**(15.6)**	**(1.6)**

The impact of various changes in actuarial assumptions on the present value of the scheme obligation are set out below.

	Present value of obligation £m
0.5% decrease in discount rate	(17.2)
1 year increase in life expectancy	(16.2)
0.5% increase in salary increases	(15.7)
0.5% increase in inflation	(16.7)

	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 26 April 2018	13.9	(15.1)	(1.2)
Current service cost	-	(0.2)	(0.2)
Interest income/(expense)	0.4	(0.4)	-
	0.4	**(0.6)**	**(0.2)**
Remeasurements:			
- Return on plan assets, excluding amount included in interest	0.5	-	0.5
- Gain from change in demographic assumptions	-	0.1	0.1
- Loss from change in financial assumptions	-	(1.0)	(1.0)
- Experience losses	-	(0.2)	(0.2)
	0.5	**(1.1)**	**(0.6)**
Employer contributions	0.7	-	0.7
Benefit payments from plan	(0.5)	0.5	-
At 25 April 2019	**15.0**	**(16.3)**	**(1.3)**

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the forthcoming financial year are £0.9 million.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

26. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

Group

	Balance at 26 April 2018 £m	Movement in 52 weeks £m	Balance at 25 April 2019 £m	Movement in 52 weeks £m	Balance at 23 April 2020 £m
Zinc Investments Sarl	**1.4**	(1.4)	**-**	-	**-**
BSREP II Center Parcs Jersey Limited	**(10.5)**	10.5	**-**	-	**-**
Center Parcs Finance Borrower Limited	**-**	(0.4)	**(0.4)**	(1.4)	**(1.8)**

Zinc Investments Sarl, BSREP II Center Parcs Jersey Limited and Center Parcs Finance Borrower Limited share an ultimate controlling party with the Group.

The movement on the balance with Zinc Investments Sarl in the 52 weeks ended 25 April 2019 represented a repayment of £1.2 million and the distribution of the remaining balance of £0.2 million.

The movement on the balance with BSREP II Center Parcs Jersey Limited in the 52 weeks ended 25 April 2019 represented the settlement of the balance due.

The movement on the balance with Center Parcs Finance Borrower Limited in the 52 weeks ended 25 April 2019 represented payment for group relief. The movement on the balance in the 52 weeks ended 23 April 2020 represents the settlement of the balance due and additional group relief of £1.8 million.

Transactions with Directors are set out in note 24 to these financial statements.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

26. Related parties (continued)

Company

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited.

	Balance at 26 April 2018 £m	Movement in 52 weeks £m	Balance at 25 April 2019 £m	Movement in 52 weeks £m	Balance at 23 April 2020 £m
Center Parcs (Holdings 3) Limited	**223.4**	(223.4)	**-**	-	**-**
CP Longleat Village Limited	**(32.7)**	32.7	**-**	-	**-**
Center Parcs (Operating Company) Limited	**(296.3)**	185.4	**(110.9)**	110.9	**-**
Center Parcs (Jersey) 1 Limited	**(184.4)**	184.4	**-**	-	**-**
Center Parcs Limited	**(13.1)**	13.1	**-**	-	**-**
Comet Refico Limited	**(61.0)**	61.0	**-**	-	**-**
Center Parcs (UK) Group Limited	**(0.1)**	0.1	**-**	-	**-**

Current period movements

The movement on the balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 23 April 2020 reflects the following transactions:

- Center Parcs (Operating Company) Limited distributed its receivable of £110.9 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Center Parcs (Holdings 3) Limited subsequently declared a dividend left outstanding of £110.9 million to its parent company, Center Parcs (Holdings 2) Limited.
- Center Parcs (Holdings 3) Limited subsequently assigned its £110.9 million receivable due from Center Parcs (Holdings 1) Limited to Center Parcs (Holdings 2) Limited in settlement of the balance due to that company.
- Center Parcs (Holdings 2) Limited subsequently declared a dividend left outstanding of £110.9 million to its parent company, Center Parcs (Holdings 1) Limited.
- Center Parcs (Holdings 1) Limited and Center Parcs (Holdings 2) Limited subsequently agreed to offset their £110.9 million intercompany receivables and payables.

During the 52 weeks ended 23 April 2020 Center Parcs (Holdings 2) Limited, the Company’s subsidiary undertaking, distributed £61.2 million of cash to the Company.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

26. Related parties (continued)

Prior period movements

The movement on the balance with Center Parcs (Holdings 3) Limited in the 52 weeks ended 25 April 2019 reflected the following transactions:

- Interest receivable of £13.7 million.
- A loan repayment by that company of £45.0 million.
- Comet Refico Limited transferred a receivable of £63.8 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Center Parcs (Operating Company) Limited transferred a receivable of £212.1 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- CP Longleat Village Limited distributed a receivable of £34.1 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Center Parcs (UK) Group Limited distributed a receivable of £192.7 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Center Parcs (Holdings 3) Limited distributed the remaining net receivable of £310.6 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 2) Limited.

The movement on the balance with CP Longleat Village Limited in the 52 weeks ended 25 April 2019 represented interest payable of £1.4 million and the subsequent distribution of the total receivable of £34.1 million by CP Longleat Village Limited to Center Parcs (Holdings 3) Limited, its parent company.

The movement on the balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 25 April 2019 reflected the following transactions:

- Interest payable of £13.0 million.
- Center Parcs Limited distributed a receivable of £13.7 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Operating Company) Limited.
- Center Parcs (Operating Company) Limited transferred a receivable of £212.1 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.

The movement on the balance with Center Parcs (Jersey) 1 Limited in the 52 weeks ended 25 April 2019 represented interest payable of £8.2 million and the subsequent distribution of the total receivable of £192.6 million by Center Parcs (Jersey) 1 Limited to Center Parcs (UK) Group Limited, its parent company.

The movement on the balance with Center Parcs Limited in the 52 weeks ended 25 April 2019 represented interest payable of £0.6 million and the subsequent distribution of the total receivable of £13.7 million by Center Parcs Limited to Center Parcs (Operating Company) Limited, its parent company.

The movement on the balance with Comet Refico Limited in the 52 weeks ended 25 April 2019 represented interest payable of £2.8 million and the subsequent transfer of the total receivable of £63.8 million by Comet Refico Limited to Center Parcs (Holdings 3) Limited.

The movement on the balance with Center Parcs (UK) Group Limited in the 52 weeks ended 25 April 2019 represented the distribution of a £192.6 million receivable due from Center Parcs (Holdings 1) Limited to that company by Center Parcs (Jersey) 1 Limited as described above, and the subsequent distribution of the total receivable of £192.7 million by Center Parcs (UK) Group Limited to Center Parcs (Holdings 3) Limited, its parent company.

During the 52 weeks ended 25 April 2019 Center Parcs (Holdings 2) Limited, the Company’s subsidiary undertaking, distributed £138.0 million of cash and £310.8 million of receivables to the Company. Of these receivables, £310.6 million was due from Center Parcs (Holdings 1) Limited and £0.2 million was due from Zinc Investments Sarl.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

27. Subsidiary undertakings

The share capitals of all subsidiary undertakings are designated as ordinary shares.

All the subsidiary undertakings set out below are included in the consolidated financial statements. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by other subsidiary undertakings of the Company, with the exception of Center Parcs (Holdings 2) Limited.

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Woburn (Operating Company) Limited	Operation of one holiday village	England and Wales
Center Parcs Limited	Employee services provider	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfell Village Limited	Investment property company	England and Wales
Center Parcs (Holdings 2) Limited	Intermediate holding company	England and Wales
Center Parcs (Holdings 3) Limited	Intermediate holding company	England and Wales
Center Parcs (UK) Group Limited	Intermediate holding company	England and Wales
SPV1 Limited	Intermediate holding company	England and Wales
CP Longleat Village Limited	Intermediate holding company	England and Wales
SPV2 Limited	Investment company	England and Wales
Comet Refico Limited	Non-trading	England and Wales
Center Parcs (Jersey) 1 Limited	Dormant	Jersey
Centrepark Limited	Dormant	England and Wales
Carp (UK) 1 Limited	Dormant	England and Wales

The registered office of all subsidiary undertakings is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

Subsidiary audit exemptions

Center Parcs (Holdings 1) Limited has issued guarantees over the liabilities of the following companies at 23 April 2020 under section 479C of the Companies Act 2006 and these entities are exempt from the requirements of the Act relating to the audit of their individual financial statements by virtue of section 479A of the Act.

- Center Parcs Limited (registered no. 01908230)
- Center Parcs (Holdings 2) Limited (registered no. 07656407)
- CP Longleat Village Limited (registered no. 07656396)
- Comet Refico Limited (registered no. 05994315)

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

28. Structured entity – CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the secured debt set out in note 15 to the financial statements. The summarised financial statements of CPUK Finance Limited are as follows:

Income statement	**52 weeks ended 23 April 2020 £m**	52 weeks ended 25 April 2019 £m
Finance expense	**(89.2)**	(91.3)
Finance income	**89.2**	91.3
Profit for the period attributable to equity shareholders	**-**	-

The profit for the period attributable to equity shareholders represents total comprehensive income.

Balance sheet	**As at 23 April 2020 £m**	As at 25 April 2019 £m
Assets		
Amounts due from the Center Parcs (Holdings 1) Limited Group	**1,898.5**	1,900.0
Other receivables	**13.8**	18.0
Cash and cash equivalents	**-**	0.1
Liabilities		
Secured debt	**(1,898.5)**	(1,900.0)
Other payables	**(13.8)**	(18.1)
Total equity	**-**	-

Cash flow statement	**52 weeks ended 23 April 2020 £m**	52 weeks ended 25 April 2019 £m
Investing activities		
Interest received	**94.9**	81.6
Reimbursement of break costs	**-**	6.1
Reimbursement of issue costs	**0.4**	4.8
Loans repaid by related parties	**-**	350.0
Loans advanced to related parties	**-**	(482.7)
Net cash inflow/(outflow) from investing activities	**95.3**	(40.2)
Financing activities		
Interest paid	**(95.0)**	(81.5)
Break costs on secured debt	**-**	(6.1)
Issue costs on secured debt	**(0.4)**	(4.8)
Repayment of external borrowings	**-**	(350.0)
Proceeds from external borrowings	**-**	482.7
Net cash (outflow)/inflow from financing activities	**(95.4)**	40.3
Net (decrease)/increase in cash and cash equivalents	**(0.1)**	0.1

The registered office of CPUK Finance Limited is 44 Esplanade St Helier, Jersey, Channel Islands, JE4 9WG.

Notes to the financial statements
for the 52 weeks ended 23 April 2020 (continued)

29. Ultimate parent company and controlling parties

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. The ultimate parent company and controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The largest group in which the results of the Company are consolidated is that headed by Brookfield Asset Management Inc. The consolidated financial statements of Brookfield Asset Management Inc. are available to the public and may be obtained from its registered office at Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3.

No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.

30. Events after the reporting period

Refunds of approximately £50 million have been paid to guests, in respect of cancelled breaks, between the financial period-end and the date of signing these financial statements.

The Group's owner, Brookfield, has provided funding of £97.5 million to the Group in the period between the financial period-end and the date of signing these financial statements.