

Center Parcs (Holdings 1) Limited

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## **Financial statements**

**52 weeks ended 25 April 2019**

### **Center Parcs (Holdings 1) Limited**

**Annual report and financial statements**

**For the 52 weeks ended 25 April 2019**

**Company registration number: 07656429**

## **Financial statements**

**52 weeks ended 25 April 2019**

### **Contents**

<b>Directors and auditor</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>6</b>
<b>Independent auditor's report to the members</b>	<b>8</b>
<b>Group Income Statement</b>	<b>10</b>
<b>Group Statement of Comprehensive Income</b>	<b>10</b>
<b>Balance Sheets</b>	<b>11</b>
<b>Cash Flow Statements</b>	<b>12</b>
<b>Statements of Changes in Equity</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14</b>

## **Financial statements**

**52 weeks ended 25 April 2019**

### **Directors and auditor**

**Directors**

M P Dalby  
C G McKinlay  
Z B Vaughan  
K O McCrain  
N J Adomalt

**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 25 April 2019

The Directors present their Strategic report on the Group for the 52 weeks ended 25 April 2019 (2018: 53 weeks ended 26 April 2018).

### 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.

With recent trends showing an increase in family short breaks, particularly in the UK, the Center Parcs concept is more relevant today than at any point in its history in the UK market. Center Parcs continually 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 consistently high occupancy and continued revenue and EBITDA growth. 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 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.

### Financial performance

The results of the Group for the period show a profit after taxation of £62.8 million (2018: profit of £51.5 million). Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items was £232.6 million (2018: £228.4 million).

During the 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.

On 20 November 2018 the Group issued £100.0 million of additional A4 secured notes, together with £379.5 million of New Class A5 notes due to expire in August 2028. Part of the proceeds of these new notes were used to settle the Group's Class A3 notes, which were due to mature in February 2020.

The Group adopted IFRS 16 'Leases' during the period. Details are set out in note 2 to the financial statements.

During the prior period ended 26 April 2018, the Group incurred an exceptional/non-underlying finance cost of £26.9 million in respect of a refinancing of the Group's debt. The Group also incurred exceptional/non-underlying administrative expenses of £2.3 million, representing £1.8 million of costs relating to legal claims and associated settlements and £0.7 million of one-off restructuring and reorganisation costs. Taxation on these expenses was also treated as an exceptional/non-underlying item, as was a credit of £1.9 million in respect of a one-off group relief adjustment.

On 15 June 2017 the Group issued £100.0 million of additional A4 secured notes, together with £730.0 million of New Class B notes, divided into £480.0 million 4.250% notes due to expire in August 2022 and £250.0 million 4.875% notes due to mature in August 2025. Part of the proceeds of these new notes were used to settle the Group's Class B2 notes, which were due to mature in August 2020.

## Strategic report For the 52 weeks ended 25 April 2019 (continued)

### Key performance indicators

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

- Revenue: Revenue for the period was £480.2 million (2018: £469.0 million).
- Adjusted EBITDA: Earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items. Adjusted EBITDA for the period was £232.6 million (2018: £228.4 million).
- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 97.1% (2018: 97.6%).
- 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 £191.74 (2018: £184.95).
- 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 £186.08 (2018: £180.46).

The key performance indicators compare the 52 weeks ended 25 April 2019 to the 53 weeks ended 26 April 2018.

### Going concern

The Directors have assessed the financial positions of the Group and the Company based upon the net current liabilities position at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

### 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.

##### *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.

## Strategic report For the 52 weeks ended 25 April 2019 (continued)

### Principal risks and uncertainties (continued)

#### *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.

#### *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.

### Market risk factors

#### *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*

Following the result of the "Brexit" Referendum on 23 June 2016, there remains a large degree of uncertainty regarding what the legal, economic, political and trading relationship will be between the United Kingdom and the member states of the European Union and other sovereign states. Until the terms of "Brexit" have been finalised, it is difficult for businesses to predict the impact it will have on them and their financial performance. Thus far, the referendum result has not had a material impact on the business 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.

## Strategic report For the 52 weeks ended 25 April 2019 (continued)

### Principal risks and uncertainties (continued)

#### *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.

#### 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 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.

On behalf of the board



M P Dalby  
Director  
21 June 2019

## Directors' report For the 52 weeks ended 25 April 2019

The Directors present their report and the audited consolidated financial statements for the 52 weeks ended 25 April 2019 (2018: 53 weeks ended 26 April 2018).

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.

On 27 July 2016, Center Parcs Ireland Limited, a related party company, was granted full consent to construct a new Center Parcs holiday village in the Republic of Ireland. This village is expected to open to the public in Summer 2019. 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 £183.2 million (2018: £298.2 million). Of this total, the Company distributed £183.0 million of cash and £0.2 million of receivables. The Directors have proposed the payment of a final dividend of £20.1 million (2018: final dividends of £10.0 million and £25.9 million).

### Directors

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

M P Dalby  
C G McKinlay  
Z B Vaughan  
K O McCrain  
N J Adomalt

During the period and at the date of approval of these financial statements, the Group had in place Directors' and officers' insurance.

### 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 25 April 2019 (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.

By order of the board

  
M P Dalby  
Director  
21 June 2019

## 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 give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 25 April 2019 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 of Center Parcs (Holdings 1) Limited for the 52 weeks ended 25 April 2019 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 29. 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### 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 the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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  
21 June 2019

**Group Income Statement**

For the 52 weeks ended 25 April 2019

	Note	52 weeks ended 25 April 2019			53 weeks ended 26 April 2018		
		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	3	480.2	-	480.2	469.0	-	469.0
Cost of sales		(129.1)	-	(129.1)	(123.7)	-	(123.7)
Gross profit		351.1	-	351.1	345.3	-	345.3
Administrative expenses		(118.5)	-	(118.5)	(116.9)	(2.3)	(119.2)
Adjusted EBITDA	3	232.6	-	232.6	228.4	(2.3)	226.1
Depreciation and amortisation		(57.7)	-	(57.7)	(52.7)	-	(52.7)
Total operating expenses		(176.2)	-	(176.2)	(169.6)	(2.3)	(171.9)
Operating profit	3	174.9	-	174.9	175.7	(2.3)	173.4
Finance income	6	0.2	-	0.2	0.3	-	0.3
Finance expense	6	(90.9)	(7.7)	(98.6)	(88.5)	(26.9)	(115.4)
Profit before taxation		84.2	(7.7)	76.5	87.5	(29.2)	58.3
Taxation	7	(15.2)	1.5	(13.7)	(14.0)	7.2	(6.8)
Profit for the period attributable to equity shareholders	20	69.0	(6.2)	62.8	73.5	(22.0)	51.5

All amounts relate to continuing activities.

**Group Statement of Comprehensive Income**

For the 52 weeks ended 25 April 2019

	Note	2019 £m	2018 £m
Profit for the period		62.8	51.5
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	25	(0.6)	1.7
Tax relating to components of other comprehensive income	18	0.1	(0.3)
Other comprehensive income for the period	20	(0.5)	1.4
Total comprehensive income for the period		62.3	52.9

The notes on pages 14 to 49 form part of these financial statements

## Balance Sheets

	Note	Group		Company	
		As at 25 April 2019 £m	(restated) As at 26 April 2018 £m	As at 25 April 2019 £m	As at 26 April 2018 £m
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	8	157.5	157.5	-	-
Other Intangible assets	9	148.5	148.7	-	-
Property, plant and equipment	10	1,480.0	1,470.8	-	-
Right-of-use assets	11	30.5	-	-	-
Investments in subsidiary undertakings	12	-	-	466.9	466.9
Deferred tax asset	18	0.2	0.8	-	-
		1,816.7	1,777.8	466.9	466.9
<b>Current assets</b>					
Inventories		3.9	3.8	-	-
Trade and other receivables	13	9.9	9.8	-	223.4
Current tax asset		-	3.7	-	-
Cash and cash equivalents		60.2	46.1	-	-
		74.0	63.4	-	223.4
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings	15	(0.3)	(0.3)	-	-
Current tax liability		(0.1)	-	-	-
Trade and other payables	14	(190.3)	(188.0)	(110.9)	(587.6)
		(190.7)	(188.3)	(110.9)	(587.6)
<b>Net current liabilities</b>		(116.7)	(124.9)	(110.9)	(364.2)
<b>Non-current liabilities</b>					
Borrowings	15	(1,879.3)	(1,748.1)	-	-
Lease liabilities	16	(33.6)	-	-	-
Retirement benefit obligations	25	(1.3)	(1.2)	-	-
Deferred tax liability	18	(97.3)	(92.0)	-	-
		(2,011.5)	(1,841.3)	-	-
		(311.5)	(188.4)	356.0	102.7
<b>Equity attributable to owners of the parent</b>					
Equity share capital	19	1.0	1.0	1.0	1.0
Share premium	20	-	-	-	-
Other reserve	20	(154.0)	(154.0)	-	-
Retained earnings	20	(158.5)	(35.4)	355.0	101.7
<b>Total equity</b>		(311.5)	(188.4)	356.0	102.7

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 £436.5 million (2018: profit of £44.7 million). The financial statements on pages 10 to 49 were approved by the Board of Directors on 21 June 2019 and were signed on its behalf by:

M P Dalby  
Director

Center Parcs (Holdings 1) Limited  
Registered no. 07656429

The notes on pages 14 to 49 form part of these financial statements

## Cash Flow Statements

	Note	Group		Company	
		52 weeks ended 25 April 2019 £m	53 weeks ended 26 April 2018 £m	52 weeks ended 25 April 2019 £m	53 weeks ended 26 April 2018 £m
<b>Cash flows from operating activities</b>					
Operating profit		174.9	173.4	-	-
Depreciation and amortisation	4	57.7	52.7	-	-
Working capital and non-cash movements	21	7.1	12.5	-	-
Difference between the pension charge and contributions		(0.5)	(0.3)	-	-
Corporation tax paid and payments for group relief	7	(14.0)	(1.0)	-	-
<b>Net cash from operating activities</b>		<b>225.2</b>	<b>237.3</b>	-	-
<b>Cash flows (used in)/from investing activities</b>					
Purchase of property, plant and equipment		(59.5)	(74.7)	-	-
Purchase of intangible assets		(6.8)	(11.3)	-	-
Sale of property, plant and equipment		0.1	0.2	-	-
Interest received		0.2	0.3	-	-
Dividends received		-	-	138.0	-
<b>Net cash (used in)/from investing activities</b>		<b>(66.0)</b>	<b>(85.5)</b>	<b>138.0</b>	-
<b>Cash flows used in financing activities</b>					
Repayment of external borrowings		(350.2)	(560.3)	-	-
Proceeds from external borrowings		482.7	839.5	-	-
Issue costs on secured debt		(4.8)	(9.3)	-	-
Break costs on secured debt		(6.1)	(26.9)	-	-
Interest paid		(83.7)	(84.5)	-	-
Dividends paid	20	(183.0)	(298.2)	(183.0)	-
Settlement of Intragroup loans	26	-	-	45.0	-
<b>Net cash used in financing activities</b>		<b>(145.1)</b>	<b>(139.7)</b>	<b>(138.0)</b>	-
Net increase in cash and cash equivalents		14.1	12.1	-	-
Cash and cash equivalents at beginning of the period		46.1	34.0	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>60.2</b>	<b>46.1</b>	-	-
<b>Reconciliation of net cash flow to movement in net debt</b>					
Increase in cash and cash equivalents		14.1	12.1	-	-
Cash inflow from movement in debt		(132.5)	(279.2)	-	-
<b>Change in net debt resulting from cash flows</b>		<b>(118.4)</b>	<b>(267.1)</b>	-	-
Non-cash movements and deferred issue costs		1.3	5.8	-	-
<b>Movement in net debt in the period</b>		<b>(117.1)</b>	<b>(261.3)</b>	-	-
Net debt at beginning of the period		(1,702.3)	(1,441.0)	-	-
<b>Net debt at end of the period</b>	22	<b>(1,819.4)</b>	<b>(1,702.3)</b>	-	-

Net debt represents borrowings less cash and cash equivalents.

The notes on pages 14 to 49 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 26 April 2018	1.0	-	(154.0)	(35.4)	(188.4)
Impact of change in accounting policy – IFRS 16	-	-	-	(2.2)	(2.2)
<b>Adjusted balances at 26 April 2018</b>	<b>1.0</b>	<b>-</b>	<b>(154.0)</b>	<b>(37.6)</b>	<b>(190.6)</b>
<b>Comprehensive Income</b>					
Profit for the period	-	-	-	62.8	62.8
Other comprehensive Income	-	-	-	(0.5)	(0.5)
<b>Transactions with owners</b>					
Dividends	-	-	-	(183.2)	(183.2)
<b>At 25 April 2019</b>	<b>1.0</b>	<b>-</b>	<b>(154.0)</b>	<b>(158.5)</b>	<b>(311.5)</b>

  

Group	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 20 April 2017	1.0	74.3	(154.0)	136.4	57.7
Impact of change in accounting policy – IFRS 15	-	-	-	(0.8)	(0.8)
<b>Adjusted balances at 20 April 2017</b>	<b>1.0</b>	<b>74.3</b>	<b>(154.0)</b>	<b>135.6</b>	<b>56.9</b>
<b>Comprehensive Income</b>					
Profit for the period	-	-	-	51.5	51.5
Other comprehensive Income	-	-	-	1.4	1.4
<b>Transactions with owners</b>					
Bonus issue of shares	-	133.9	-	(133.9)	-
Capital reduction	-	(208.2)	-	208.2	-
Dividends	-	-	-	(298.2)	(298.2)
<b>At 26 April 2018</b>	<b>1.0</b>	<b>-</b>	<b>(154.0)</b>	<b>(35.4)</b>	<b>(188.4)</b>

  

Company	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 26 April 2018	1.0	-	-	101.7	102.7
<b>Comprehensive Income</b>					
Profit for the period	-	-	-	436.5	436.5
<b>Transactions with owners</b>					
Dividends	-	-	-	(183.2)	(183.2)
<b>At 25 April 2019</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>355.0</b>	<b>356.0</b>

  

Company	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 20 April 2017	1.0	74.3	126.1	154.8	356.2
<b>Comprehensive Income</b>					
Profit for the period	-	-	-	44.7	44.7
<b>Transactions with owners</b>					
Bonus issue of shares	-	133.9	(126.1)	(7.8)	-
Capital reduction	-	(208.2)	-	208.2	-
Dividends	-	-	-	(298.2)	(298.2)
<b>At 26 April 2018</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>101.7</b>	<b>102.7</b>

The notes on pages 14 to 49 form part of these financial statements.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019

### 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 25 April 2019 (2018: 53 weeks ended 26 April 2018) 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, with the exception of those relating to financial instruments, revenue and lease accounting following the adoption of IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases' in the period ended 25 April 2019.

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

#### General impact of the application of IFRS 9 'Financial Instruments'

The adoption of IFRS 9 'Financial Instruments', replacing IAS 39 'Financial Instruments: Recognition and Measurement', has not had a material impact on the Group's financial statements. There have been no changes to the assets and liabilities considered to be financial instruments, although IFRS 9 'Financial Instruments' does amend the categorisation of financial assets and liabilities. This change has been reflected in both the financial instruments accounting policy and the disclosures in note 17.

IFRS 9 'Financial Instruments' introduces an expected credit loss model which requires the Group to consider the recoverability of its financial assets and to recognise any anticipated losses as an impairment. In respect of trade receivables, credit risk is limited as the vast majority of customers pay in advance. Credit risk is also considered to be low in respect of the Group's cash and cash equivalents, given the credit ratings of the counterparties. As such, no expected credit losses have been recognised following the adoption of IFRS 9 'Financial Instruments'.

IFRS 9 'Financial Instruments' also introduces new requirements for hedge accounting but these are not currently relevant to the Group.

Additionally, the Group has adopted consequential amendments to IAS 7 'Statement of Cash Flows' that have been applied to the current and prior period.

#### General impact of the application of IFRS 15 'Revenue from Contracts with Customers'

The adoption of IFRS 15 'Revenue from Contracts with Customers', replacing IAS 18 'Revenue', has not had a material impact on the Group's financial statements. The Group has adopted IFRS 15 'Revenue from Contracts with Customers' using the retrospective method (without practical expedients) and as such has recognised the cumulative effect of applying the new standard at the start of the earliest period presented. The effect of the adoption of IFRS 15 'Revenue from Contracts with Customers' as at 20 April 2017 was the deferral of £0.8m of revenue in respect of certain promotional activities. As such, £0.8m was recognised as a liability at the transition date with a corresponding reduction to retained earnings. The timing of the recognition of all other revenue is unchanged.



## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 1. Accounting policies (continued)

#### *General impact of the application of IFRS 16 'Leases'*

In the current period, the Group, for the first time, has applied IFRS 16 'Leases' (as issued by the IASB in January 2016) in advance of its effective date.

IFRS 16 'Leases' introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement date for all leases, except for short-term leases and leases of low value assets.

The Group has applied IFRS 16 'Leases' using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 'Leases'. The details of accounting under IAS 17 'Leases' are disclosed separately and the impact of the changes is disclosed in note 2.

#### *Impact of the new definition of a lease*

The Group has made use of the practical expedient available on transition to IFRS 16 'Leases' not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 'Leases' and IFRIC 4 'Determining Whether An Agreement Contains a Lease' will continue to be applied to leases entered into or modified before 27 April 2018.

The change in definition of a lease principally relates to the concept of control. IFRS 16 'Leases' determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the definition of a lease and related related guidance set out in IFRS 16 'Leases' to all lease contracts entered into or modified on or after 27 April 2018. In preparation for the first-time adoption of IFRS 16 'Leases' the Group carried out an implementation project which showed that the new definition in IFRS 16 'Leases' will not significantly change the scope of contracts that meet the definition of a lease for the Group.

#### *Impact on Lessee Accounting*

IFRS 16 'Leases' changes how the Group accounts for leases previously classified as operating leases under IAS 17 'Leases', which were off-balance sheet. Applying IFRS 16 'Leases' the Group:

- a) Recognises right-of-use assets and lease liabilities in the consolidated balance sheet, initially measured at the present value of future lease payments;
- b) Recognises depreciation of right-to-use assets and interest on lease liabilities in the consolidated income statement; and
- c) Separates the total amount of cash paid into a principal portion and interest in the consolidated cash flow statement (both presented within financing activities).

Under IFRS 16 'Leases', right-of-use assets are tested for impairment in accordance with IAS36 'Impairment of Assets'. This replaces the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease terms of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16 'Leases'.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 1. Accounting policies (continued)

#### Going concern

The Directors have assessed the financial positions of the Group and the Company in light of the net current liabilities positions at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

#### 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 25 April 2019 (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 carrying value of the Group's defined benefit pension scheme obligation:*

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:*

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.

##### *Impairment test for goodwill:*

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.

##### *Determination of the appropriate rate to discount lease payments:*

Where discount rates implicit in leases cannot be readily determined, the Group is required to calculate appropriate incremental borrowing rates in order to establish the values of lease liabilities and associated right-of-use assets. This process incorporates a number of estimates and assumptions, including property yields and borrowing rates.

#### **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. 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 3 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.

#### **Operating segments**

The operating segments set out in note 3 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 25 April 2019 (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

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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. The Group elected to apply the optional exemption of IFRS 1 'First-time adoption of International Financial Reporting Standards' and, as such, the carrying value of properties that were previously held at fair value was treated as deemed cost at the date of adoption of IFRS.

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 25 April 2019 (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

*Policy applicable from 27 April 2018*

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 depreciation 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 25 April 2019 (continued)

### 1. Accounting policies (continued)

#### Leases (continued)

##### *Policy applicable prior to 27 April 2018*

Leases were classified as finance leases if the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Assets held under finance leases were capitalised at cost and depreciated over their useful lives. The capital element of future rentals was treated as a liability and the interest element was charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) were charged to the income statement on a straight-line basis.

#### Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. 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 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. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date. Other financial liabilities are carried at amortised cost using the effective interest rate method.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 1. Accounting policies (continued)

#### Investments

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

#### Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

#### 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 25 April 2019 (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. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. 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. The other reserve in the Company financial statements represents the application of group reconstruction relief in accordance with section 612 of the Companies Act 2006, following the acquisition of certain subsidiaries in prior periods from fellow group companies.



## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (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. Other than the adoption of IFRS 16 'Leases', 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 9	Financial instruments	
	Prepayment Features with Negative Compensation	1 January 2019
IFRS 17	Insurance Contracts	
	New accounting standard	1 January 2021
IAS 28	Investments in Associates and Joint Ventures	
	Long-term interests in Associates and Joint Ventures	1 January 2019
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
IAS 19	Employee Benefits	
	Plan Amendment, Curtailment or Settlement	1 January 2019
IAS 28	Investments in Associates and Joint Ventures	
	Long-term interests in Associates and Joint Ventures	1 January 2019
IAS 40	Investment Property	
	Transfers of Investment Property	1 July 2018
IFRIC 23	Uncertainty over Income Tax Treatments	
	New interpretation	1 January 2019

The Directors do not anticipate that the adoption of any standards and interpretations 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.

### 2. Financial Impact of Initial application of IFRS 16 'Leases'

The impact on retained earnings of the adoption of IFRS 16 'Leases' 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
<b>Reduction in retained earnings as at 26 April 2018</b>	<b>(2.2)</b>

When measuring lease liabilities, the Group discounted lease payments using appropriate incremental borrowing rates. The weighted average rate applied is 5.8%. The Company has no operating lease commitments.

	27 April 2018
	£m
Operating lease commitment at 26 April 2018 as previously disclosed	94.3
Recognition of minimum rental increases not accounted for under IAS17	205.7
Adjusted operating lease commitment at 26 April 2018	300.0
Discounted using the incremental borrowing rates at 27 April 2018	33.1
Other immaterial lease commitments	-
<b>Lease liabilities recognised at 27 April 2018</b>	<b>33.1</b>

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 3. Segmental reporting

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

	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Woburn Forest £m	Central Services £m	Total £m
<b>53 weeks ended 26 April 2018</b>							
Revenue	98.5	96.7	91.8	88.6	93.4	-	469.0
Adjusted EBITDA	55.5	52.5	49.5	46.3	49.4	(24.8)	228.4
Exceptional/non-underlying administrative costs							(2.3)
Depreciation and amortisation							(52.7)
Operating profit							173.4

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 Adjusted EBITDA, 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 £290.6 million (2018: £280.0 million) for accommodation and £189.6 million (2018: £189.0 million) for on-site spend. The split of gross profit was £261.2 million (2018: £253.3 million) for accommodation and £89.9 million (2018: £92.0 million) for on-site spend.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 4. Operating profit

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

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Staff costs (note 24)	114.6	109.8
Cost of inventories	41.7	40.5
Depreciation of property, plant and equipment – owned assets (note 10)	50.1	47.6
Depreciation of right-of-use assets (note 11)	0.8	-
Amortisation of intangible assets (note 9)	7.0	5.1
Operating lease rentals – land and buildings	-	1.4
Repairs and maintenance expenditure on property, plant and equipment	12.4	12.1
Services provided by the Group's auditor	0.4	0.4

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

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Charged to the income statement</b>		
Audit of the parent company, subsidiary and consolidated financial statements	0.2	0.2
Deferred cost in respect of the secured debt		
Corporate finance services	0.2	0.2
	0.4	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 (2018: £2,000) for the audit of the parent company.

### 5. Exceptional/non-underlying items

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

	2019	2018
	£m	£m
<b>Operating items</b>		
Administrative expenses	-	(2.3)
	-	(2.3)
<b>Non-operating items</b>		
Finance expense	(7.7)	(26.9)
Taxation	1.5	7.2
	(6.2)	(19.7)
	(6.2)	(22.0)

The £7.7 million exceptional/non-underlying finance expense in the current period represents 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 has also been treated as an exceptional/non-underlying item.

Exceptional/non-underlying administrative expenses in the prior period represented £1.6 million of costs relating to legal claims and associated settlements, together with £0.7m of one-off restructuring and reorganisation costs. The £26.9 million exceptional/non-underlying finance expense in the prior period represented the premium paid on the settlement of the B2 tranche of the Group's secured debt. Taxation on these expenses was also treated as an exceptional/non-underlying item.

A taxation credit of £1.9 million in respect of a one-off adjustment to group relief was also treated as an exceptional/non-underlying item in the prior period.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 6. Net finance costs

	Group		Company	
	52 weeks ended 25 April 2019 £m	53 weeks ended 26 April 2018 £m	52 weeks ended 25 April 2019 £m	53 weeks ended 26 April 2018 £m
<b>Finance expense</b>				
Interest payable on borrowings	(88.9)	(88.0)	-	-
- Less: Interest capitalised	0.5	0.2	-	-
Interest expense on lease liabilities	(1.9)	-	-	-
Interest payable to Group undertakings	-	-	(26.0)	(39.5)
Other interest and similar charges	(0.6)	(0.7)	-	-
<b>Total finance expense before exceptional/non-underlying items</b>	<b>(90.9)</b>	<b>(88.5)</b>	<b>(26.0)</b>	<b>(39.5)</b>
<b>Exceptional/non-underlying finance expense</b>				
- Accelerated amortisation of deferred issue costs	(1.6)	-	-	-
- Premium on settlement of the A3 notes	(6.1)	-	-	-
- Premium on settlement of the B2 notes	-	(26.9)	-	-
	(7.7)	(26.9)	-	-
<b>Total finance expense</b>	<b>(98.6)</b>	<b>(115.4)</b>	<b>(26.0)</b>	<b>(39.5)</b>
<b>Finance Income</b>				
Bank Interest receivable	0.2	0.3	-	-
Interest receivable from Group undertakings	-	-	13.7	30.1
<b>Total finance income</b>	<b>0.2</b>	<b>0.3</b>	<b>13.7</b>	<b>30.1</b>
<b>Net finance costs</b>	<b>(98.4)</b>	<b>(115.1)</b>	<b>(12.3)</b>	<b>(9.4)</b>

Interest payable on borrowings includes amortisation of deferred issue costs of £3.6 million (2018: £4.4 million).

The interest rate applied in determining the amount of interest capitalised in the period was approximately 4.8% (2018: 4.7%).

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 7. Taxation

#### (a) Taxation

The Group paid corporation tax of £3.1 million (2018: £1.0 million) during the period and made payments for taxation group relief of £10.9 million (2018: £nil).

The Group tax charge is made up as follows:

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Current tax:</b>		
- Current period	(5.6)	(4.9)
- Prior periods	(1.7)	9.0
	(7.3)	4.1
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	(7.9)	(4.0)
- Adjustments in respect of prior periods	1.5	(6.9)
<b>Taxation (note 7(b))</b>	<b>(13.7)</b>	<b>(6.8)</b>

The Company had a tax charge of £nil in the period (2018: £nil).

#### (b) Factors affecting the tax charge

##### Group

The tax assessed for the period is lower (2018: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2018: 19%). The difference is reconciled below:

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Profit before taxation</b>	<b>76.5</b>	<b>58.3</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK	14.5	11.1
Adjustments in respect of prior periods	0.2	(2.1)
Permanent differences and expenses not deductible for tax purposes	0.6	1.5
Impact of change in corporation tax rate	(1.0)	(0.6)
Indexation on future capital gains	-	(2.5)
Brought forward losses not previously recognised	(0.6)	(0.6)
<b>Tax charge for the period (note 7(a))</b>	<b>13.7</b>	<b>6.8</b>

##### Company

The tax assessed for the period is lower (2018: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2018: 19%). The difference is reconciled below:

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Profit before taxation</b>	<b>436.5</b>	<b>44.7</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK	82.9	8.5
Group relief not paid for	2.4	1.8
Income from subsidiary undertakings – not subject to tax	(85.3)	(14.2)
Release of intra-group receivable – not subject to tax	-	3.9
<b>Tax charge for the period (note 7(a))</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the 52 weeks ended 25 April 2019 (continued)

### 7. Taxation (continued)

#### Change of corporation tax rate and factors that may affect future tax charges

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the standard rate of corporation tax in the UK to 17% with effect from 1 April 2020.

Deferred tax is calculated at a rate of 17% (2018: 17%).

### 8. Goodwill

<b>Cost and net book value</b>	<b>Group £m</b>
At 25 April 2019, 26 April 2018 and 20 April 2017	<b>157.5</b>

#### **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 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% (2018: 2.3%) and the discount rate applied is 8.7% (2018: 9.0%).

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 25 April 2019 (continued)

**9. Other intangible assets**

	Software £m	Brand £m	Total £m
<b>Cost</b>			
At 27 April 2018	37.4	121.2	158.6
Additions	6.8	-	6.8
Disposals	(2.1)	-	(2.1)
<b>At 25 April 2019</b>	<b>42.1</b>	<b>121.2</b>	<b>163.3</b>
<b>Amortisation</b>			
At 27 April 2018	9.9	-	9.9
Charge for the period	7.0	-	7.0
On disposals	(2.1)	-	(2.1)
<b>At 25 April 2019</b>	<b>14.8</b>	<b>-</b>	<b>14.8</b>
Net book amount at 28 April 2018	27.5	121.2	148.7
<b>Net book amount at 25 April 2019</b>	<b>27.3</b>	<b>121.2</b>	<b>148.5</b>

	Software £m	Brand £m	Total £m
<b>Cost</b>			
At 21 April 2017	22.6	121.2	143.8
Additions	11.3	-	11.3
Reclassification from property, plant and equipment	6.7	-	6.7
Disposals	(3.2)	-	(3.2)
<b>At 26 April 2018</b>	<b>37.4</b>	<b>121.2</b>	<b>158.6</b>
<b>Amortisation</b>			
At 21 April 2017	8.0	-	8.0
Charge for the period	5.1	-	5.1
On disposals	(3.2)	-	(3.2)
<b>At 26 April 2018</b>	<b>9.9</b>	<b>-</b>	<b>9.9</b>
Net book amount at 20 April 2017	14.6	121.2	135.8
<b>Net book amount at 26 April 2018</b>	<b>27.5</b>	<b>121.2</b>	<b>148.7</b>

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 (2018: £nil).

The Company has no other intangible assets.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (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
<b>Cost</b>						
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)	-
<b>At 25 April 2019</b>	<b>1,171.4</b>	<b>426.5</b>	<b>144.6</b>	<b>19.7</b>	<b>4.0</b>	<b>1,766.2</b>
<b>Depreciation</b>						
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)
<b>At 25 April 2019</b>	<b>15.7</b>	<b>190.1</b>	<b>64.6</b>	<b>15.8</b>	<b>-</b>	<b>286.2</b>
Net book amount at 26 April 2018	1,141.7	241.8	74.0	4.8	8.5	1,470.8
<b>Net book amount at 25 April 2019</b>	<b>1,155.7</b>	<b>236.4</b>	<b>80.0</b>	<b>3.9</b>	<b>4.0</b>	<b>1,480.0</b>

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 21 April 2017	1,127.8	376.5	112.2	18.7	27.4	1,662.6
Additions	12.3	22.4	25.0	2.0	11.5	73.2
Disposals	-	-	(4.7)	(1.6)	-	(6.3)
Reclassification to intangible assets	-	-	-	-	(6.7)	(6.7)
Transfers	17.1	6.4	0.2	-	(23.7)	-
<b>At 26 April 2018</b>	<b>1,157.2</b>	<b>405.3</b>	<b>132.7</b>	<b>19.1</b>	<b>8.5</b>	<b>1,722.8</b>
<b>Depreciation</b>						
At 21 April 2017	15.3	137.7	45.6	12.1	-	210.7
Charge for the period	0.2	25.8	17.8	3.8	-	47.6
On disposals	-	-	(4.7)	(1.6)	-	(6.3)
<b>At 26 April 2018</b>	<b>15.5</b>	<b>163.5</b>	<b>58.7</b>	<b>14.3</b>	<b>-</b>	<b>252.0</b>
Net book amount at 20 April 2017	1,112.5	238.8	66.6	6.6	27.4	1,451.9
<b>Net book amount at 26 April 2018</b>	<b>1,141.7</b>	<b>241.8</b>	<b>74.0</b>	<b>4.8</b>	<b>8.5</b>	<b>1,470.8</b>

The Company has no property, plant and equipment.

### 11. Right-of use assets

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

The Company has no right-of-use assets.



## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 12. Investments in subsidiary undertakings

Company	£m
<b>Cost and net book value</b>	
At 25 April 2019, 26 April 2018 and 20 April 2017	<b>466.9</b>

The investment at 25 April 2019 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 £448.8 million (2018: profit of £74.5 million) for the period ended 25 April 2019 and had net assets at that date of £466.9 million (2018: £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.

### 13. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£m	£m	£m	£m
Trade receivables	5.1	4.1	-	-
Amounts owed by Group undertakings	-	-	-	223.4
Amounts owed by related parties	-	1.4	-	-
Prepayments and accrued income	4.2	3.9	-	-
Other receivables	0.6	0.4	-	-
	<b>9.9</b>	<b>9.8</b>	<b>-</b>	<b>223.4</b>

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2018: £nil). Credit risk in respect of the Group's revenue streams is limited as the vast majority of customers pay in advance.

Amounts owed by Group undertakings at 26 April 2018 represented amounts due from Center Parcs (Holdings 3) Limited and included loans totalling £218.7 million and associated unpaid interest. Interest was receivable at a rate of 8% per annum and was not compounded. The total amount receivable at the prior period-end was net of an interest free payable of £2.2 million in respect of normal trading activities. These amounts were unsecured and repayable on demand. The balances were settled during the current period as set out in note 26.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 14. Trade and other payables

	Group		Company	
	2019	(restated) 2018	2019	2018
	£m	£m	£m	£m
Trade payables	6.6	5.6	-	-
Other tax and social security	17.1	15.9	-	-
Other payables	4.1	2.7	-	-
Amounts owed to related parties	0.4	10.5	-	-
Amounts owed to Group undertakings	-	-	110.9	587.6
Accruals	62.8	60.2	-	-
Deferred Income	99.3	93.1	-	-
	<b>190.3</b>	<b>188.0</b>	<b>110.9</b>	<b>587.6</b>

Amounts owed to Group undertakings at 25 April 2019 represent an interest-free payable due to Center Parcs (Operating Company) Limited.

Amounts owed to Group undertakings at 26 April 2018 principally related to loans of £393.7 million due to other members of the Center Parcs (Holdings 1) Limited Group and the associated unpaid interest. Interest was payable at a rate of 8% per annum and was not compounded. Interest of £26.0 million (2018: £39.0 million) was payable on these loans during the period. These loans were settled during the current period as 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.

### 15. Borrowings

	Group	
	2019	2018
	£m	£m
<b>Current</b>		
Mortgage due within one year	0.3	0.3
	Group	
	2019	2018
	£m	£m
<b>Non-current</b>		
Mortgage	0.1	0.3
Secured debt	1,879.2	1,747.8
	<b>1,879.3</b>	<b>1,748.1</b>

#### *Mortgage*

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £4,000 (2018: £6,000).

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 15. Borrowings (continued)

#### Secured debt

The secured debt consists of the following:

	2019 £m	2018 £m
Tranche A2	440.0	440.0
Tranche A3	-	350.0
Tranche A4	350.5	248.6
Tranche A5	379.5	-
Tranche B3	480.0	480.0
Tranche B4	250.0	250.0
Unamortised deferred issue costs	(20.8)	(20.8)
	<b>1,879.2</b>	<b>1,747.8</b>

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 (2018: £0.9 million) was credited to the Income statement during the period. On the same date the Group issued £730.0 million of New Class B secured notes, divided into £480.0 million B3 notes and £250.0 million B4 notes. Part of the proceeds of these new notes was used to settle the Group's Class B2 secured notes.

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 £0.2 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 A3 notes had an expected maturity date of 28 February 2020 and a final maturity date of 28 February 2042. The interest rate to expected maturity was fixed at 2.666% and the interest rate from expected maturity to final maturity was 3.944%.

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%.

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 £18.0 million (2018: £13.0 million) was accrued in respect of the secured debt at 25 April 2019.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 15. Borrowings (continued)

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
<b>At 25 April 2019</b>					
Mortgage	0.3	0.1	-	-	0.4
Secured debt	-	920.0	969.5	(10.3)	1,879.2
<b>Total borrowings</b>	<b>0.3</b>	<b>920.1</b>	<b>969.5</b>	<b>(10.3)</b>	<b>1,879.6</b>
<b>At 26 April 2018</b>					
Mortgage	0.3	0.3	-	-	0.6
Secured debt	-	830.0	930.0	(12.2)	1,747.8
<b>Total borrowings</b>	<b>0.3</b>	<b>830.3</b>	<b>930.0</b>	<b>(12.2)</b>	<b>1,748.4</b>

All amounts are denominated in £ sterling.

The Company has no borrowings.

### 16. Leases

#### Lease liabilities

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

	25 April 2019 £m
<b>Maturity analysis – contractual undiscounted cash flows</b>	
Less than one year	1.6
One to five years	6.0
More than five years	291.0
<b>Total undiscounted lease liabilities at 25 April 2019</b>	<b>298.6</b>
<b>Lease liabilities included in the consolidated balance sheet at 25 April 2019</b>	
Current	-
Non-current	(33.6)
<b>Total lease liabilities</b>	<b>(33.6)</b>
<b>Amounts recognised in the income statement</b>	
Interest on lease liabilities	(1.9)
<b>Total recognised in the income statement</b>	<b>(1.9)</b>
<b>Amounts recognised in the cash flow statement</b>	
Repayment of lease liabilities	-
Interest on lease liabilities	(1.6)
<b>Total recognised in the cash flow statement</b>	<b>(1.6)</b>

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 Company has no lease liabilities.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 16. Leases (continued)

#### Operating lease commitments

Prior period disclosures for the Group, as required by IAS17 'Leases' are as follows:

	Land and buildings 2018 £m
<b>Commitments under non-cancellable operating leases due:</b>	
Within one year	1.4
In more than one year but less than five years	5.3
In more than five years	87.6
	<b>94.3</b>

The Group had no other operating lease commitments. The Company had no operating lease commitments.

### 17. Financial instruments

#### **Financial Instruments by category**

The accounting policies for financial instruments have been applied to the items below. As at 25 April 2019 and 26 April 2018 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.

Under IAS 39 'Financial Instruments: Recognition and Measurement', all of the Group's financial assets were categorised as loans and receivables and all of the Group's financial liabilities were categorised as other financial liabilities.

Financial assets	Group	
	2019 £m	2018 £m
Trade receivables	5.1	4.1
Other receivables	0.8	1.8
Cash and cash equivalents	60.2	46.1
	<b>65.9</b>	<b>52.0</b>

Financial liabilities	Group	
	2019 £m	2018 £m
External borrowings	1,879.6	1,748.4
Lease liabilities	33.6	-
Trade payables	6.6	5.6
Accruals	62.8	60.2
Other payables	4.5	13.2
	<b>1,987.1</b>	<b>1,827.4</b>

The only financial instruments held by the Company are other receivables of £nil (2018: £223.4 million), which are classified as those measured at amortised cost, and other payables of £110.9 million (2018: £587.6 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 fair value measurements have been categorised as Level 1 (2018: 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 25 April 2019 (continued)

### 17. Financial Instruments (continued)

#### Fair value of financial assets and financial liabilities

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

	25 April 2019		26 April 2018	
	Book value £m	Fair value £m	Book value £m	Fair value £m
Tranche A2	440.0	534.0	440.0	545.6
Tranche A3	-	-	350.0	355.6
Tranche A4	350.5	368.0	248.6	252.2
Tranche A5	379.5	397.2	-	-
Tranche B3	480.0	488.5	480.0	483.5
Tranche B4	250.0	252.6	250.0	252.1
	<b>1,900.0</b>	<b>2,040.3</b>	<b>1,768.6</b>	<b>1,869.0</b>

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:

	Mortgage £m	Secured debt £m	Total £m
<b>At 25 April 2019</b>			
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
	<b>0.6</b>	<b>2,396.6</b>	<b>2,397.2</b>
<b>At 26 April 2018</b>			
In less than one year	0.3	82.4	82.7
In two to five years	0.6	1,116.4	1,117.0
In more than five years	-	1,005.1	1,005.1
	<b>0.9</b>	<b>2,203.9</b>	<b>2,204.8</b>

The Company has no non-current financial liabilities.

#### 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 25 April 2019 and 26 April 2018 the Group had fixed rate loan notes and a floating rate mortgage as its only external funding sources.

#### Liquidity risk

As at 25 April 2019, the Group held sufficient levels of cash 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.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 17. Financial Instruments (continued)

#### 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.

### 18. Deferred tax

	Group	
	2019	2018
	£m	£m
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after more than 12 months	0.2	0.8
	<b>0.2</b>	<b>0.8</b>
<b>Deferred tax liabilities</b>		
Deferred tax liabilities to be recovered after more than 12 months	(97.3)	(92.0)
	<b>(97.3)</b>	<b>(92.0)</b>

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 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>At the beginning of the period</b>	<b>(91.2)</b>	<b>(80.0)</b>
Charged to the Income statement	(6.4)	(10.9)
Credited/(charged) to the statement of comprehensive income	0.1	(0.3)
Impact of change in accounting policy – IFRS 16	0.4	-
<b>At the end of the period</b>	<b>(97.1)</b>	<b>(91.2)</b>

	Land and buildings	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Leases	Total
	£m	£m	£m	£m	£m	£m	£m
<b>At 26 April 2018</b>	<b>(67.7)</b>	<b>0.6</b>	<b>(3.7)</b>	<b>0.2</b>	<b>(20.6)</b>	<b>-</b>	<b>(91.2)</b>
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
<b>At 25 April 2019</b>	<b>(67.2)</b>	<b>(2.6)</b>	<b>(3.4)</b>	<b>0.2</b>	<b>(20.6)</b>	<b>(3.5)</b>	<b>(97.1)</b>

	Land and buildings	Accelerated capital allowances	Short-term timing differences	Pension	Intangible assets	Total
	£m	£m	£m	£m	£m	£m
<b>At 20 April 2017</b>	<b>(70.5)</b>	<b>14.5</b>	<b>(3.9)</b>	<b>0.5</b>	<b>(20.6)</b>	<b>(80.0)</b>
Credited/(charged) to the income statement	2.8	(13.9)	0.2	-	-	(10.9)
Charged to the statement of comprehensive income	-	-	-	(0.3)	-	(0.3)
<b>At 26 April 2018</b>	<b>(67.7)</b>	<b>0.6</b>	<b>(3.7)</b>	<b>0.2</b>	<b>(20.6)</b>	<b>(91.2)</b>

The Group has an unrecognised deferred tax asset of £4.1 million (2018: £4.7 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 17% (2018: 17%). The Company has no deferred tax.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 19. Equity share capital – Company

	2019	2018
	£m	£m
<b>Allotted and fully paid</b>		
1,000,005 ordinary shares of £1 each	1.0	1.0

On 3 August 2017 the Company made a bonus issue of one share at a premium of £133.9 million (see note 20). The Company was incorporated in 2011 and hence does not have an authorised share capital.

#### 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

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

	Share premium £m	Other reserve £m	Retained earnings £m
<b>Group</b>			
At 21 April 2017	74.3	(154.0)	136.4
Impact of change in accounting policy – IFRS 15	-	-	(0.8)
<b>Adjusted balances at 21 April 2017</b>	74.3	(154.0)	135.6
Profit for the period	-	-	51.5
Net movement on pension scheme	-	-	1.4
Bonus issue of shares	133.9	-	(133.9)
Capital reduction	(208.2)	-	208.2
Dividends	-	-	(298.2)
<b>At 26 April 2018</b>	-	(154.0)	(35.4)



**Notes to the financial statements**

for the 52 weeks ended 25 April 2019 (continued)

**20. Share premium, other reserve and retained earnings (continued)**

Company	Share premium £m	Other reserve £m	Retained earnings £m
<b>At 27 April 2018</b>	-	-	101.7
Profit for the period	-	-	436.5
Dividends	-	-	(183.2)
<b>At 25 April 2019</b>	-	-	<b>355.0</b>

Company	Share premium £m	Other reserve £m	Retained earnings £m
<b>At 21 April 2017</b>	74.3	126.1	154.8
Profit for the period	-	-	44.7
Bonus issue of shares	133.9	(126.1)	(7.8)
Capital reduction	(208.2)	-	208.2
Dividends	-	-	(298.2)
<b>At 26 April 2018</b>	-	-	<b>101.7</b>

During the period the Company paid dividends totalling £183.2 million (2018: £298.2 million). Of this total, the Company distributed £183.0 million of cash and £0.2 million of receivables.

**21. Working capital and non-cash movements**

	Group	
	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Profit on disposal of property, plant and equipment	(0.1)	(0.2)
Increase in inventories	(0.1)	(0.1)
Increase in trade and other receivables	(0.7)	(2.0)
Increase in trade and other payables	8.0	14.8
	<b>7.1</b>	<b>12.5</b>

**22. Analysis of net debt**

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

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 22. Analysis of net debt (continued)

	At 20 April 2017 £m	Cash flow £m	Non-cash movements and deferred issue costs £m	At 26 April 2018 £m
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	34.0	12.1	-	46.1
	34.0	12.1	-	46.1
<b>Borrowings due within one year</b>				
Mortgage	(0.3)	0.3	(0.3)	(0.3)
	(0.3)	0.3	(0.3)	(0.3)
<b>Borrowings due after more than one year</b>				
Mortgage	(0.6)	-	0.3	(0.3)
Secured debt	(1,474.1)	(279.5)	5.8	(1,747.8)
	(1,474.7)	(279.5)	6.1	(1,748.1)
<b>Net debt</b>	<b>(1,441.0)</b>	<b>(267.1)</b>	<b>5.8</b>	<b>(1,702.3)</b>

Net debt represents borrowings less cash and cash equivalents.

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

	2019 £m	2018 £m
Deferred issue costs incurred during the period		
- Cash settled	4.8	9.3
- Accrued	0.4	-
Amortisation of deferred issue costs (note 6)		
- Ordinary	(3.6)	(4.4)
- Exceptional/non-underlying	(1.6)	-
Amortisation of premium on issue of secured notes (note 15)	1.3	0.9
	1.3	5.8

### 23. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £21.4 million (2018: £22.0 million).

The Company has no capital commitments.

**Notes to the financial statements**

for the 52 weeks ended 25 April 2019 (continued)

**24. Employees and Directors**

	Group	
	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Staff costs during the period:		
Wages and salaries	105.4	101.3
Social security costs	6.1	5.7
Pension costs	3.1	2.8
	114.6	109.8

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

	Group	
	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	Number	Number
By activity:		
Leisure, retail and food and beverage	3,835	3,742
Housekeeping, technical and estate services	3,972	3,775
Administration	915	875
	8,722	8,392

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

The Company has no employees.

**Key management compensation**

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Short-term benefits	2.6	2.8

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

**Directors' remuneration**

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Remuneration in respect of qualifying services	1.4	1.6

One Director (2018: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £10,000 (2018: £7,500) in the period. In addition, retirement benefits are accruing to one Director (2018: 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 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
Aggregate emoluments	0.9	1.0
Accrued pension at the end of the period	0.3	0.3

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 24. Employees and Directors (continued)

#### Advances to Director

During the prior 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 £0.2m was received during the period (2018: a repayment of £0.1 million), resulting in a balance of £0.2 million owed to the Group at 25 April 2019 (2018: £0.4 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 25 April 2019 were £2.9 million (2018: £2.5 million).

Accruals per note 14 include £0.5 million (2018: £0.4 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 25 April 2019 by a qualified independent actuary.

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

Actuarial assumptions used are as follows:

	2019	2018
Discount rate	2.50%	2.80%
Rate of price inflation (RPI)	3.20%	3.10%
Rate of price inflation (CPI)	2.20%	2.10%
Rate of increase in salaries	2.20%	2.10%
Life expectancy from age 60, for a male:		
Currently age 60	28.5 years	28.7 years
Currently age 50	29.3 years	29.6 years

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

	2019	2018
	£m	£m
Present value of funded obligations	(16.3)	(15.1)
Fair value of plan assets	15.0	13.9
<b>Net pension liability</b>	<b>(1.3)</b>	<b>(1.2)</b>

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	55%	20
Deferred members	5	30%	21
Pensioners	2	15%	16
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>20</b>

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 25. Pension commitments (continued)

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	53%	21
Deferred members	5	31%	22
Pensioners	2	16%	17
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>21</b>

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

	2019 %	2018 %
Equity securities	37	39
Debt securities	63	60
Cash and cash equivalents	-	1

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
<b>At 26 April 2018</b>	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	-
<b>At 25 April 2019</b>	<b>15.0</b>	<b>(16.3)</b>	<b>(1.3)</b>

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	17.9
1 year increase in life expectancy	16.9
0.5% increase in salary increases	16.3
0.5% increase in inflation	17.4

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 25. Pension commitments (continued)

	Fair value of plan assets £m	Present value of obligation £m	Total £m
<b>At 20 April 2017</b>	13.1	(16.3)	(3.2)
Current service cost	-	(0.3)	(0.3)
Interest income/(expense)	0.4	(0.4)	-
	0.4	(0.7)	(0.3)
<b>Remeasurements:</b>			
- Return on plan assets, excluding amount included in interest	(0.1)	-	(0.1)
- Gain from change in demographic assumptions	-	1.2	1.2
- Gain from change in financial assumptions	-	0.7	0.7
- Experience losses	-	(0.1)	(0.1)
	(0.1)	1.8	1.7
Employer contributions	0.6	-	0.6
Benefit payments from plan	(0.1)	0.1	-
<b>At 26 April 2018</b>	<b>13.9</b>	<b>(15.1)</b>	<b>(1.2)</b>

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.

### 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 20 April 2017 £m	Movement In 53 weeks £m	Balance at 26 April 2018 £m	Movement In 52 weeks £m	Balance at 25 April 2019 £m
Zinc Investments Sarl	1.6	(0.2)	1.4	(1.4)	-
CP Cayman Midco 2 Limited	(0.2)	0.2	-	-	-
BSREP II Center Parcs Jersey Limited	(18.4)	7.9	(10.5)	10.5	-
Center Parcs Finance Borrower Limited	-	-	-	(0.4)	(0.4)

Zinc Investments Sarl, CP Cayman Midco 2 Limited, 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 53 weeks ended 26 April 2018 represented a partial repayment of the balance due, offset by further funds advanced to that company. The movement on the balance in the 52 weeks ended 25 April 2019 represents a repayment of £1.2 million and the distribution of the remaining balance of £0.2 million.

The movement on the balance with CP Cayman Midco 2 Limited in the 53 weeks ended 26 April 2018 represented the settlement of the balance due.

The movement on the balance with BSREP II Center Parcs Jersey Limited in the 53 weeks ended 26 April 2018 represented adjustments to group relief payable balances. The movement on the balance in the 52 weeks ended 25 April 2019 represents 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 represents payment for group relief.

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

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (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 20 April 2017 £m	Movement in 53 weeks £m	Balance at 26 April 2018 £m	Movement in 52 weeks £m	Balance at 25 April 2019 £m
Center Parcs (Holdings 3) Limited	594.5	(371.1)	223.4	(223.4)	-
CP Comet Holdings Limited	71.3	(71.3)	-	-	-
CP Longleat Village Limited	(30.9)	(1.8)	(32.7)	32.7	-
Center Parcs (Operating Company) Limited	(280.4)	(15.9)	(296.3)	185.4	(110.9)
Forest Midco Limited	(28.2)	28.2	-	-	-
Center Parcs (Jersey) 1 Limited	(174.6)	(9.8)	(184.4)	184.4	-
Center Parcs Spa Division Holdings Limited	(0.1)	0.1	-	-	-
Center Parcs Limited	(12.4)	(0.7)	(13.1)	13.1	-
CP Comet Bidco Limited	(71.4)	71.4	-	-	-
Comet Refico Limited	(57.8)	(3.2)	(61.0)	61.0	-
Sun CP Newmidco Limited	(120.7)	120.7	-	-	-
Center Parcs (UK) Group Limited	-	(0.1)	(0.1)	0.1	-

#### Current period movements

The movement on the balance with Center Parcs (Holdings 3) Limited in the 52 weeks ended 25 April 2019 reflects 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 represents 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 reflects 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 represents 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 represents 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.

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 26. Related parties (continued)

The movement on the balance with Comet Refico Limited in the 52 weeks ended 25 April 2019 represents 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 represents 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.

#### Prior period movements

The movement on the balance with Center Parcs (Holdings 3) Limited in the 53 weeks ended 26 April 2018 reflected the following transactions:

- A repayment of £223.6 million.
- Forest Holdco Limited, a fellow group undertaking, distributed a receivable of £29.2 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Sun CP Newportco Limited, a fellow group undertaking, distributed a receivable of £124.8 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- CP Comet Bldco Limited, a fellow group undertaking, distributed a receivable of £73.9 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- CP Comet Holdings Limited, a fellow group undertaking, transferred a payable of £54.2 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- Interest of £26.2 million was receivable during the period.

The movement on the balance with CP Comet Holdings Limited in the 53 weeks ended 26 April 2018 represented the following transactions:

- Interest receivable of £3.9 million.
- Interest payable of £0.5 million.
- The waiver of £20.5 million of the balance due.
- The transfer of the remaining balance of £54.2 million from CP Comet Holdings Limited to Center Parcs (Holdings 3) Limited as described above.

The movement on the balance with Forest Midco Limited in the 53 weeks ended 26 April 2018 represented the following transactions:

- Interest payable of £1.0 million.
- Forest Midco Limited distributed a receivable of £29.2 million due from Center Parcs (Holdings 1) Limited to its parent company, Forest Holdco Limited. This was subsequently distributed by Forest Holdco Limited to Center Parcs (Holdings 3) Limited, as described above.

The movement on the balance with Center Parcs Spa Division Holdings Limited in the 53 weeks ended 26 April 2018 represented the distribution of the balance due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (UK) Group Limited.

The movement on the balance with CP Comet Bldco Limited in the 53 weeks ended 26 April 2018 represented the following transactions:

- Interest payable of £2.5 million.
- CP Comet Bldco Limited distributed a receivable of £73.9 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited, as described above.

The movement on the balance with Sun CP Newmidco Limited in the 53 weeks ended 26 April 2018 represented the following transactions:

- Interest payable of £4.1 million.
- Sun CP Newmidco Limited distributed a receivable of £124.8 million due from Center Parcs (Holdings 1) Limited to its parent company, Center Parcs (Holdings 3) Limited, as described above.



## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (continued)

### 26. Related parties (continued)

The movement on the balance with Center Parcs (UK) Group Limited in the 53 weeks ended 26 April 2018 represented the distribution of a receivable by Center Parcs Spa Division Holdings Limited as described above.

The movements on the balances with CP Longleat Village Limited, Center Parcs (Operating Company) Limited, Center Parcs (Jersey) 1 Limited, Center Parcs Limited and Comet Refico Limited in the 53 weeks ended 26 April 2018 represented interest payable.

During the 53 weeks ended 26 April 2018 Center Parcs (Holdings 2) Limited, the Company's subsidiary undertaking, declared and paid dividends to Center Parcs (Holdings 1) Limited totalling £74.5 million.

### 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 Whinfall 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
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	Non-trading	Jersey
SPV1 Limited	Dormant	England and Wales
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 25 April 2019 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)
- Center Parcs (UK) Group Limited (registered no. 04974661)
- CP Longleat Village Limited (registered no. 07656396)
- Comet Refico Limited (registered no. 05994315)

## Notes to the financial statements

for the 52 weeks ended 25 April 2019 (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:

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Income statement</b>		
Finance expense	(91.3)	(110.6)
Finance income	91.3	110.5
<b>Profit/(loss) for the period attributable to equity shareholders</b>	-	(0.1)

The profit/(loss) for the period attributable to equity shareholders represents total comprehensive income.

	As at 25 April 2019	As at 26 April 2018
	£m	£m
<b>Balance sheet</b>		
<b>Assets</b>		
Amounts due from the Center Parcs (Holdings 1) Limited Group	1,900.0	1,768.6
Other receivables	18.0	13.0
Cash and cash equivalents	0.1	-
<b>Liabilities</b>		
Secured debt	(1,900.0)	(1,768.6)
Other payables	(18.1)	(13.0)
<b>Total equity</b>	-	-

	52 weeks ended 25 April 2019	53 weeks ended 26 April 2018
	£m	£m
<b>Cash flow statement</b>		
<b>Investing activities</b>		
Interest received	81.6	83.6
Reimbursement of break costs	6.1	26.9
Reimbursement of issue costs	4.8	9.3
Loans repaid by related parties	350.0	560.0
Loans advanced to related parties	(482.7)	(839.5)
<b>Net cash outflow from investing activities</b>	<b>(40.2)</b>	<b>(159.7)</b>
<b>Financing activities</b>		
Interest paid	(81.5)	(83.7)
Break costs on secured debt	(6.1)	(26.9)
Issue costs on secured debt	(4.8)	(9.3)
Repayment of external borrowings	(350.0)	(560.0)
Proceeds from external borrowings	482.7	839.5
<b>Net cash inflow from financing activities</b>	<b>40.3</b>	<b>159.6</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.1</b>	<b>(0.1)</b>

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 25 April 2019 (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.

