Center Parcs (Operating Company) Limited

Annual report and financial statements

For the 52 weeks ended 23 April 2020

Company registration number: 04379585

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Directors and auditor

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

Company Secretary
R Singh-Dehal

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

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

Strategic report
For the 52 weeks ended 23 April 2020

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

Review of the Business

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

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

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

Impact of the Covid-19 pandemic

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

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

In addition to Government support measures the Business took decisive action to reduce remaining operating costs during the periods of closure. Residual operating costs of £9.0m were incurred in the period from closure on 20 March 2020 to the financial year-end on 23 April 2020. In the subsequent period to 13 July 2020 when the villages remained closed, costs averaged between £4m and £5m every 4 weeks.

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

The Company also took swift action to ensure a strong liquidity position was maintained and promptly secured additional funding from the Company's owner, Brookfield. As at 5 August, £139m of funds were provided with a further £21m approved for use if required. In addition to this Brookfield have also indicated that additional funding could be made available should the need arise.

Current trading patterns indicate there remains strong demand for the Company's breaks through the third and fourth quarters of our financial year ending 22 April 2021, with bookings for quarter four significantly ahead of the same time last year as at 5 August. Therefore, the fundamentals of the Company's model remain sound and give comfort that demand is there as operations resume.

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

Impact of the Covid-19 pandemic (continued)

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

Financial performance

The results of the Company for the period show a loss after taxation of £139.8 million (2019: profit of £52.4 million). These results were negatively impacted by the closure of the UK holiday villages on 20 March 2020 in light of the Covid-19 pandemic.

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

An impairment of £145.4 million (2019: £5.5 million) in respect of the Company's investments in subsidiary undertakings was incurred in the period and treated as an exceptional expense. Details are set out in note 12 to the financial statements.

During the prior period ended 25 April 2019, the Company incurred exceptional/non-underlying finance costs of £1.7 million in respect of a refinancing of the Company's debt. Taxation on this expense was also treated as an exceptional/non-underlying item.

Going concern

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

Key performance indicators

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

- Revenue: Revenue for the period was £357.1 million (2019: £385.0 million).
- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 88.2% (2019: 97.0%).
- 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 £192.89 (2019: £189.33).
- 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 £170.07 (2019: £183.73).

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

Financing risk management

The financing of the Company is managed together with that of all other Group Companies. As a result there is no separate analysis of the risks associated with the Company and all such risks are applicable to the Center Parcs (Holdings 1) Limited Group.

The Group finances its operations 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.

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

Financing risk management (continued)

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 and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Cu"ency 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.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Center Parcs (Holdings 1) Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the strategic report of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

Section 172 Statement and our stakeholders

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

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

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

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

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

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

Section 172 Statement and our stakeholders (continued)

Stakeholder engagement

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

Stakeholder group	How the Board engages	Why we engage	Issues relevant to this company
Guests	The Board receives guest satisfaction reports, known as Delivering Excellent Service (DES) reports, for each village and monitors the guest satisfaction levels and particular issues at each village. Management and the Directors undertake regular village inspections and report their findings to the Board. Management deal with escalated guest complaints and report to the Board, where necessary.	We recognise that understanding what is important to our guests is key to our long-term success. We welcome all guests and want to provide them with a range of accommodation, facilities and activities and provide an excellent short break for our guests. We want our guests to become advocates of our business.	Accommodation range, price and quality. Convenience and accessibility. Customer service. Fair marketing. Health and safety. Personal data responsibility. Environment and sustainability
Employees	We have employee councils for each Village and our Head Office. These are fully elected employee forums which meet four times a year. Management attend Councils and feedback to the Board. Village management hold open forums with employees on a quarterly basis and report to the Board. Employee engagement surveys are undertaken every two years to inform the key employee initiatives and the KPIs for the coming years. Employee KPIs are approved by the Board. An independent whistleblowing helpline is available to all employees 24/7 and escalated complaints are reported to the Board.	We believe our colleague engagement methods are effective in building and maintaining trust and communication. They encourage open and honest discussions and allow our employees to influence real change within our business. We recognise that Center Parcs can only be a great place to visit if it is a great place to work and we can only deliver great customer service through the hard work and commitment of our employees. We want Center Parcs to be an employer of choice and value diversity and inclusion.	Diversity and inclusion. Fair employment. Fair pay and benefits. Training and career opportunities. Health and safety. Personal data responsibility. Environment and community.

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

Section 172 Statement and our stakeholders (continued)

Stakeholder group	How the Board engages	Why we engage	Issues relevant to this company
Suppliers	Management and Directors meet regularly with key suppliers and the Board receives reports on their performance.	All suppliers are managed in line with our Procurement Policy and must comply with our Ethical Trading Policy. This ensures supply risk is managed appropriately and provides oversight of risks such as data security, corporate responsibility, modern slavery and sustainable sourcing. Any critical issues are reported to the Board. We believe we can only provide goods and service of a high standard if we maintain relationships with suppliers who meet our high standards.	Fair trading terms including prompt payment. Anti-bribery. Ethics and slavery. Operational improvement.
Community	The Board receives regular updates on our community activities Including our corporate charity partnership with Together for Short Lives. Our employees are actively encouraged to volunteer and fundraise for our corporate charities. Guests are also encouraged during the booking journey to make donations. The Board approves matched donations on an annual basis. The Board also receives reports on the various other charities which receive donated breaks throughout the year. The Center Parcs Community Fund allows each of our villages and Head Office to sponsor local projects. The Board receives regular updates on the Fund.	We have an extremely close relationship with the communities surrounding our villages, with the majority of our employees living locally and our commitment to using local suppliers wherever possible. We believe that being a responsible member of the community plays a vital part in our long-term success.	Charitable donations. Volunteering. Use of local suppliers.

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

Section 172 Statement and our stakeholders (continued)

Stakeholder group	How the Board engages	Why we engage	Issues relevant to this company
Environment	The Board receives regular reports on environmental and sustainability matters and approves annual KPIs and continually challenges the business to do more.	We are committed to minimising the impact of our business operations on the environment. We recognise our responsibility to carefully manage the natural resources required to care and provide for our guests and the wellbeing of the plant.	Energy usage (including renewable energy usage). Recycling and waste management. Packaging material minimisation. Emissions from Company vehicles. Tree planting.
Shareholder, investors in the funds held by the ultimate parent and debt holders	The Board has quarterly meetings with the shareholder. The Center Parcs business's quarterly results are presented to debt holders and they are given the opportunity to question members of the Board. Corporate reports and the Annual Review are published on the website.	We work to ensure that our shareholder and their representatives have a good understanding of our strategy, business model and culture. It is important to our shareholder than we provide complete transparent information so their fund investors can drill down into the underlying investments. We believe our engagement methods are effective in building and maintaining trust with our shareholder.	Long-term value creation. Growth and funding opportunities. Financial stability. Transparency. Ethics and corporate responsibility. Risk management.

Approved by the board

CG McKinlay
Director
5 August 2020

Directors' report
For the 52 weeks ended 23 April 2020

The Directors present their report and the audited financial statements for the 52 weeks ended 23 April 2020 (2019: 52 weeks ended 25 April 2019). The registration number of the Company is 04379585.

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

Future developments

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

Financial risk management objectives
Details of financial risk management objectives can be found under the heading 'Key performance indicators', found in the Strategic report, and form part of this report by cross-reference.

Dividends
During the period the Company distributed receivables totalling £410.7 million (2019: dividends paid of £0.2 million). The Directors have not proposed the payment of a final dividend (2019: £nil). Of this total, the Company distributed £14.8 million of cash and £395.9 million of receivables (2019: £0.2 million of receivables).

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

M P Dalby	
C G McKinlay	
Z B Vaughan	
KO Mccrain	(resigned 11 May 2020)
N J Adomait	
BT Annable	(appointed 11 May 2020)

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

Employees
The Company 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 Company continues and that appropriate training is arranged. It is the policy of the Company 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 Company 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 Company. This is principally achieved through formal and informal briefings, the quarterly internal Group magazine 'Center Forward' and annual presentations of the financial results by the CEO. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests, via village and head office council meetings which take place four times a year. In addition, all employees with more than six months' service receive an annual bonus related to the overall profitability of the Group.

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

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

Energy and Carbon Regulation

The UK energy use of the Company and the associated GHG emissions are disclosed within the Directors report of the Center Parcs (Holdings 1) Limited Group and are not managed separately.

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 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company'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 Company'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 Company's auditor is aware of that information.

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

Approved by the board

C G McKinlay
Director
5 August 2020

Independent auditor's report to the members of Center Parcs (Operating Company) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Center Parcs (Operating Company) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 23 April 2020 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 27. 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Center Parcs (Operating Company) 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

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
5 August 2020

Income Statement
For the 52 weeks ended 23 April 2020

	Note	2020 Before exceptional and non-underlying items £m	Exceptional and non-underlying items £m	Total £m	2019 Before exceptional and non-underlying items £m	Exceptional and non-underlying items £m	Total £m
Revenue		357.1		357.1	385.0		385.0
Cost of sales		(102.0)		(102.0)	(103.2)		(103.2)
Gross profit		255.1		255.1	281.8		281.8
Administrative expenses		(97.3)	(2.2)	(99.5)	(99.6)		(99.6
EBITDA		*157.B*	*(2.2)*	*155.6*	182.2		182.2
Depreciation and amortisation		(81.1)		(81.1)	(76.1)		(76.1
Total o erating exQenses		(178.4)	(2.2)	(180.6)	(175.7)		(175.7)
Operating profit	3	76.7	(2.2)	74.5	106.1		106.1
Finance income	6	33.5		33.5	46.2		46.2
Finance expense	6	(100.3)	-	(100.3)	(98.6)	(1.7)	(100.3)
Impairment of investments	12		(145.4)	(145.4)		(5.5)	(5.5)
Income from Group undertakin9s	7				14.0		14.0
Proflt/(loss) before taxation		9.9	(147.6)	(137.7)	67.7	(7.2)	60.5
Taxation	8	(2.9)	0.4	(2.5)	(8.4)	0.3	(8.1)
Profit/(loss) for the period attributable to equity shareholders	20	7.0	(147.2)	(140.2)	59.3	(6.9)	52.4

All amounts relate to continuing activities.

Covid-19 Qandemic

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

Statement of Comprehensive Income
For the 52 weeks ended 23 April 2020

	Note	2020 £m	2019 £m
Loss Profit for the eriod		140.2	52.4
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	23	(0.9)	(0.6)
Tax relating to components of other comprehensive income	18	0.2	0.1
Other corn rehensive ex nse for the riod	19	0.7	0.5
Total comprehensive income for the period		140.9	51.9

The notes on pages 16 to 47 form part of these financial statements

Statements of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 25 April 2019			**57.5**	**57.5**
Comprehensive income				
Loss for the period			(140.2)	(140.2)
Other comprehensive income			(0.7)	(0.7)
Transactions with owners				
Issue of shares	55.0	412.1	(55.0)	412.1
Capital reduction	(55.0)	(412.1)	467.1	
Dividends			(410.7)	(410.7)
Equity contribution		41.5		41.5
At 23 April 2020		**41.5**	**(82.0)**	**(40.5)**

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 26 April 2018			4.8	4.8
Impact of change in accounting policy - IFRS 16			1.0	1.0
Adjusted balances at 26 April 2018			**5.8**	**5.8**
Comprehensive income				
Profit for the period			52.4	52.4
Other comprehensive income			(0.5)	(0.5)
Transactions with owners				
Dividends			(0.2)	(0.2)
At 25 April 2019			**57.5**	**57.5**

The notes on pages 16 to 47 form part of these financial statements

Balance Sheet

	Note	As at 23 April 2020 £m	As at 25 April 2019 £m
Assets			
Non-current assets			
Goodwill	9	**244.1**	244.1
Other intangible assets	9	**24.4**	27.3
Property, plant and equipment	10	**270.3**	263.9
Right-of-use assets	11	**818.9**	837.7
Investments in subsidiary undertakings	12	**266.7**	
Trade and other receivables	13	**268.0**	239.4
Deferred tax asset	18	**9.7**	7.5
		1,902.1	1,619.9
Current assets			
Inventories		**1.5**	3.1
Trade and other receivables	13	**11.7**	352.8
Current tax asset		**12.0**	1.7
Cash and cash equivalents		**34.0**	46.6
		59.2	404.2
Liabilities			
Current liabilities			
Borrowings	15	**(0.1)**	(0.3)
Lease liabilities	16	**(17.0)**	(15.2)
Trade and other payables	14	**(297.4)**	(265.4)
		(314.5)	(280.9)
Net current (liabilities)/assets		**(255.3)**	123.3
Non-current liabilities			
Borrowings	15	**(850.8)**	(850.2)
Lease liabilities	16	**(834.9)**	(834.0)
Retirement benefit obligations	23	**(1.6)**	(1.3)
Deferred tax liability	18		(0.2)
		(1,687.3)	(1,685.7)
Net (liabilities)/assets		**(40.5)**	57.5
Equity			
Share capital	19		
Share premium	19	**41.5**	
Retained earnings	19	**(82.0)**	57.5
Total equity		**(40.5)**	57.5

The financial statements on pages 12 to 47 were approved by the Board of Directors on 5 August 2020 and were signed on its behalf by:

C G McKinlay
Director

Center Parcs (Operating Company) Limited
Registered no. 04379585

The notes on pages 16 to 47 form part of these financial statements

Cash Flow Statement

	Note	52weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Cash flows from operating activities			
Operating profit		**74.5**	106.1
Depreciation and amortisation	3	**81.1**	76.1
Working capital and non-cash movements	20	**(38.5)**	(106.0)
Difference between the pension charge and contributions		**(0.6)**	(0.5)
Coq oration tax paid and payments for 9roue relief	8	**(13.5)**	(14.0)
Net cash from oeerating activities		**103.0**	61.7
Cash flows used in **investing activities**			
Purchase of property, plant and equipment		**(47.0)**	(53.6)
Purchase of intangible assets		**(5.4)**	(6.8)
Sale of property, plant and equipment		**0.1**	0.1
Interest received		**0.2**	0.2
Net cash used in investing activities		**(52.1)**	(60.1)
Cash flows (used in)/from financing activities			
Repayment of external borrowings		**(0.3)**	(77.7)
Proceeds from external borrowings			121.0
Issue costs on secured debt		**(0.4)**	(1.3)
Break costs on secured debt			(1.4)
Issue of intragroup loans	24	**(46.4)**	
Interest paid		**(42.8)**	(38.5)
Settlement of lease liabilities		**(0.3)**	(0.4)
Equity contribution	19	**41.5**	
Dividends paid	19	**(14.8)**	
Net cash (used in)/from financing activities		**(63.5)**	1.7
Net (decrease)/increase in cash and cash equivalents		**(12.6)**	3.3
Cash and cash equivalents at beginning of the period		**46.6**	43.3
Cash and cash equivalents at end of the eeriod		**34.0**	46.6

The notes on pages 16 to 47 form part of these financial statements.

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

1. Accounting policies

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

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

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

The accounting reference date of Center Parcs (Operating Company) Limited is 22 April.

Going concern
The Company reported a loss for the year of £140.2m (2019: profit of £52.4m) and generated operating cash inflows of £103.0m (2019 £61.?m). The financial statements have been prepared on a going concern basis. The Directors consider this to be appropriate for the reasons set out below.

Coronavirus (Covid-19) pandemic
As at the date of approving these financial statements the impacts of Covid-19 on the Company's trading continue to be assessed. Government response to the pandemic continues to evolve and customer sentiment to short break holidays remains uncertain although there are indications of strong demand for Center Parcs breaks.

Due to measures taken by the UK Government all UK villages were closed to guests on 20 March 2020 and remained closed until 13 July 2020. This resulted in all affected guests in that period being offered either a full refund or the option to move their break to a later date. During the closure period, the Company reported no revenue and whilst there has been a corresponding reduction in variable costs, the Company had to fund its fixed costs and refund guests for breaks that were cancelled. Where possible mitigating actions have been taken by management to minimise such costs. Refunds of £55 million have been given to affected guests as at the date of these financial statements.

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

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

- Secured additional funding from the Company's ultimate owner, Brookfield. As at 5 August 2020 they had provided funding of £139 million of funds to ensure the liquidity of the Company. Further committed funds of £21 million are approved for use if required and Brookfield have indicated that additional funding could be made available should the need arise.
- A significant element of the Company's cost base relates to wages and salaries. The majority of the Company's staff were furloughed during the period of closure with the Company benefitting from the Government's job retention scheme. The hours of remaining staff undertaking essential activities were reviewed to further reduce costs where possible.
- Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.
- Agreed deferrals of certain tax payments and benefitted from Business rates relief.
- Reviewed capital expenditure and delayed certain non-essential projects.

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

1. Accounting policies (continued)

Going concern (continued)

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

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

The events or conditions are as follows:

- As at the date of approval of these financial statements the Company has cash balances of £106 million. The Company's ultimate owner, Brookfield, has already provided £139 million of funds to ensure the liquidity of the Company. Further committed funds of £21 million are approved for use if required and Brookfield have indicated that additional funding could be made available should the need arise. However, as noted elsewhere, there remains some uncertainty with regards forecasting both the pace of recovery and the eventual levels to which trading will return and accordingly it is possible that further funding will be required that as at the date of approval of these financial statements has not yet been secured.
- Depending on how quickly the Company's trading recovers or if there are further Government imposed restrictions that result in the closure of one or more villages for a period of time, there is a risk that existing financial covenants will be breached although the Directors have taken a number of actions to mitigate the risk and as at the date of approval of these financial statements do not anticipate any breaches.
- The Company has only recently recommenced operations, in line with UK Government advice. As at the current date there remains a requirement to ensure certain social distancing measures are in place and certain activities are not as yet able to operate. As a result, these measures may have a significant impact on the format of the breaks in the near term. While there are indications of strong demand for the Company's breaks with bookings for the fourth quarter significantly ahead of the prior year, the ability to initially operate at the previous high levels of occupancy will be restricted. While the fundamentals of the Company's model remain sound, the above factors naturally create challenges in the ability to accurately forecast the cash flows of the Company.

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

- Further encouragement for customers to change their break to a future date in the event of a cancellation of their break rather than receiving a full refund.
- Additional changes to working arrangements to reduce staff costs further.
- Negotiations with HMRC for further delay of payroll and indirect tax payments.
- A £90 million committed liquidity facility available to the group of companies headed by Center Parcs (Holdings 1) Limited that remains undrawn. This is available to pay certain senior expenses and Class A note interest.

The Directors believe the cash flow forecast outlined above is reasonable in light of the re-opening of the villages and the current Government risk levels. However, Covid-19's continued presence may see a change in Government advice and/or a further periods of lock down in the future. Such lock downs could result in further village closures on a national or regional level or affect the ability of guests and employees to travel to site. These uncertainties clearly introduce a level of subjectivity in assessing assumptions to be used in a downside case. However, the Directors have prepared downside forecasts which assume the closure of one village for a period of 8 weeks or two villages for a period of 4 weeks.

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

1. Accounting policies (continued)

Going concern (continued)

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

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

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

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

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 Company's accounting policies

Discount rate used to determine the carrying value of the Company's defined benefit pension scheme obligation:
The Company'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 Company reviews the estimated useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. During the current period, the Directors have concluded that no revision is required to either useful economic lives or residual values of these assets, and that residual values exceed carrying values.

Impairment test for goodwill:
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 Company to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Impairment test for investment carrying values:
An assessment of the investment carrying values is undertaken by an appropriate third party. The calculation requires the third party to estimate future cash flows expected to arise from the investment and make judgements on the future market performance, see note 12.

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

1. Accounting policies (continued)

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. Non-rental income is recognised 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.

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.

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 Company. 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 Company restructures, expenses incurred when refinancing the Company's debt and movements in the fair value of embedded derivatives.

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 Company, 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.

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

Property, plant and equipment
Management 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.

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

1. Accounting policies (continued)

Property, plant and equipment (continued)
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 Company'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.

Maintenance expenditure
It is the policy of the Company 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.

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

Leases
The Company assesses whether a contract is or contains a lease at inception of a contract. The Company 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 Company 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 Company 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.

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

1. Accounting policies (continued)

Leases (continued)
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 Company 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 Company 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-to-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The deprecation starts at the commencement date of the lease.

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

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

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

Investments
The cost of investments, is their purchase cost together with any incremental costs of acquisition. The Company 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.

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

1. Accounting policies (continued)

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

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

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

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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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 Company does not trade in derivative financial instruments. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Details of the Company's financial risk management objectives are included in the strategic report and note 2 to the financial statements.

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.

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

1. Accounting policies (continued)

Provisions
Provisions for legal claims are recognised when the Company 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.

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

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

Employee benefits
Pensions

- Defined contribution pension scheme

Company 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 Company pays fixed contributions into a separate entity. The Company 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 Company 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 Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay
The Company 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.

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

1. Accounting policies (continued)

New standards and interpretations
A number of new or revised accounting standards were effective for the first time in the current period. None of these have significantly impacted the financial statements of the 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.

IFRS3	Business Combinations	
	Definition of a Business	1 January 2020
IFRS 7	Financial Instruments: Disclosures	
	Interest Rate Benchmark Reform	1 January 2020
IFRS 17	Insurance Contracts	
	New accounting standard	1 January 2023
IAS 1	Presentation of Financial Statements	
	Definition of Material	1 January 2020
IAS8	Accounting Policies, Changes in Accounting Estimates and Errors	
	Definition of Material	1 January 2020

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

2. Financial risk management

The Company finances its operations through a mixture of equity and borrowings as required. The Company has sought to reduce its cost of capital by refinancing and restructuring the Company's funding using the underlying asset value. All tranches of the Company's secured debt are subject to financial covenants. The Director 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 exposure to interest rate fluctuations, and the Company's primary source of borrowings is fixed interest rate loan notes. The Company does not actively trade in derivative financial instruments.

Interest rate risk
The Company has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 23 April 2020, 99% (2019: 99%) of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk
At 23 April 2020, the Group of companies headed by Center Parcs (Holdings 1) Limited had sufficient levels of cash and funds available to them to meet the Company's medium term working capital, lease liability and funding obligations. Rolling forecasts of the Company's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

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

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

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

3. Operating profit

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

	52weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Staff costs (note 22)	**90.7**	93.7
Cost of inventories	**32.2**	34.1
Depreciation of property, plant and equipment- owned assets (note 10)	**36.8**	32.8
Depreciation of right-of-use assets (note 11)	**37.1**	36.3
Amortisation of intangible assets (note 9)	**7.2**	7.0
Repairs and maintenance expenditure on property, plant and equipment	**9.7**	9.9
Services provided by the Company's auditor	**0.3**	0.2

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

	52weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Charged to the income statement		
Audit of the Company and certain Group undertakings	**0.3**	0.2

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

4. Exceptional/non-underlying items

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

	52weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Operating items		
Administrative expenses	**(2.2)**	
	(2.2)	
Non-operating items		
Finance expense		(1.7)
Impairment of investments	**(145.4)**	(5.5)
Taxation	**0.4**	0.3
	(145.0)	(6.9)
	(147.2)	(6.9)

The exceptional/non-underlying finance expense for the 52 weeks ended 23 April 2020 represents £2.0 million in respect of costs to exit a contract and £0.2 million of legal and other associated costs relating to an equity contribution provided by the Company's parent company in light of the Covid-19 pandemic. Taxation on these expenses has also been treated as an exceptional/non-underlying item, as has the impact of the change in applicable deferred tax rate from 17% to 19%.

As set out in note 12, a £145.4 million (2019: £5.5 million) impairment loss on investments was recognised in the period.

The £1.7 million exceptional/non-underlying finance expense in the prior period represented the premium paid on the settlement of the A3 tranche of the Company's secured debt of £1.4 million and accelerated amortisation of deferred issue costs in respect of the A3 tranche of £0.3 million. Taxation on this expense was also been treated as an exceptional/non-underlying item.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

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

All four of the Center Parcs (Operating Company) Limited villages closed to the public on 20 March 2020 and remained closed at 23 April 2020, in line with Government guidance in light of the Covid-19 pandemic. The Company earned no revenue during this period but incurred costs necessary to maintain the quality and structure of the sites. The Company's trading performance prior to and during this unusual event is set out below.

	Result prior to closure before exceptional and non-underlying items £m	Closure period before exceptional and non-underlying items £m	Total before exceptional and non-underlying items £m	Exceptional and non-underlying items £m	Total £m
Revenue	**357.1**		**357.1**		**357.1**
Cost of sales	(98.1)	(3.9),	(102.0)		(102.0)
Gross erofit	**259.0**	**(3.9)**	**255.1**		**255.1**
Administrative expenses	(92.2)	(5.1)	(97.3)	(2.2)	(99.5)
EBITDA	**166.8**	**(9.0)**	**157.8**	**(2.2)**	**155.6**

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

6. Net finance costs

	52 weeks ended 23 Aprll 2020 £m	52 weeks ended 25 April 2019 £m
Finance expense		
Interest payable on borrowings	**(40.9)**	(39.4)
- Less: Interest capitalised		0.5
Interest expense on lease liabilities	**(58.9)**	(59.1)
Other interest and similar charges	**(0.5)**	(0.6)
Total finance expense before exceptional/non-underlying items	**(100.3)**	(98.6)
Exceptional/non-underlying finance expense		
- Accelerated amortisation of deferred issue costs		(0.3)
- Premium on settlement of the A3 notes		(1.4)
		(1.7
Total finance expense	**(100.3)**	(100.3)
Finance income		
Bank interest receivable	**0.2**	0.3
Interest receivable from Group undertakings	**33.3**	45.9
Total finance income	**33.5**	46.2
Net finance costs	**(66.8)**	(54.1)

Interest expenses capitalised in the prior period related to expenditure on qualifying assets capitalised at a rate of 4.7% to reflect the average cost of debt for the Company.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

7. Income from Group undertakings

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Dividends receivable		14.0

As set out in note 12, the group of companies headed by Center Parcs (Holdings 3) Limited undertook a restructuring during the prior period. The restructuring incorporated the following transactions:

- Center Parcs Limited distributed a receivable of £13.7 million due from Center Parcs (Holdings 1) Limited to the Company.
- Center Parcs Limited distributed a receivable of £0.3 million to the Company. This receivable was a balance due from Center Parcs (Operating Company) Limited.

8. Taxation

(a) Taxation

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

The tax charge is made up as follows:

	52 weeks ended 23 April 2020 £m	52 weeks ended 25 April 2019 £m
Current tax:		
- Current period	**1.9**	5.6
- Adjustments in respect of prior periods	**2.8**	(0.1)
	4.7	5.5
Deferred tax:		
- Origination and reversal of temporary differences	**1.1**	4.1
- Adjustments in respect of prior periods	**(3.3)**	(1.5)
Taxation (note B(b))	**2.5**	8.1

(b) Factors affecting the tax charge

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

	52 weeks ended 23 April 2020 £m	52weeks ended 25 April 2019 £m
(Loss)/profit before taxation	**(137.7)**	60.5
(Loss)/profit before taxation multiplied by the standard rate of corporation tax in the UK	**(26.2)**	11.5
Adjustments in respect of prior periods	**(0.5)**	(1.6)
Permanent differences and expenses not deductible for tax purposes	**29.1**	(0.3)
Impact of change in corporation tax rate	**(1.3)**	(0.5)
Group relief not paid for	**1.4**	(1.0)
Tax charge for the period (note 8(a})	**2.5**	8.1

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

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

Deferred tax is calculated at a rate of 19% (2019: 17%).

9. Goodwill and other intangible assets

	Goodwill	Software	Total
	£m	£m	£m
Cost			
At 25 April 2019	263.9	41.2	305.1
Additions		4.3	4.3
At 23 April 2020	**263.9**	**45.5**	**309.4**
Amortisation			
At 25 April 2019	19.8	13.9	33.7
Charge for the period		7.2	7.2
At 23 April 2020	**19.8**	**21.1**	**40.9**
Net book amount at 25 April 2019	244.1	27.3	271.4
Net book amount at 23 April 2020	**244.1**	**24.4**	**268.5**

	Goodwill	Software	Total
	£m	£m	£m
Cost			
At 26 April 2018	263.9	36.0	299.9
Additions		6.8	6.8
Disposals		(1.6)	(1.6)
At 25 April 2019	**263.9**	**41.2**	**305.1**
Amortisation			
At 26 April 2018	19.8	8.5	28.3
Charge for the period		7.0	7.0
On disposals		(1.6)	(1.6)
At 25 April 2019	**19.8**	**13.9**	**33.7**
Net book amount at 26 April 2018	244.1	27.5	271.6
Net book amount at 25 April 2019	**244.1**	**27.3**	**271.4**

Impairment test for goodwill
Goodwill relates to the acquisition of the Sherwood, Elveden, Longleat and Whinfell Villages. 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. The cash flow assumptions in the calculation reflect the anticipated impact of the Covid-19 pandemic, using the Directors' base case scenario as discussed in note 1.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

9. Goodwill and other intangible assets (continued)

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% (2019: 2.0%) and the discount rate applied is 10.8% (2019: 8.7%).

Management determine forecast Adjusted EBITDA margins based on past performance and expectations of market development including the anticipated impact of Covid 19. 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 Company.

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.

10. Property, plant and equipment

	Leasehold improvements £m	**Installations** £m	**Fixtures and fittings** £m	**Motor vehicles and hardware** £m	**Assets** in the **course of construction** £m	**Total £m**
Cost						
At 25 April 2019	113.5	333.1	125.4	15.5	2.9	590.4
Additions		9.3	22.9	2.2	9.1	43.5
Disposals		(6.2)	(8.2)	(0.4)	(0.3)	(15.1)
Transfers		2.5	2.4	0.2	(5.1)	
At 23 Aeril 2020	**113.5**	**33B.7**	**142.5**	**17.5**	**6.6**	**618.8**
Depreciation						
At 25 April 2019	43.6	206.0	65.3	11.6		326.5
Charge for the period	1.2	15.5	17.7	2.4		36.8
On diseosals		(6.2)	(8.2)	(0.4)		(14.8)
At 23 April 2020	**44.8**	**215.3**	**74.8**	**13.6**		**348.5**
Net book amount at 25 April 2019	69.9	127.1	60.1	3.9	2.9	263.9
Net book amount **at 23 April 2020**	**68.7**	**123.4**	**67.7**	**3.9**	**6.6**	**270.3**

	Leasehold improvements £m	**Installations £m**	**Fixtures and fittings £m**	**Motor vehicles and hardware** £m	**Assets in the course of construction £m**	**Total £m**
Cost						
At 26 April 2018	101.5	314.3	114.5	15.1	5.4	550.8
Additions	5.0	17.0	23.8	1.9	6.7	54.4
Disposals			(13.3)	(1.5)		(14.8)
Transfers	7.0	1.8	0.4		(9.2)	
At 25 Aeril 2019	**113.5**	**333.1**	**125.4**	**15.5**	**2.9**	**590.4**
Depreciation						
At 26 April 2018	42.4	191.1	64.7	10.3		308.5
Charge for the period	1.2	14.9	13.9	2.8		32.8
On disposals			(13.3)	(1.5)		(14.8)
At 25 Aeril 2019	**43.6**	**206.0**	**65.3**	**11.6**		**326.5**
Net book amount at 26 Aeril 2018	59.1	123.2	49.8	4.8	5.4	242.3
Net book amount **at 25 Aeril 2019**	**69.9**	**127.1**	**60.1**	**3.9**	**2.9**	**263.9**

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

11. Right-of use assets

	£m
Cost	
At26April 2019	874.0
Remeasurement	18.3
	892.3
Depreciation	
At 26 April 2019	(36.3)
Charge for the period ended 23 April 2020	(37.1)
At 23 A ril 2020	**73.4**
Net book amount at 23 April 2020	**818.9**

Right-of-use assets are predominantly in respect of land. The lease agreements include annual upwards only rent reviews calculated with reference to RPI.

	£m
Cost	
Recognised on adoption of IFRS 16 'Leases'	855.2
Additions	0.2
Remeasurement	18.6
	874.0
Depreciation	
Charge for the period ended 25 April 2019	(36.3)
Net book amount at 25 April 2019	**837.7**

12. Investments in subsidiary undertakings

Company	**£m**
Cost	
At 25 April 2019 and 26 April 2018	5.5
Additions	412.1
At 23 April 2020	**417.6**
Impairment	
At 26 April 2018	
Impairment in the period to 25 April 2019	(5.5)
At25April 2019	(5.5)
Impairment in the period to 23 April 2020	(145.4)
At 23 April 2020	**(150.9)**
Net book value	
At 26 April 2018	5.5
At 25 April 2019	
At 23 April 2020	**266.7**

Investments at 23 April 2020 relate to 100% of the ordinary shares of Center Parcs Limited, CP Whinfell Village Limited, CP Elveden Village Limited, CP Sherwood Village Limited and Centrepark Limited. All subsidiaries are registered in England and Wales. The Directors believe that the carrying value of investments is supported by the underlying net assets of the investee.

The registered office for all subsidiary undertakings is the same as the Company (One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP).

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

12. Investments in subsidiary undertakings (continued)

During the 52 weeks ended 23 April 2020, the group of companies headed by Center Parcs (Holdings 3) Limited, undertook a restructuring. Principal steps included in this restructuring are as follows:

- Center Parcs (Holdings 3) Limited, the Company's immediate parent company, transferred its shares in CP Whinfell Village Limited, CP Elveden Village Limited and CP Sherwood Village Limited to the Company at fair value in exchange for shares.
- The shares in Center Parcs (Operating Company) Limited were issued at fair value resulting in a share premium being recognised of £412.1 million.
- The Company distributed receivables of £395.9 million to Center Parcs (Holdings 3) Limited. This consisted of a balance of £110.9 million receivable due from Center Parcs (Holdings 1) Limited and a balance of £285.0 million due to the Company from Center Parcs (Holdings 3) Limited.

Following the village closures as a result of the Covid-19 pandemic an impairment of £145.4 million was identified to the carrying value of the investments in CP Whinfell Village Limited, CP Elveden Village Limited and CP Sherwood Village Limited.

In the 52 weeks to 25 April 2019, following the £13.7 million and £0.3 million distributions by Center Parcs Limited set out in note 7, and the subsequent reduction in the net assets of that company, an impairment review was undertaken which identified an impairment of £5.5 million to the carrying value of the investment in Center Parcs Limited.

The principal activity of CP Whinfell Village Limited is that of a property investment company. The company made a profit of £5.4 million in the 52 weeks ended 23 April 2020 (2019: profit of £4.1 million) and its net assets at that date were £55.4 million (2019: £50.0 million).

The principal activity of CP Elveden Village Limited is that of a property investment company. The company made a profit of £7.4 million in the 52 weeks ended 23 April 2020 (2019: profit of £6.9 million) and its net assets at that date were £16.6 million (2019: £9.2 million).

The principal activity of CP Sherwood Village Limited is that of a property investment company. The company made profit of £7.4 million in the 52 weeks ended 23 April 2020 (2019: profit of £6.7 million) and its net assets at that date were £19.9 million (2019: £12.5 million).

Center Parcs Limited made a pre-tax profit of £nil (2019: profit of £0.6 million) for the period ended 23 April 2020 and had net assets at that date of £nil (2019: £nil).

Centrepark Limited made a pre-tax profit of £nil (2019: profit of £nil) for the period ended 23 April 2020 and had net assets at that date of £39 (2019: £39).

13. Trade and other receivables

Amounts falling due within one year:	**2020 £m**	2019 £m
Trade receivables	**1.3**	2.8
Amounts owed by Group undertakings	**1.8**	345.6
Prepayments and accrued income	**2.5**	3.8
Other receivables	**6.1**	0.6
	11.7	352.8
Amounts falling due after one year:		
Amounts owed by Group undertakings	**268.0**	239.4

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued}

13. Trade and other receivables (continued)

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2019: £nil). All of the amounts above are denominated in£ sterling.

Amounts due within one year

Amounts owed by Group undertakings at 23 April 2020 are trading balances due from Center Parcs (Holdings 3) Limited and from SPV2 Limited of £0.3 million and £1.5 million respectively.

Amounts owed by Group undertakings at 25 April 2019 were principally due from Center Parcs (Holdings 3) Limited and from Center Parcs (Holdings 1) Limited.

The balance due from Center Parcs (Holdings 3) Limited represented the following:

- Loans of £135.1 million that attracted interest at a rate of 8% per annum. Interest was not compounded on these loans.
- Unpaid interest of £1.9 million in respect of the above loan.
- Interest-free loans of £93.4 million.
- Trading balances of £3.1 million.

The balance due from Center Parcs (Holdings 1) Limited represented an interest free receivable of £110.9 million.

All amounts owed by Group undertakings are unsecured and repayable on demand. Further details are set out in note 24.

Amounts due after more than one year

Amounts owed by Group undertakings consists of unsecured loans and associated unpaid interest totalling £268.0 million (2019: £239.4 million) due from CP Woburn (Operating Company) Limited. As at 23 April 2020, interest is payable at a fixed rate of 8% per annum on loans of £2.6 million and at 12% per annum on the remainder. Interest is rolled up into the outstanding balance and interest on these loans of £28.6 million accrued in the 52 week period to 23 April 2020 (2019: £25.5 million). The loans are repayable by CP Woburn (Operating Company) Limited on 28 February 2022.

The fair value of Amounts owed to Group undertakings were equal to their book value.

14. Trade and other payables

	2020 £m	2019 £m
Trade payables	**3.4**	5.7
Other tax and social security	**7.0**	16.9
Other payables	**1.5**	2.4
Amounts owed to related parties	**1.8**	0.4
Amounts owed to Group undertakings	**178.2**	113.1
Accruals	**32.4**	45.2
Deferred income	**56.2**	81.7
Other financial liabilities	**16.9**	
	297.4	265.4

All amounts owed to related parties and Group undertakings are unsecured and repayable on demand. Further details are set out in note 24.

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.

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

14. Trade and other payables (continued)

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

15. Borrowings

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

Non-current	**2020 £m**	2019 £m
Mortgage		0.1
Secured debt	**850.8**	850.1
	850.8	850.2

Mortgage

The Company 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 £1,000 (2019: £4,000).

Secured debt

The secured debt is part of an overall £1,889.5 million (2019: £1,889.5 million) facility made available to the Group. The loans detailed below represent the issue proceeds recharged to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

The secured debt consists of the following:

	2020 £m	2019 £m
Tranche A2.	**145.0**	145.0
TrancheA4	**128.1**	128.9
Tranche A5	**95.1**	95.1
Tranche B3	**322.0**	322.0
Tranche B4	**167.7**	167.7
Unamortised deferred issue costs	**(7.1)**	(8.6)
	850.8	850.1

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 £0.7 million (2019: £0.7 million) was credited to the income statement of the Company 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 £0.1 million (2019: £0.1 million) was credited to the income statement of the Company 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.

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

15. Borrowings {continued)

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

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

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

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 84 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.

The maturity of the Company's borrowings **is as** follows:

	Less than one year £m	Onetotwo years £m	Two to five years £m	Greater than five years £m	Premium and deferred issue costs £m	Total £m
At 23 April 2020						
Mortgage	0.1					0.1
Secured debt			467.0	385.8	(2.0)	850.8
Total borrowings	**0.1**		**467.0**	**385.8**	**(2.0)**	**850.9**
At 25 April 2019						
Mortgage	0.3		0.1			0.4
Secured debt			467.0	385.8	(2.7)	850.1
Total borrowings	**0.3**		**467.1**	**385.8**	**(2.7)**	**850.5**

The Company has no borrowings denominated in a foreign currency.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

15. Borrowings (continued)

Reconciliation of opening and closing secured debt

	2020 £m	2019 £m
Secured debt at the beginning of the period	**850.1**	806.8
Cash flows		
- Proceeds from external borrowings		121.0
- Repayment of external borrowings		(77.5)
- Issue costs on secured debt		
Cash settled	**(0.4)**	(0.9)
Accrued		(0.4)
Settlement of accrued costs	**0.4**	
Non-cash movements and deferred issue costs		
- Ordinary	**1.5**	1.6
- Exceptional/non-underlying		0.3
Amortisation of premium on issue of secured notes	**{0.8)**	(0.8)
Secured debt at the end of the eeriod	**850.8**	850.1

16. Leases

Lease liabilities

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

	23 April 2020 £m	25 April 2019 £m
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**75.8**	74.0
One to five years	**306.8**	299.2
More than five }'ears	**1,378.4**	1,423.2
Total undiscounted lease liabilities	**1,761.0**	1,796.4
Lease liabilities included in the balance sheet		
Current	**(17.0)**	(15.2)
Non-current	**{834.9)**	(834.0)
Total lease liabilities	**{851.9)**	(849.2)
Amounts recognised in the income statement		
Interest on lease liabilities	**{58.9)**	(59.1l
Total recognised in the income statement	**(58.9)**	j59.1)
Amounts recognised in the cash flow statement		
Repayment of lease liabilities	**(0.3)**	(0.4)
Interest on lease liabilities	**{0.7}**	(0.5)
Total recognised in the cash flow statement	**{1.0}**	(0.9)

The Company holds occupational leases for each of the villages with other companies within the Center Parcs (Holdings 1) Limited Group and immaterial equipment leases. The occupational leases are required to be remeasured on annual basis due to incremental increases in the rent payments.

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

16. Leases (continued)

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

	£m
Recognition of right-of-use assets (note 11)	855.2
Recognition of lease liabilities	(843.9)
Elimination of rent prepayments	(11.3)
Elimination of rent accrued under IAS 17 'Leases'	1.2
Recognition of associated deferred tax (note 18)	(0.2)
Increase in retained earnings as at 26 April 2018	**1.0**

17. Financial instruments

Financial instruments by category
The accounting policies for financial instruments have been applied to the items below. As at 23 April 2020 and 25 April 2019 all of the Company'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.

Financial assets	**2020 £m**	2019 £m
Trade receivables	**1.3**	2.8
Other receivables	**275.9**	585.6
Cash and cash equivalents	**34.0**	46.6
	311.2	635.0

Financial liabilities	**2020 £m**	2019 £m
Borrowings	**850.9**	850.5
Lease liabilities	**851.9**	849.2
Trade payables	**3.4**	5.7
Accruals	**32.4**	45.2
Other financial liabilities	**16.9**	
Other payables	**181.5**	115.9
	1,920.1	1,866.5

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 Company's fair value measurements have been categorised as Level 2 (2019: Level 2) and fair values have been derived from unadjusted quoted market prices in active markets.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

17. Financial instruments (continued)

Fair value of financial assets and financial liabilities

The fair value of the Company's gross secured debt is (before unamortised debt costs) at 23 April 2020 was £828.0 million (2019: £901.9 million). The fair value of other financial assets and liabilities of the Company are approximately equal to their book value.

Maturity of financial liabilities

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

At 23 Aeril 2020	Mortgage £m	Secured debt £m	Total £m
In less than one year	0.1	40.3	40.4
In one to two years		40.3	40.3
In two to five years		539.1	539.1
In more than five years		401.8	401.8
	0.1	**1,021.5**	**1,021.6**

At 25 Aeril 2019	Mortgage £m	Secured debt £m	Total £m
In less than one year	0.3	40.3	40.6
In one to two years	0.3	40.3	40.6
In two to five years		563.3	563.3
In more than five years		417.9	417.9
	0.6	**1,061.8**	**1,062.4**

18. Deferred tax

	2020 £m	2019 £m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	**9.7**	7.5
	9.7	7.5
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months		(0.2)
		0.2

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:

	52 weeks ended 23 April 2020 £m	52weeks ended 25 April 2019 £m
At the beginning of the period	**7.3**	10.0
Credited/(charged} to the income statement	**2.2**	(2.6)
Credited to the statement of comprehensive income	**0.2**	0.1
Impact of change in accounting policy - IFRS 16		(0.2)
At the end of the period	**9.7**	7.3

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

18. Deferred tax (continued)

	Depreciation in excess of capital allowances £m	Pension £m	Leases £m	Total £m
At 25 April 2019	7.3	0.2	(0.2)	7.3
(Charged)/credited to the income statement	(1.9)		4.1	2.2
Credited to the statement of comprehensive income/equity		0.2		0.2
At 23 April 2020	**5.4**	**0.4**	**3.9**	**9.7**

	Depreciation in excess of capital allowances £m	Pension £m	Leases £m	Total £m
At 26 April 2018	9.8	0.2		10.0
Charged to the income statement	(2.5)	(0.1)		(2.6)
Credited to the statement of comprehensive income/equity		0.1		0.1
Impact of change in accounting policy- IFRS 16			(0.2)	(0.2)
At 25 April 2019	**7.3**	**0.2**	**(0.2)**	**7.3**

Deferred tax is calculated at a rate of 19% (2019: 17%).

19. Share capital, share premium and retained earnings

Allotted and fully paid	**2020 £m**	2019 £m
93,490,326 (2019: 38,490,322) 'A' ordinary shares of £100/38,490,321		

On the 30 September 2019, as part of the restructuring set out in note 12 the following transactions were undertaken:

- The Company issued three ordinary shares at a premium of £412.1 million in exchange for the full issued share capital of CP Whinfell Village Limited, CP Elveden Village Limited and CP Sherwood Village Limited.
- A further bonus issue of 55,000,000 ordinary £1 shares were granted from the retained earnings of the Company.
- Subsequently, a capital reduction was undertaken to reduce the £55.0 million of £1 ordinary shares to 55,000,000 of £100/38,490,321 ordinary shares at £142.89 and the share premium account was cancelled in full.

During the period a further one ordinary share of £100/38,490,322 was issued at premium of £41.5 million.

Management of capital

The Company's objectives when managing capital are to safeguard the Company'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.

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

19. Share capital, share premium and retained earnings (continued)

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 25 April 2019			**57.5**	**57.5**
Comprehensive income				
Loss for the period			(140.2)	(140.2)
Other comprehensive income			(0.7)	(0.7)
Transactions with owners				
Issue of shares	55.0	412.1	(55.0)	412.1
Capital reduction	(55.0)	(412.1)	467.1	
Dividends			(410.7)	(410.7)
Equity contribution		41.5		41.5
At 23 April 2020		**41.5**	**(82.0)**	**(40.5)**

During the period, the Company distributed £14.8 million of cash and £395.9 million of receivables as set out in note 24. Of the cash distributed £12.4 million was paid on or before 31 December 2019 and £2.4 million was paid on 30 March 2020. The receivables distributed were undertaken as part of the restructuring on 30 September 2019 as set out in note 9.

The Company had sufficient reserves to distribute the dividends paid at the date they were declared. The full impact of the Covid-19 pandemic was unknown at the time the distributions were approved by the Board and there was no indication that the investments held by the Company would be impaired resulting in the net liabilities position as at 23 April 2020.

On 30 September 2019 the Company undertook a capital reduction pursuant to which its share premium account was reduced by £412.1 million.

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 26 April 2018			4.8	**4.8**
Impact of change in accounting policy - IFRS 16			1.0	1.0
Adjusted balances at 26 April 2018			**5.8**	**5.8**
Comprehensive income				
Profit for the period			52.4	52.4
Other comprehensive income			(0.5)	(0.5)
Transactions with owners				
Dividends			(0.2)	(0.2)
At 25 April 2019			**57.5**	**57.5**

During the period to 25 April 2019 the Company distributed £0.2 million of receivables as set out in note 24.

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

20. Working capital and non-cash movements

	52 weeks ended 23 April 2020 £m	52weeks ended 25 April 2019 £m
Loss/(profit) on disposal of property, plant and equipment	**0.2**	(0.1)
Decrease/(increase) in inventories	**1.6**	(0.1)
(Increase)/decrease in trade and other receivables	**(3.4)**	58.1
Decrease in trade and other payables	**(36.9)**	(163.9)
	(38.5)	(106.0)

21. Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £9.3 million (2019: £17.8 million).

22. Employees and Directors

Staff costs during the period:	**52 weeks ended 23 April 2020 £m**	52 weeks ended 25 April 2019 £m
Wages and salaries	**82.1**	85.7
Social security costs	**5.4**	5.1
Pension costs	**3.2**	2.9
	90.7	93.7

As at 23 April 2020 approximately 90% of the Company's employees were furloughed under the UK Government's Job Retention Scheme. The table above is presented net of payroll costs reimbursable under those arrangements, which totalled £4.6 million.

The monthly average number of people (including executive Directors) employed by the Company and another Group company on behalf of Opco during the period was:

By activity:	**52 weeks ended 23 April 2020 Number**	52 weeks ended 25 April 2019 Number
Leisure, retail and food and beverage	**2,943**	2,947
Housekeeping, technical and estate services	**3,283**	3,230
Administration	**799**	797
	7,025	6,974

All payroll costs in respect of the above employees are borne by Center Parcs (Operating Company) Limited. Employees directly employed by the Company included in the table above were:

By activity:	**52weeks ended 23 April 2020 Number**	52 weeks ended 25 April 2019 Number
Leisure, retail and food and beverage	**649**	646
Housekeeping, technical and estate services	**698**	691
Administration	**106**	107
	1,453	1,444

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

22. Employees and Directors (continued)

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

Key management compensation

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

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

Directors' remuneration

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

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

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

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

Advances to Director

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

23. Pension commitments

Defined contribution pension scheme

The Company participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 23 April 2020 were £3.0 million (2019: £2.7 million).

Accruals per note 14 include £0.3 million (2019: £0.4 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Company 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.

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

23. Pension commitments (continued)

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

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

Actuarial assumptions used are as follows:

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

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

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

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

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

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

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

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

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

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

23. Pension commitments (continued)

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

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

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

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

	Present value of obligation £m
0.5% decrease in discount rate	(17.9)
1 year increase in life expectancy	(16.2)
0.5% increase in salary increases	(15.7)
0.5% increase in inflation	(16.7)

	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 26 April 2018	13.9	(15.1)	(1.2)
Current service cost		(0.2)	(0.2)
Interest income/(exeense)	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)
- Exeerience losses		(0.2)	(0.2)
	0.5	**(1.1)**	**(0.6)**
Employer contributions	0.7		0.7
Benefit payments from plan	(0.5)	0.5	
At 25 April 2019	**15.0**	**(16.3)**	**(1.3)**

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

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

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued}

24. Related parties

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

	Balance at 26 April 2018 £m	Movement in 52 weeks £m	Balance at 25 April 2019 £m	Movement in 52weeks £m	Balance at 23 April 2020 £m
Center Parcs (Holdings 3) Limited	**68.8**	164.7	**233.5**	(233.2)	**0.3**
Center Parcs (Jersey) 1 Limited	**(0.1)**	0.1			
Longleat Property Limited	**(40.5)**	39.2	**(1.3)**	(10.7)	**(12.0)**
CP Sherwood Village Limited	**(30.8)**	30.4	**(0.4)**	(7.2)	**(7.6)**
CP Elveden Village Limited	**(34.9)**	34.4	**(0.5)**	(7.2)	**(7.7)**
CP Whinfell Village Limited	**(11.0)**	11.5	**0.5**	(5.4)	**(4.9)**
Center Parcs (Holdings 1) Limited	**296.3**	(185.4)	**110.9**	(110.9)	
SPV2 Limited	**3.4**	(2.8)	**0.6**	0.9	**1.5**
Center Parcs Limited	**(0.1)**	0.1			
CP Woburn (Operating Company) Limited					
Loans	**213.9**	25.5	**239.4**	28.6	**268.0**
Trading balances	**(93.8)**	(17.1)	**(110.9)**	(35.1)	**(146.0)**
CPUK Finance Limited		0.1	**0.1**	(0.1)	
Zinc Investments Sari	**1.4**	(1.4)			
BSREP II Center Parcs Jersey Limited	**(10.5)**	10.5			
Center Parcs Finance Borrower Limited		(0.4)	**(0.4)**	(1.4)	**(1.8)**

All of the above companies are part of the Group headed by Center Parcs (Holdings 1) Limited with the exception of Zinc Investments Sari, Center Parcs Finance Borrower Limited, and BSREP II Center Parcs Jersey Limited. These companies have the same ultimate ownership as Center Parcs (Operating Company) Limited but are not part of the Center Parcs (Holdings 1) Limited Group.

CPUK Finance Limited issued the secured debt as set out in note 15. The Directors of both CPUK Finance Limited and Center Parcs (Holdings 1) Limited consider that the Company meets the definition of a structured entity under IFRS 10 'Consolidated Financial Statements' and hence it has been treated as a subsidiary undertaking within the group headed by Center Parcs (Holdings 1) Limited.

The movement on the balance with Center Parcs (Holdings 3) Limited in the period represents the following transactions:

- The draw down of additional loans to that company totalling £46.4 million.
- Interest receivable of £4.7 million.
- £0.7 million of interest in respect of Center Parcs (Holdings 3) Limited's secured debt settled on its behalf by the Company.
- Net receivable of £285.0 million due to the Company distributed as part of the restructuring set out in note 12.

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

- The advance of additional loans to that company totalling £93.4 million.
- Interest receivable of £7.4 million.
- £0.4 million of interest in respect of Center Parcs (Holdings 3) Limited's secured debt settled on its behalf by the Company.
- The assignment of a receivable balance of £212.1 million due from Center Parcs (Holdings 1) Limited as set out below.
- CP Sherwood Village Limited distributed a receivable of £39.9 million due from Center Parcs (Operating Company) Limited, as set out below.
- CP Elveden Village Limited distributed a receivable of £43.9 million due from Center Parcs (Operating Company) Limited, as set out below.

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

24. Related parties (continued)

- CP Whinfell Village Limited distributed a receivable of £17.8 million due from Center Parcs (Operating Company) Limited, as set out below.
- Center Parcs (UK) Group Limited distributed a receivable of £0.1 million due from Center Parcs (Operating Company) Limited to its parent company, Center Parcs (Holdings 3) Limited.
- CP Longleat Village Limited distributed a receivable of £46.9 million due from Center Parcs (Operating Company) Limited to its parent company, Center Parcs (Holdings 3) Limited.

In the 52 week period to 25 April 2019 Center Parcs (Jersey) 1 Limited distributed its receivable due from Center Parcs (Operating Company) Limited to its parent company, Center Parcs (UK) Group Limited.

The movement on the balance with Longleat Property Limited in the period represents rent invoiced of £19.7 million, off-set by the payment of interest and commitment fees on the Company's behalf of £9.1 million and other trading activities of £0.1 million.

The movement on the balance with Longleat Property Limited in the 52 weeks ended 25 April 2019 represented the following transactions:

- Rent invoiced of£19.1 million.
- The transfer of cash from that company totalling £0.1 million.
- The payment of interest and commitment fees on that Company's behalf of £7.9 million.
- Longleat Property Limited distributed a receivable of £46.9 million due from Center Parcs (Operating Company) Limited to CP Longleat Village Limited, its parent undertaking.
- The transfer of a £3.6 million payable due to SPV2 Limited by Longleat Property Limited to Center Parcs (Operating Company) Limited.

The movement on the balance with CP Sherwood Village Limited in the period represents rent invoiced of £19.4 million, off-set by the payment of interest and commitment fees on the Company's behalf of £12.3 million and other trading activities of £0.1 million.

The movement on the balance with CP Sherwood Village Limited in the 52 weeks ended 25 April 2019 represented the following transactions:

- Rent invoiced of £18.9 million.
- The transfer of cash from that company totalling £0.2 million.
- The payment of interest and commitment fees on the Company's behalf of £9.6 million.
- CP Sherwood Village Limited distributed a receivable of £39.9 million due from Center Parcs (Operating Company) Limited to Center Parcs (Holdings 3) Limited.

The movement on the balance with CP Elveden Village Limited in the period represents rent invoiced of £18.7 million, off-set by the payment of interest and commitment fees on the Company's behalf of £11.5 million.

The movement on the balance with CP Elveden Village in the 52 weeks ended 25 April 2019 represented the following transactions:

- Rent invoiced of £18.2 million.
- The transfer of cash from that company totalling £0.2 million.
- The payment of interest and commitment fees on the Company's behalf of £8.9 million.
- CP Elveden Village Limited distributed a receivable of £43.9 million due from Center Parcs (Operating Company) Limited to Center Parcs (Holdings 3) Limited.

The movement on the balance with CP Whinfell Village Limited in the period represents rent invoiced of £16.5 million, off-set by the payment of interest and commitment fees on the Company's behalf of £11.2 million and other trading activities of £0.1 million.

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

24. Related parties (continued)

The movement on the balance with CP Whinfell Village in the 52 weeks ended 25 April 2019 represented the following transactions:

- Rent invoiced of £16.1 million.
- The receipt of cash from that company totalling £0.1 million.
- The payment of interest and commitment fees on the Company's behalf of £9.9 million.
- CP Whinfell Village Limited distributed a receivable of £17.8 million due from Center Parcs (Operating Company) Limited to its parent company Center Parcs (Holdings 3) Limited.

The movement on the balance with Center Parcs (Holding 1) Limited in the 52 weeks ended 23 April 2020 is the distribution of the Company's receivable to Center Parcs (Holdings 3) Limited, as set out in note 12.

The movement on the balance with Center Parcs (Holdings 1) Limited in the 52 weeks ended 25 April 2019 represented:

- Interest receivable 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.
- The Company 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 SPV2 Limited in the 52 weeks ended 23 April 2020 represents funds advanced from the Company of £0.9 million.

The movement on the balance with SPV2 Limited in the 52 weeks ended 25 April 2019 represented funds advanced from the Company of £0.8 million, off-set by the transfer of the £3.6 million receivable due from Longleat Property Limited to the Company.

The movement on the balance with Center Parcs Limited in the 52 weeks ended 25 April 2019 represents the receipt of cash balances of £0.2 million and the distribution of the total payable of £0.3 million to the Company as set out in note 7.

The movements on the loans balance with CP Woburn (Operating Company) Limited in the current and prior periods represented interest receivable.

The movement on the trading balances with CP Woburn (Operating Company) Limited in the 52 weeks ended 23 April 2020 represents cash advanced of £57.0 million, off-set by the settlement of interest and other liabilities on the Company's behalf of £21.9 million. The movement in the 52 weeks ended 25 April 2019 represented cash advanced of £48.0 million, off-set by the settlement of interest and other liabilities on the Company's behalf of £30.9 million.

The movement on the balance with CPUK Finance Limited in the 52 weeks ended 23 April 2020 represents settlement of the balance due.

The movement on the balance with CPUK Finance Limited in the 52 weeks ended 25 April 2019 represented cash advanced by Center Parcs (Operating Company) Limited to that Company.

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

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

The movement on the balance with Center Parcs Finance Borrower Limited in the 52 weeks ended 23 April 2020 and the 52 weeks ended 25 April 2019 represents payment for group relief.

25. Contingent liabilities

The Company, along with other members of the Group headed by Center Parcs (Holdings 1) Limited, is an obligor in securing the Group's external borrowings of £1,889.5 million (2019: £1,889.5 million).

Notes to the financial statements

for the 52 weeks ended 23 April 2020 (continued)

26. Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales. 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 Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3 (registered office).

The smallest group in which the results of the Company are consolidated is that headed by Center Parcs (Holdings 1) Limited. A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP (registered office).

27. Events after the reporting period

Refunds of approximately £43 million have been paid to guests, in respect of cancelled breaks, between the financial period-end and the date of signing these financial statements.

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

On 17 July Center Parcs launched a consent solicitation requesting bond holders to agree to certain amendments of the current terms and conditions on the loan notes. This included a request for a waiver of the FCF DSCR covenant calculation for the next three calculation dates (August 2020, February 2021 and August 2021). As at the date of signing of these accounts sufficient support had been received from holders of B-notes to pass the waiver whilst the final results of the A-note holders vote is not expected until 10 August.