

**Financial statements**

52 weeks ended 22 April 2021

**CP Woburn (Operating Company) Limited**

**Annual report and financial statements**

**For the 52 weeks ended 22 April 2021**

**Company registration number: 07656412**

## Financial statements

52 weeks ended 22 April 2021

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## **Financial statements**

52 weeks ended 22 April 2021

### **Directors and auditor**

#### **Directors**

M P Dalby  
C G McKinlay  
Z B Vaughan  
B T Annable  
A Colasanti

#### **Company Secretary**

R Singh-Dehal

#### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindley Place  
Birmingham  
B1 2HZ

#### **Registered office**

One Edison Rise  
New Ollerton  
Newark  
Nottinghamshire  
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## Strategic report For the 52 weeks ended 22 April 2021

The Directors present their Strategic report on the Company for the 52 weeks ended 22 April 2021 (2020: 52 weeks ended 23 April 2020).

### Review of the Business

The principal activity of the Company is the operation of Center Parcs Woburn Forest, a short break holiday village in Bedfordshire.

Center Parcs targets the premium sector of the UK family short break market, offering an escape from the stresses and strains of modern life and helping families come together.

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

Woburn Village is set in a forest environment and is normally open 365 days a 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 Village provides guests with high-quality accommodation and more than 150 leisure and spa activities. The focal point and key attraction of the 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 and boating; indoor activities such as ten-pin bowling, badminton and pottery; and leisure amenities such as spas, dining and retail.

### *Change in accounting policy*

The Company adopted a revaluation model for its class of land and buildings during the prior period to more appropriately reflect the value of the assets held by the Company. The change in accounting policy resulted in a revaluation gain on recognition of £108.2 million and a corresponding deferred tax liability of £18.4 million.

### *Impact of the Covid -19 pandemic*

Following UK Government advice in the light of the Covid-19 pandemic, the Company's holiday village was closed to guests for a significant proportion of the financial period (see note 5 to the financial statements). The village was able to re-open on 12 April 2021, albeit with reduced accommodation capacity and guest activities. 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.

During the period, the Company has taken advantage of Government support measures and reduced operating costs where possible. During the village closure periods up to 90% of the Company's employees were furloughed under the UK Government's Job Retention Scheme. The Company also benefitted from a business rates holiday applicable to the leisure industry.

The Company also took action to ensure a strong liquidity position was maintained by securing funding from Brookfield, the Company's owner. As at 16 July 2021, £189.9 million of funds had been provided, of which £148.4 million was received during the period ended 22 April 2021. A further £40.0 million of funding has been approved if required, and Brookfield have indicated that additional funding could be made available should the need arise.

The Group continues to actively monitor developments and UK Government advice and will increase available accommodation capacity and guest activities when 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.

## Strategic report

### For the 52 weeks ended 22 April 2021 (continued)

#### Financial performance

The results of the Company for the period show a loss after taxation of £8.8 million (2020: loss after taxation of £50.5 million). Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation and adjusted items was £2.3 million (2020: £42.2 million). Adjusted EBITDA is derived from the income statement as follows:

	2021	2020
	£m	£m
<b>Revenue</b>	<b>24.0</b>	86.6
Cost of sales	(9.3)	(25.2)
<b>Gross profit</b>	<b>14.7</b>	61.4
Administrative expenses before adjusted items	(12.4)	(19.2)
<b>Adjusted EBITDA</b>	<b>2.3</b>	42.2

These results were negatively impacted by the closure of the UK holiday villages in light of the Covid-19 pandemic, as set out in note 5.

An adjusted gain in the fair value of a derivative of £1.5 million was recognised during the period, the details of which are set out in note 13.

An impairment of £51.3 million in respect of the revaluation of the Company's land and buildings was incurred in the prior period and treated as an adjusted expense. A partial reversal of £46.8 million of this impairment was recognised in the current period. Taxation on this expense has also been treated as an adjusted item, as has the impact of the change in applicable deferred tax rate from 17% to 19% in the prior period. Details are set out in note 4 to the financial statements.

During the period, the Company incurred adjusted finance costs of £0.3 million, representing waiver costs on the Company's financial covenants testing as detailed in note 13.

#### 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. The Directors of Center Parcs (Holdings 1) Limited have confirmed that they will continue to make funds available to the Company to allow it to meet its debts as they fall due, being a period of at least 12 months from the date of signing these financial statements.

#### Key performance indicators

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

- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 23.4% (2020: 87.3%).
- 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 £241.29 (2020: £204.02).
- 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 £56.56 (2020: £178.14).

The key performance indicators above were negatively impacted by the closures of the UK holiday village 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 22 April 2021 (continued)

#### Financing risk management (continued)

##### *Interest rate risk*

Principal sources of borrowings are fixed interest rate loan notes.

##### *Liquidity risk*

At 22 April 2021, 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 liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

##### *Currency risk*

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

##### *Credit risk*

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

#### 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.

##### *Brexit*

To date, the UK's formal exit from the European Union has not had a material impact on the business of Center Parcs. However, we continue to monitor political and economic developments and have plans in place for all eventualities.

#### Section 172 Statement

Pursuant to the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, we report here on how the Directors have discharged their duties under Section 172 of the Companies Act 2006 ('CA 2006'),

Section 172 of the CA 2006 sets out the matters to which the Directors must have regard in performing their duties 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 term.

The Directors of the Company (the "Directors") are aware of their responsibilities to promote the success of the Company in accordance with section 172 of the CA 2006 and are keen to ensure proper reflection on stakeholder engagement at Director level. The Directors consider it crucial that the Company and the Group maintains a reputation for high standards of business conduct.

As more particularly detailed in the Company's Wates Statement included in the Directors' report, the Company's indirect parent undertaking, Center Parcs (Holdings 1) Limited plays an important role in the governance of the operations of the Company, including consideration and approval of key commercial decisions which materially impact the Company and its operations.

The board of Center Parcs (Holdings 1) Limited ("the Board") meets quarterly and consists of all of the Company's Directors. Where the individuals are Directors of separate legal entities within the Group, they are aware of their responsibilities relating to each of the legal entities. Additionally, a group which comprises of the Chief Executive Officer and the Chief Finance Officer (the "Executive Directors") of the Company along with members of the senior management team, known internally as the Operating Board, (the "Operating Board"), meet monthly to discuss and make operational decisions in relation to the Company and to consider and implement decisions of the Board. The views of the Operating Board are considered by the Board in their decision making. In these meetings feedback from the business areas is considered and reviewed, with a particular focus on the stakeholder groups.

## Strategic report For the 52 weeks ended 22 April 2021 (continued)

As the Board considers and makes decisions which impact the Company (which are then considered and if deemed appropriate, implemented by the Directors), it is important that the Board, Directors and the Operating Board are involved in and aware of the output of stakeholder engagement. The outcome of the stakeholder engagement influences the ongoing review of the long term strategy and financial planning to ensure the approach delivers long term growth and protects the Company’s reputation for high standards of business conduct. The Directors consider the likely consequences of any decision in the long term and identify stakeholders who may be affected and carefully consider their interests and any potential impact as part of the decision-making process.

The sections below set out a summary of the Company and the Group’s relationships with its key stakeholders and how the business engages with them.

### Stakeholder engagement

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

Stakeholder group	Why are they important?	What is our approach?
Guests	<p>Understanding what is important to our guests is key to our long-term success.</p> <p>Understanding, acknowledging and appreciating how our guests view our business, product offering and service delivery ensures that we can adapt and change what we do and how we do it to maintain our competitive advantage.</p>	<ul style="list-style-type: none"> <li>• The Board and the Directors via the Operating Board, receive regular reporting on our “Delivering Excellent Service” guest metrics and customer related strategic initiatives.</li> <li>• The Operating Board and senior management undertake village visits, where possible, to ensure that the guest experience is in line with guest expectations.</li> <li>• During the pandemic, keeping our guests safe was a key guiding principle:               <ul style="list-style-type: none"> <li>○ we introduced protective measures, going beyond statutory requirements, including enhanced cleaning, ventilation, face coverings, PPE and temperature checks;</li> <li>○ our guest communications were clear and timely and offered fast and easy refunds or date changes;</li> <li>○ we introduced the “Book with Confidence Guarantee,” allowing guests to book with the confidence that they could cancel or change dates, if required;</li> <li>○ we undertook regular guest surveys to gauge guest sentiment on holidays and Center Parcs breaks. The results of the surveys were regularly reported to the Board and were integral to our strategic response to the pandemic and guided how and when we communicated with our guests.</li> </ul> </li> </ul>

## Strategic report For the 52 weeks ended 22 April 2021 (continued)

### Stakeholder engagement (continued)

Stakeholder group	Why are they important?	What is our approach?
Employees	<p>Employee well-being (both physical and mental), levels of engagement and motivation as well as overall commitment are essential for our long-term success.</p> <p>The Company is one of the Group's employing companies, along with Center Parcs Limited and Center Parcs Limited.</p>	<ul style="list-style-type: none"> <li>• Through employee forums, internal communications and informal meetings the Executive Directors and senior management engage with employees on a wide range of matters.</li> <li>• We believe our engagement methods allow our employees to influence change in relation to matters that affect them for example the "Return to Work" surveys helped guide the support and assistance which furloughed employees needed when returning to work.</li> <li>• An independent Employee Assistance Programme is available to all employees to provide initial support and further assistance, if required.</li> <li>• The Group is committed to promoting diversity and inclusion and wellbeing across the business and will be increasing activity in this area.</li> <li>• During the pandemic, our employee's safety was a key principle and resulted in:             <ul style="list-style-type: none"> <li>○ the introduction of protective measures, going beyond the statutory requirements including enhanced cleaning, ventilation, face coverings, PPE and temperature checks;</li> <li>○ furlough payments being topped up on a sliding scale;</li> <li>○ regular management communications to all employees to provide guidance and support;</li> <li>○ systems being in place to allow working from home, where possible;</li> <li>○ regular feedback being provided back to the Operating Board on how employees felt they were being supported; and</li> <li>○ regular return to work surveys, before the villages opened.</li> </ul> </li> </ul>
Suppliers	<p>Working with a wide range of suppliers to deliver services to our guests is vital for our long term success.</p>	<ul style="list-style-type: none"> <li>• The Operating Board maintain oversight of the management of our critical suppliers and receive regular reports on their performance.</li> <li>• 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 contractual and financial issues, corporate responsibility, modern slavery and sustainable sourcing and data security.</li> <li>• The Board reviews the actions we have taken to prevent modern slavery in our supply chain and approves the Modern Slavery Statement each year.</li> <li>• During the pandemic we:             <ul style="list-style-type: none"> <li>○ issued clear and timely communications to our suppliers to enable them to manage their supply chain;</li> <li>○ honoured payment terms in contracts;</li> <li>○ bought forward projects and jobs to enable them to be completed during the village closures.</li> </ul> </li> </ul>



## Strategic report For the 52 weeks ended 22 April 2021 (continued)

### Stakeholder engagement (continued)

Stakeholder group	Why are they important?	How we engage with them?
Community	Being a responsible member of the community plays a vital part in our long-term success.	<ul style="list-style-type: none"> <li>• The Directors and the Operating Board receive regular updates on community activities including support for our corporate charity partnership with Together for Short Lives, donated breaks and employee volunteering.</li> <li>• Employees are actively encouraged to volunteer and fundraise for our corporate charity. Guests are also able to make donations to our corporate partner, when booking a break. The Board approves matched donations on an annual basis.</li> <li>• The Center Parcs Community Fund allows each village and Head Office to sponsor local projects and charities. The Directors and the Operating Board receives regular updates on the support provided by the Community Fund.</li> <li>• We are committed to minimising the impact of our business operations on the environment and recognise our responsibility to carefully manage the natural resources. We are developing an Environmental, Social and Governance strategy.</li> </ul> <p>During the pandemic:</p> <ul style="list-style-type: none"> <li>• we donated food and other supplies to local organisations, charities and community groups.</li> <li>• employees volunteered in their local communities and continued to fundraise for our corporate charity and local groups.</li> <li>• we provided emergency accommodation for frontline workers.</li> </ul>
Shareholder, investors in the funds held by the ultimate parent and debtholders.	We recognise the importance of our shareholder and their representatives having a good understanding of our strategy, business model and culture.	<ul style="list-style-type: none"> <li>• The Board has quarterly meetings with the shareholder to update on strategic developments and financial targets.</li> <li>• Shareholder approval is required for significant capital projects over a certain amount.</li> <li>• The Group's quarterly results are presented to debt holders and the Chief Financial Officer is available to questions during the presentations.</li> <li>• Corporate reports and Annual Reviews are published on the website.</li> </ul> <p>During the pandemic:</p> <ul style="list-style-type: none"> <li>• we had regular meetings with our shareholder;</li> <li>• issued regular communications to our debt holders to provide financial and strategic updates.</li> </ul>

## **Strategic report**

### **For the 52 weeks ended 22 April 2021 (continued)**

#### **Key strategic decisions**

This year has been dominated by Covid-19 and its impact on our guests, employees and the communities in which we operate. The Company and the Group's approach to decision making during the pandemic was guided by three main principles: protect our guests; protect our employees and protect and enhance our long term brand image and value. We ensured our communications during this unprecedented time remained open, transparent and timely throughout the rapidly evolving period. We ensured all decisions in this period were guided by these principles and considered the long term impact for all our stakeholders.

Approved by the board



C G McKinlay  
**Director**  
16 July 2021

## Directors' report For the 52 weeks ended 22 April 2021

The Directors present their report and the audited financial statements for the 52 weeks ended 22 April 2021 (2020: 52 weeks ended 23 April 2020).

The registration number of the Company is 07656412.

### 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.

After the balance sheet date, and as set out in note 24 to the financial statements, the Company issued £15.6 million of Tranche B6 secured notes. Part of the proceeds of these new notes was used to settle the Group's remaining Class B3 secured notes.

### Financial risk management objectives

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

### Dividends

No dividends were paid during the 52 weeks ended 22 April 2021 (2020: dividends paid of £70.3 million). The Directors have not proposed the payment of a final dividend (2020: £nil).

### Directors

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

M P Dalby	
C G McKinlay	
Z B Vaughan	
K O McCrain	(resigned 11 May 2020)
N J Adomait	(resigned 31 December 2020)
B T Annable	(appointed 11 May 2020)
A Colasanti	(appointed 31 December 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 22 April 2021 and as at the date of the report.

### Employees

The Company is committed to diversity and inclusion for all employees. Diversity and inclusion are key to the Company being a sustainable, successful business. An inclusive culture ensures employees are happier, can be themselves and work towards achieving their and the Company's goals. The company is also committed to our employee's health and wellbeing as this is equally vital to our success and growth.

#### *Disabled employees*

Each employee brings unique knowledge and experience, attitudes and ambitions. It is important to us that everyone is involved including those with visible and invisible disabilities. We make reasonable adjustments for our employees and for candidates who are interested in working for us. We will interview every disabled applicant that meets the minimum criteria for the job and engage with them to understand their individual needs. In the event of employees becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. 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 engaging with its employees. This has been particularly vital during the Covid-19 pandemic with the village closures and remote working. Engagement has been achieved through a mixture of formal and informal briefings, and regular newsletters. 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 Company, although this has not been paid in the current period due to the impact of Covid-19 on the business.

## **Directors' report**

### **For the 52 weeks ended 22 April 2021 (continued)**

#### **Political donations**

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

#### **Energy and Carbon Regulations**

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 accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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.

## Directors' report For the 52 weeks ended 22 April 2021 (continued)

### CORPORATE GOVERNANCE REPORT

#### Introduction

The Company is required by the Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations") to include a statement as to which corporate governance code has been applied and how during the financial year. The Company has chosen to adopt the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website), which incorporates 6 key principles: Purpose and Leadership, Board Composition, Director Responsibilities, Opportunity & Risk, Remuneration and Stakeholder Relationships and Engagement. This report aims to bring transparency to our governance approach.

#### Role of Center Parcs (Holdings 1) Limited

Center Parcs (Holdings 1) Limited, the indirect parent undertaking of the Company, plays an important role in the governance of the operations of the Company. The narrative below discusses the governance arrangements of the Company and how its governance arrangements interact with governance arrangements of Center Parcs (Holdings 1) Limited, in order to give a holistic view of the Group's governance arrangements.

The board of Center Parcs (Holdings 1) Limited ("the Board") meets quarterly and comprises of all of the Company's Directors. Additionally, a group which includes the Chief Executive Officer and the Chief Finance Officer (the "Executive Directors") of the Company and members of the senior management, known internally as the Operating Board, (the "Operating Board") meet monthly to discuss and make operational decisions relating to the Company and to consider and implement decisions of the Board. The Board has delegated oversight of the Group's day-to-day operations and activities to the Operating Board.

#### Purpose and Leadership

The Company's strategy is to be the leading provider of short break holidays in the UK.

The Center Parcs People Framework, which outlines the approach to people management, supports the strategy and sets out the vision, mission and essence:

- Our Vision: to be known as the escape where families come together;
- Our Mission: we bring families together by championing free-range family time;
- Our Essence: Center Parcs is family togetherness.

The People Framework is embedded across the business and is supported by a set of behaviours which are expected to be demonstrated by all colleagues:

- Natural – we talk and act like real people;
- Family – we care for and support one another;
- Respectful – we think before we act and empathise with others;
- Confident – we proudly stand by our people, our brand and our product;
- Passionate – we go above and beyond for our guests and each other;
- Always growing – we ask hard questions of ourselves and restlessly look for new answers.

These behaviours are key to the Group's culture and are embedded across the business. These behaviours are exhibited by the Directors, the Board and the Operating Board and are continually communicated to colleagues through inductions, ongoing training, appraisals and briefings. The Company also seeks to recruit new colleagues that are aligned to these values. The People Framework involves "natural conversations" to talk about the knowledge, skills, experience, qualifications and behaviours that are required to be a member of the Center Parcs family. The appraisal system looks at how the colleague has delivered against these behaviours, as well how they have performed in their role. There is also have a Wellbeing Hub giving all colleagues mobile access to an array of health and wellbeing services, including face-to-face counselling, where needed. Colleagues can report any misconduct or unethical behaviour via an independent whistleblowing hotline, either by telephone or online.

The Executive Directors and the Operating Board monitor the culture through a bi-annual colleague survey. This gives colleagues the opportunity to provide anonymous feedback and helps the Executive Directors and Operating Board to monitor engagement and take action to address any concerns. Details of how engagement with colleagues impacts decision making can be found in the Section 172 Statement within the Strategic Report.

## Directors' report For the 52 weeks ended 22 April 2021 (continued)

The Group is owned by investment funds advised by the Brookfield Asset Management Inc., a Canadian global asset management company.

### Board Composition

As noted above the Board (being the board of directors of the indirect parent undertaking Center Parcs (Holdings 1) Limited) plays a key role in the Company's governance. The below section focuses on the composition of the Board of Center Parcs (Holdings 1) Limited) as this is the forum where key decisions affecting the Company and the Group are taken. The Board meets quarterly and makes key decisions which are then carefully considered and if deemed appropriate, implemented by the Company (by the Company directors and the Operating Board). All directors of the Company are also directors of Center Parcs (Holdings 1) Limited.

During the year, the Board comprised of the Chief Executive Officer, Chief Financial Officer and three shareholder representative Directors (the "Directors"). Further details on each Director are provided below.

### Martin Peter Dalby — Chief Executive Officer

Martin Dalby has served as CEO of Center Parcs since July 2000 and prior to that was Finance Director of Center Parcs from 1997 to 2000 and Financial Controller from 1995 to 1997. Mr. Dalby joined Scottish and Newcastle in 1978 where he held various accounting positions before joining Center Parcs UK in January 1995 as Financial Controller. Mr. Dalby has led the Center Parcs Group through the change of company ownership from Scottish and Newcastle to Deutsche Bank Capital Partners (subsequently MidOcean Partners) as well as the acquisition and integration of Oasis Whinfell Forest. Mr. Dalby led the listing of the business on AIM in December 2003, the transition to the London Stock Exchange's main list on 1 March 2005 and the subsequent purchases by the Blackstone Funds in 2006 and the Brookfield Funds in 2015. In addition, he oversaw the building and opening of both Woburn Forest in 2014 and Longford Forest in 2019.

### Colin McKinlay — Chief Finance Officer

Colin McKinlay joined Center Parcs in July 2017. Prior to joining Center Parcs, Mr. McKinlay served as Finance Director for TUI Travel UK and Ireland, part of the TUI Group, between 2010 and 2017. Mr. McKinlay has held a number of senior financial roles with businesses operating in the travel industry, including serving as Chief Financial Officer at Thomas Cook UK & Ireland between 2004 and 2006. Mr. McKinlay holds a degree in Accountancy & Financial Management from the University of Essex and is ICAEW qualified.

### Zach Vaughan — Board Member

Zach Vaughan is Managing Partner in Brookfield's Property Group, responsible for Brookfield's European real estate investments. Mr. Vaughan joined Brookfield in the United States in 2012 and relocated to London in 2015. Since joining Brookfield, he has been involved in several M&A and asset transactions including Thayer Lodging, Center Parcs, MPG Office Trust, UK Student Housing, Associated Estates and Interhotels. Before relocating to London he oversaw Brookfield's North American multifamily investments and its operating company, Fairfield Residential. Prior to joining Brookfield, Mr. Vaughan worked at Canada Pension Plan Investment Board (CPPIB) and Reichmann International. Mr. Vaughan received an Honours Economics degree from The University of Western Ontario.

### Benedict Tobias Annable— Board Member (appointed 11 May 2020)

Benedict Annable is a Senior Vice President of Brookfield Property Group and is responsible for advising on all legal aspects of Brookfield's real estate platform, specifically focusing on European acquisitions, dispositions and related financings. Since joining Brookfield in 2018, Mr. Annable has been involved in a number of acquisitions across various asset classes and jurisdictions, including offices, student housing and apart'hotel businesses and assets in the UK, France and Spain. Prior to joining Brookfield, Mr. Annable was a Partner at the law firm of Mishcon de Reya LLP where he focused on acquisitions, disposals, investments and joint ventures, primarily in the real estate sector. Mr. Annable holds a BA (Hons) from Durham University.

### Andrea Colasanti – Board Member (appointed 31 December 2020)

Andrea Colasanti is a Vice President in Brookfield's Property Group, involved in the Asset Management for Brookfield's European real estate investments. Since joining Brookfield in London in 2018, Mr. Colasanti has been involved in several Asset Management activities and transactions for Brookfield's real estate group across hospitality, student housing and logistics in various European countries (UK, France, Germany, Portugal). Before joining Brookfield, Mr. Colasanti worked for PwC, where he focused on financial due diligence and corporate finance in the real estate sector. Mr. Colasanti holds a Bachelor's Degree in Business Administration and a Master's Degree in Economics and Business from Luiss Guido Carli University in Rome.

### Natalie Johanna Adomait – Board Member (resigned 31 December 2020)

### Kevin O'Donnell McCrain – Board Member (resigned 11 May 2020)

## **Directors' report**

### **For the 52 weeks ended 22 April 2021 (continued)**

The Company acknowledge that there is a lack of diversity on the Board specifically in respect of gender and race. However, there is an inclusive environment and a commitment to develop a diverse workforce within the Group which should increase diversity at the most senior levels in the coming years. There is a Women's Development Programme and a mentoring scheme to support the growth of women within the Group. There is also an ongoing diversity and inclusion programme to develop and support a diverse workforce.

The Directors have equal voting rights when making decisions, but the shareholder has the casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company's expense. The duties of the Directors are delegated through a series of committees.

The Executive Directors attend and act as chair of relevant committees, so they are able to challenge and influence a broad range of areas across the Group. The Board and the Company ensures that the strategy and culture align and are embedded and communicated throughout the Group. This can be seen at the regular senior management meetings and the colleague quarterly forums that are open to everyone. Directors update their skills, knowledge and familiarity with the business by meeting with senior management, visiting the villages and by attending appropriate external seminars and training courses.

There is an induction programme for all new Directors which is tailored to their specific experience and knowledge and which provides access to all parts of the business and shareholders. The Directors will consider undertaking a formal independent Board effectiveness review.

#### **Director responsibilities**

The Board and the Company recognise that good corporate governance and transparency is essential for long-term growth. The Executive Directors and the Operating Board ensure that every decision considers the views and needs of all stakeholders. Whilst the Board has oversight, key decisions are made by the relevant committees and people with the most appropriate knowledge and experience. Each Director has a clear understanding of their accountability and responsibilities. The Directors and senior management complete an Annual Code of Conduct declaration confirming that they have behaved in accordance with the Group's behaviours and values. Senior management are also required to declare any potential conflicts of interest, as they occur, and these are reviewed by the Board.

To allow the Board and the Company to operate effectively, they have delegated oversight of day-day operations to the Operating Board authority and key areas to committees in particular the Risk Committee, the Safety Management Committee, the Competition Committee and the Data Protection Governance Committee. These committees are chaired by the relevant Director and are attended by the relevant senior management. The Board receives regular reports on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, operational matters, market conditions, data protection and sustainability.

Key financial information is collated from the various accounting systems. The finance function is appropriately qualified to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is currently externally audited by Deloitte LLP on an annual basis, and financial controls are reviewed by the internal audit function and the shareholders' internal audit function.

The shareholder also receives reports on key financial and operational metrics and corporate governance issues on a quarterly basis and regularly undertake audits for Sarbanes Oxley requirements. Additionally, the shareholder has corporate governance policies and processes in place to ensure that there are appropriate checks and balances to enable them to provide independent challenge to the Executive Directors, the Board and Operating Board, when required.

## Directors' report For the 52 weeks ended 22 April 2021 (continued)

### Opportunity and Risk

The Company has a proactive approach to the management of opportunity and risk. Long term strategic opportunities are reviewed by the Executive Directors and the Operating Board on an annual basis, whilst short term opportunities are reviewed on an ongoing basis.

The Risk Committee meets quarterly to consider the nature and review the risks facing the business, review the framework to mitigate such risks, and notifies the Operating Board of changes in the status and control of risks. It reviews the key risk registers, challenging and making changes where appropriate and receives reports from its committees. The Risk Committee is chaired by the Chief Executive Officer and attended by the other Executive Director, the Operating Board members and other appropriate senior management. Opportunity and risk are also considered by the Safety Management Committee, the Competition Committee and the Data Protection Governance Committee. These committees are chaired by the relevant Director and are attended by the appropriate senior management. The Group's key operational risks and mitigations are outlined in the Strategic Report.

### Remuneration

The shareholder is involved in the setting of the remuneration strategy and policies that affect the Directors of the Company and the Group as a whole. The strategy takes into account the recruitment framework and long-term incentive plans for senior executives, legislative requirements, best market practice and remuneration benchmarking. Pay is aligned with performance and takes into account fair pay and conditions across the business.

The Directors' remuneration is disclosed in note 20. The Group's Gender Pay Report can be found on the Center Parcs website. The Group is an active equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development.

### Stakeholder Relationships and Engagement

The Company recognises the importance of good corporate governance and understands that for long term growth and successful business performance the Company must respect and take in to account the views and needs of all its stakeholders including guests, colleagues, suppliers, the communities in which we operate and the shareholders. Below is a summary of the engagement activities with these stakeholders:

#### Guests

The Company communicates regularly with the guests via focus groups and surveys. All guests are offered the opportunity to complete a guest satisfaction survey, known as "Delivering Excellent Service" (DES) after every break. The survey measures guest satisfaction in a variety of areas such as accommodation, facilities, amenities and customer service. The results of the surveys determine a DES score for each village and certain units within the village. The DES score is used to constantly improve services and tailor the offering to the guest. The survey is run by an external company to ensure independence. Engagement with guests is a key method in achieving the Company's purpose and strategy.

#### Colleagues

The Company engages with its employees through a variety of methods, including the employee councils which meet quarterly to discuss issues and concerns and are attended by a member of senior management, newsletters and the bi-annual employee engagement survey. The Operating Board receives feedback from the councils on a regular basis and acts on issues of concern. Employee engagement surveys are undertaken every two years and drive ongoing engagement activities and help to formulate the KPIs for the coming years. All colleagues have access to an independent "whistleblowing" helpline where anonymous reports can be made at any time.

#### Suppliers

Critical supplier contracts are considered by the Company and Operating Board following initial consultations with the procurement and commercial teams and reviewed annually. Suppliers are required to comply with the Group's Procurement and Ethical Trading Policies which ensure that they must be able to demonstrate that they operate within industry standards, uphold human rights, prohibit modern slavery and promote sustainable sourcing. Senior management regularly meet with key suppliers to discuss account management and performance is regularly reported to the Risk Committee and the Board is updated when necessary. An annual gala award event is usually held for suppliers who have gone above and beyond the requirements in their service to the Group. The Modern Slavery Statement and Payment Practices Report are reported to the Board and published externally.



## Directors' report For the 52 weeks ended 22 April 2021 (continued)

### Communities

As a sustainable business, the Company and the Group seeks to benefit and improve the communities in which it operates, by sourcing local services and produce, wherever possible. The Group aims to minimise the impact on the environment of local communities and encourage biodiversity in the village forests and the wider surroundings. The Group understands the importance of a sustainable community too and works closely with local suppliers, communities and charities across the UK. The Group has a proud history of supporting charities that make a difference to families and is passionate about supporting organisations that share the Group's ethos of bringing and keeping families together. The current charity partner, Together for Short Lives has a network of local hospices and the Company supports colleagues in volunteering and fundraising activities for these local hospices. The Group also matches donations and encourages guests to donate to the charity when booking a break on the website. An Environmental, Social, Governance strategy is being introduced with the aim of supporting initiatives in this area.

### Shareholder and Bondholders

The Board works hard to ensure that the shareholder and their representatives have a good understanding of the Group strategy, business model and culture through a variety of channels including quarterly reporting and village visits. The Executive Directors are the primary communication route with the shareholder. Quarterly reporting on strategic objectives, financial targets and other significant matters, are provided to the shareholder for governance and for Sarbanes Oxley purposes. The Board is required to obtain shareholder approval for significant capital projects over a certain amount. Bondholder reports are also provided on a quarterly basis and bondholder managers are given the opportunity to ask questions of the Chief Financial Officer during the quarterly updates.

Approved by the board and signed on its behalf by



C G McKinlay  
**Director**  
16 July 2021

The registered address of the Company is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

# Independent auditor's report to the members of CP Woburn (Operating Company) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of CP Woburn (Operating Company) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 22 April 2021 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 24. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Emphasis of matter – material uncertainty related to land and building valuation

We draw attention to note 9, which describes the effects of the uncertainties created by the coronavirus (Covid-19) pandemic on the valuation of the company's land and buildings, which is held under the revaluation model. As noted by the Company's external valuer, the pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the value of the land and buildings at the balance sheet date.

Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from the when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 CP Woburn (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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements including UK Companies Act and pension and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty, such as Health and Safety legislation.

We discussed among the audit engagement team and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it is described below:

- Revenue recognition in relation to accommodation revenue and specifically the risk that there are manual adjustments made to revenue recognised in the general ledger which overrides the recognition of revenue based on data from the bookings system: we have profiled manual journal entries posted to revenue accounts and for a sample of entries have obtained evidence that they are valid and bona fide journal entries and that where revenue has been manually recognised, this is in accordance with IFRS 15.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside of the normal course of business.

## Independent auditor's report to the members of CP Woburn (Operating Company) Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify and unusual or unexplained relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### 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

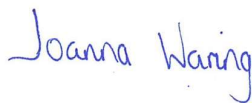
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the Company, 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.



Joanna Waring FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
16 July 2021

## Income Statement

For the 52 weeks ended 22 April 2021

	Note	52 weeks ended 22 April 2021			52 weeks ended 23 April 2020		
		Before adjusted items £m	Adjusted items £m	Total £m	Before adjusted items £m	Adjusted items £m	Total £m
<b>Revenue</b>		<b>24.0</b>	-	<b>24.0</b>	<b>86.6</b>	-	<b>86.6</b>
Cost of sales		(9.3)	-	(9.3)	(25.2)	-	(25.2)
<b>Gross profit</b>		<b>14.7</b>	-	<b>14.7</b>	<b>61.4</b>	-	<b>61.4</b>
Administrative expenses		(12.4)	-	(12.4)	(19.2)	-	(19.2)
Depreciation and amortisation	3	(11.2)	1.1	(10.1)	(11.0)	1.2	(9.8)
Total operating expenses		(23.6)	1.1	(22.5)	(30.2)	1.2	(29.0)
<b>Operating (loss)/profit</b>	3	<b>(8.9)</b>	<b>1.1</b>	<b>(7.8)</b>	<b>31.2</b>	<b>1.2</b>	<b>32.4</b>
Movement in fair value of financial derivatives	13	-	1.5	1.5	-	-	-
Finance income	6	-	-	-	1.9	-	1.9
Finance expense	6	(40.4)	(0.3)	(40.7)	(37.2)	-	(37.2)
Impairment	9	-	-	-	-	(51.3)	(51.3)
Reversal of impairment	9	-	46.8	46.8	-	-	-
<b>(Loss)/profit before taxation</b>		<b>(49.3)</b>	<b>49.1</b>	<b>(0.2)</b>	<b>(4.1)</b>	<b>(50.1)</b>	<b>(54.2)</b>
Taxation	7	0.7	(9.3)	(8.6)	(2.7)	6.4	3.7
<b>(Loss)/profit for the period attributable to equity shareholders</b>	17	<b>(48.6)</b>	<b>39.8</b>	<b>(8.8)</b>	<b>(6.8)</b>	<b>(43.7)</b>	<b>(50.5)</b>

All amounts relate to continuing activities.

### Covid-19 pandemic

The financial results for the current and prior financial periods were significantly impacted by closures of the CP Woburn (Operating Company) Limited village in line with Government guidance in light of the Covid-19 pandemic. Further analysis is provided in note 5 to the financial statements.

## Statement of Comprehensive Income

For the 52 weeks ended 22 April 2021

	Note	2021 £m	2020 £m
<b>Loss for the period</b>		<b>(8.8)</b>	<b>(50.5)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation gain	9	-	108.2
Tax relating to components of other comprehensive income	16	-	(18.4)
<b>Other comprehensive income for the period</b>	17	<b>-</b>	<b>89.8</b>
<b>Total comprehensive (expense)/income for the period</b>		<b>(8.8)</b>	<b>39.3</b>

The notes on pages 23 to 45 form part of these financial statements

## Statements of Changes in Equity

	Share capital £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 23 April 2020	-	-	(14.9)	(14.9)
<b>Comprehensive income</b>				
Loss for the period	-	-	(8.8)	(8.8)
<b>At 22 April 2021</b>	-	-	<b>(23.7)</b>	<b>(23.7)</b>

	Share capital £m	Share premium £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 25 April 2019	-	1.2	-	14.9	16.1
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(50.5)	(50.5)
<b>Transactions with owners</b>					
Adoption of revaluation policy	-	-	89.8	-	89.8
Issue of shares	89.8	-	(89.8)	-	-
Capital reduction	(89.8)	(1.2)	-	91.0	-
Dividends	-	-	-	(70.3)	(70.3)
<b>At 23 April 2020</b>	-	-	-	<b>(14.9)</b>	<b>(14.9)</b>

The notes on pages 23 to 45 form part of these financial statements

**Balance Sheet**

	Note	As at 22 April 2021 £m	As at 23 April 2020 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	8	-	-
Property, plant and equipment	9	390.2	349.6
Right-of-use asset	10	18.0	18.3
Deferred tax asset	16	-	0.3
		<b>408.2</b>	<b>368.2</b>
<b>Current assets</b>			
Inventories		0.6	0.3
Trade and other receivables	11	0.4	146.8
Derivative financial instruments	13	1.5	-
Cash and cash equivalents		14.0	2.3
		<b>16.5</b>	<b>149.4</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	(29.7)	(21.7)
Borrowings	13	(166.0)	-
Current tax liability		(3.4)	(3.4)
		<b>(199.1)</b>	<b>(25.1)</b>
<b>Net current (liabilities)/assets</b>		<b>(182.6)</b>	<b>124.3</b>
<b>Non-current liabilities</b>			
Borrowings	13	(199.6)	(466.5)
Lease liabilities	14	(21.1)	(20.6)
Deferred tax liability	16	(28.6)	(20.3)
		<b>(249.3)</b>	<b>(507.4)</b>
<b>Net liabilities</b>		<b>(23.7)</b>	<b>(14.9)</b>
<b>Equity</b>			
Share capital	17	-	-
Retained earnings	17	(23.7)	(14.9)
<b>Total equity</b>		<b>(23.7)</b>	<b>(14.9)</b>

The financial statements on pages 19 to 45 were approved by the Board of Directors on 16 July 2021 and were signed on its behalf by:



C G McKinlay  
Director

**CP Woburn (Operating Company) Limited**  
Registered no. 07656412

The notes on pages 23 to 45 form part of these financial statements

## Cash Flow Statement

	Note	52 weeks ended 22 April 2021 £m	52 weeks ended 23 April 2020 £m
<b>Cash flows used in operating activities</b>			
Operating (loss)/profit		(7.8)	32.4
Depreciation and amortisation	3	10.1	9.8
Working capital and non-cash movements	18	20.5	(47.6)
<b>Net cash from/(used in) operating activities</b>		<b>22.8</b>	<b>(5.4)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(3.4)	(5.3)
Interest received		-	0.1
<b>Net cash used in investing activities</b>		<b>(3.4)</b>	<b>(5.2)</b>
<b>Cash flows used in financing activities</b>			
Repayment of external borrowings		(14.0)	-
Proceeds from external borrowings		15.3	-
Issue costs on secured debt		(0.3)	-
Break costs on secured debt		(0.2)	-
Interest paid		(8.5)	(0.6)
<b>Net cash used in financing activities</b>		<b>(7.7)</b>	<b>(0.6)</b>
Net increase/(decrease) in cash and cash equivalents		11.7	(11.2)
Cash and cash equivalents at beginning of the period		2.3	13.5
<b>Cash and cash equivalents at end of the period</b>		<b>14.0</b>	<b>2.3</b>

The notes on pages 23 to 45 form part of these financial statements.



## Notes to the financial statements

for the 52 weeks ended 22 April 2021

### 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. The principal activity of the Company is set out in the strategic report. The Company's functional currency is £ Sterling.

#### Basis of preparation

These financial statements for the 52 weeks ended 22 April 2021 (2020: 52 weeks ended 23 April 2020) have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain items, principally land and buildings and derivative financial instruments.

All accounting policies disclosed have been applied consistently to both periods presented, other than the adoption of the revaluation model for land and buildings in the 52 week period to 23 April 2020.

#### Going concern

The Company reported a loss for the year of £8.8 million (2020: loss of £50.5 million). The Directors have received confirmation that Center Parcs (Holdings 1) Limited will provide sufficient support to the Company to allow it to meet its debts as they fall due for a period of at least 12 months from the date of signing these financial statements. The Group's (companies headed by Center Parcs Finance Holdings 1 Limited, the "Group"), financial statements and those of the Company 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 impact of Covid-19 on the Group's trading has been assessed. The UK Government's response to the pandemic has evolved since the first national lockdown in March 2020 and current restrictions are expected to be lifted in July 2021. As at the date of these financial statements the Group's five villages are all open, albeit with certain restrictions in place.

Due to measures taken by the UK Government all UK villages were closed to guests for approximately eight months during the financial year (see note 5). 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. In the last lockdown period over 50% of affected guests took the option of moving their break. During the closure period, the Group reported no revenue and whilst there was a corresponding reduction in variable costs, the Group had to fund its fixed costs and, for those guests electing for a refund for cancelled breaks, return monies paid. Where possible, mitigating actions have been taken by management to minimise such costs.

On 12 April 2021 all UK villages re-opened to guests albeit with social distancing restrictions in place, including no access to the Sub Tropical Swimming Paradise area until 17 May 2021. These restrictions resulted 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, current forecasts assume that the lifting of restrictions will see a return to pre-Covid trading levels and occupancy within a matter of months and all capacity restrictions will be lifted by January 2022. Demand for the Group's breaks remain strong and current forward bookings for the remainder of the financial year ending 21 April 2022 are ahead of those seen for the equivalent period in the year to 23 April 2020 at the corresponding time.

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

- Secured additional funding from the Group's owner, Brookfield. As at 16 July 2021 they had provided funding of £189.9 million to ensure the liquidity of the Group. Further committed funds of £40.0 million are approved for use if required by the UK, Ireland and other Group Companies, and Brookfield have indicated that additional funding could be made available should the need arise.
- A significant element of the Group's cost base relates to wages and salaries. The majority of the Group's staff were furloughed during the period of closure with the Group benefitting from the Government's job retention scheme – a total of £37.7 million was received during the year. 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 of approximately £24 million.

## Notes to the financial statements for the 52 weeks ended 22 April 2021 (continued)

### 1. Accounting policies (continued)

#### Going concern (continued)

- Reviewed capital expenditure and delayed certain non-essential projects.

In addition, the Directors negotiated covenant waivers with the holders of the Group's loan notes. Under the terms of the agreed amendments the need to comply with covenant measures was removed for interest payments dates up to and including August 2021. In addition, the Group is able to make certain adjustments to its free cash flow calculation in February 2022 should the business have been affected by closures relating to Covid-19. This allows the Group to add equity proceeds received during the testing period to free cash flow in order to pass the Financial Covenant tests. Whilst the covenant waiver is in place the Group has agreed not to make any distributions.

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 assumptions all restrictions are lifted in July 2021, the Group will have sufficient funds to meet its liabilities as they fall due for that period. Under this scenario there would be no breach of lending facilities. There are no capital repayments of debt falling due within the forecast period.

With regard to this forecast, and other factors which may impact the Group's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In arriving at this conclusion the Directors have also considered:

- As at 15 July 2021 the Group had a cash balance of £166.7 million.
- The UK Government's expressed statement that the current legal restrictions will be lifted in July 2021.
- The vaccination program in place in the UK where over 66% of adults are now fully vaccinated.
- Evidence that the vaccinations given are also effective against new variants of Covid-19.

The Directors believe the cash flow forecast outlined above is reasonable in light of the re-opening of the villages and the current UK Government risk levels. However, there remains a possibility that Covid-19's continued presence may see a change in Government advice and/or further periods of lockdown or restricted activity in the future. Such lockdowns 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.

The Directors have, therefore, prepared downside forecasts which assume the closure of all villages for an eight-week period within the next 12 months, being a reasonably possible downside, and have also looked at a stress test case to determine what length of time the business could survive with all villages being closed without either breaching banking covenants or needing further injections of equity. Under these scenarios the Group has assumed that similar levels of Government support would be available to those in the closure periods during 2020 and early 2021. Under the base case, the downside scenario and the stress test the Group has assumed that the £70.0 million working capital facility provided as part of the overall funding package from Brookfield will not be repaid in the forecast period.

As with the base case scenario this downside case would not result in the Group breaching lending covenants or suffering a liquidity shortage. The stress test analysis shows that a full closure of approximately 20 weeks would be required before banking covenants were broken and between three and six months before additional liquidity was required depending on the timing of closures. The Directors note that the stress test covenant calculation at February 2022 includes equity already received from Brookfield during the testing period as allowed in the covenant amendments.

The Directors recognise that there are additional risks as restrictions continue to lift as the number of COVID-19 cases are rising in the UK. In the short term, this includes the potential for increasing cancellations as the number of individuals who are required to isolate continues to increase. Cancellation experience to date, as well as the current high demand for domestic breaks, mean that this is unlikely to materially impact on the short term forecasts, and the government has indicated that isolation rules will change in August 2021, which will reduce the number of people requiring to isolate.

Were the Group to require access to further liquidity this could be sought from the Group's owner. The Directors believe that this support would be available and forthcoming for a number of reasons, including:

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 1. Accounting policies (continued)

#### Going concern (continued)

- Previous actions and commitments in supporting the Group with £189.9 million already provided and a further £40.0 million approved for use across the UK, Ireland and other Group companies if required.
- Center Parcs' potential value to Brookfield is very significant and hence injection of further cash to protect this value could reasonably be expected.
- BSREP II is one of Brookfield Asset Management's flagship funds which closed with total equity commitments of \$9 billion. BSREP II still has equity commitments available to satisfy any needed follow-on capital calls from existing investments and expenses or other liabilities.
- Brookfield have provided a letter of support to the Directors of the Group indicating they intend to provide such funding in the event that it is required.
- Three of the Group's Directors are "Investor Directors" appointed by the Group's owners. They are uniquely placed to understand both the Group's business and potential actions by the owners. They have indicated that they believe it reasonable to believe support would be made available.

In addition, were such a scenario to occur the Directors have a range of further measures which are within their control, to protect the Group's liquidity position even further, including:

- Further encouragement for customers to change their breaks 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 to delay payroll and indirect tax payments.
- A £90.0 million committed liquidity facility that remains undrawn. This is available to pay certain senior expenses and Class A note interest.

After considering the base case scenario, downside possibilities and looking at the stress test, together with current UK Government restrictions and announcements on future actions, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

#### Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make estimates and judgements 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.

#### 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.

##### *Valuation of property held at fair value:*

The valuation of the property assets held at fair value is performed by an appropriate third party expert on a sufficiently regular basis so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. The valuation requires the third party to estimate future cash flows expected to arise from the investment and using comparable market transactions on arm's length terms, see note 9.

##### *Valuation of derivative financial instruments (note 13):*

The valuation of the Company's derivative financial instruments is performed by an appropriate third party expert on a sufficiently regular basis so that the carrying value does not differ significantly from its fair value at the balance sheet date. The valuation requires the third party to estimate credit spreads based on observable traded loans with similar embedded prepayment options.

No significant judgements have been applied in the preparation of the financial statements.

#### Operating segments

The Company has a single operating segment, being the Woburn Center Parcs holiday village.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (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

#### Adjusted items

Adjusted 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. Adjusted items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance. Examples of adjusted items are the costs of Company restructures, expenses incurred when refinancing the Company's debt and movements in the fair value of embedded derivatives.

#### 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.

#### Property, plant and equipment

##### Policy applicable from 30 September 2019

Land and buildings are stated in the balance sheet at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external qualified valuers on a sufficiently regular basis such that the carrying value does not differ materially from that which would be determined using fair values at the balance sheet date.

Impairment losses are charged to the revaluation reserve to the extent that a previous gain has been recorded, and thereafter to the income statement. Surpluses on revaluation are recognised in the revaluation reserve, except to the extent that they reverse previously charged impairment losses, in which case the reversal is recorded in the income statement.

Installations, fixtures and fittings, motor vehicles and computer hardware are stated at cost.

##### Policy prior to 30 September 2019

The cost basis for all classes of assets was applied under IAS 16 'Property, plant and equipment'.

##### Policy applicable both pre and post 30 September 2019.

The cost of property, plant and equipment included directly attributable costs.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (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

Land and buildings are depreciated to residual value over 50 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.

#### 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.

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).

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 1. Accounting policies (continued)

#### Leases (continued)

- 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 depreciation starts at the commencement date of the lease.

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

#### 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.

#### 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.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 1. Accounting policies (continued)

#### Cash and cash equivalents

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

#### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the 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.

#### 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.

#### 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.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Company with no future related costs are recognised in the income statement in the period in which they become receivable.

#### 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.

#### 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 22 April 2021 (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.

IFRS 3	Business Combinations Amended by Reference to the Conceptual Framework	1 January 2022
IFRS 4	Insurance Contracts Amended by Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 7	Financial Instruments: Disclosures Amended by Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 16	Leases Amended by Covid-19-Related Rent Concessions Amended by Interest Rate Benchmark Reform – Phase 2	1 June 2020 1 January 2021
IFRS 17	Insurance Contracts New accounting standard	1 January 2023
IAS 1	Presentation of Financial Statements Classification of Liabilities as Current or Non-current	1 January 2023
IAS 16	Property, Plant and Equipment Amended by Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets Amended by Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

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 fixed rate loan notes as its only external funding sources.

#### Liquidity risk

At 22 April 2021, 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 22 April 2021 (continued)

### 3. Operating (loss)/profit

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

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	£m	£m
Staff costs* (note 20)	12.3	20.2
Cost of inventories	1.6	6.8
Depreciation of property, plant and equipment – owned assets (note 9)	11.0	10.8
Depreciation eliminated on revaluation	(1.1)	-
Depreciation eliminated on impairment	-	(1.2)
Depreciation of right-of-use assets (note 10)	0.2	0.2
Repairs and maintenance expenditure on property, plant and equipment	2.1	2.3

\* In the current period, Government grants of £7.0 million (2020: £1.1 million) were received in respect of the UK Government's Job Retention Scheme to provide immediate financial support as a result of the Covid-19 pandemic. These grants have been recognised as a deduction against staff costs as set out in note 20.

Auditor's remuneration in respect of the audit of the Company's financial statements of £22,000 (2020: £22,000) was incurred during the period. Non audit services of £nil (2020: £2,500) were also charged in the period.

### 4. Adjusted items

The following adjusted items are reflected in the financial statements:

	2021 £m	2020 £m
<b>Operating items</b>		
Depreciation (note 9)	1.1	1.2
	1.1	1.2
<b>Non-operating items</b>		
Movement in fair value of financial derivatives (note 13)	1.5	-
Finance expense	(0.3)	-
Impairment of land and buildings (note 9)	-	(51.3)
Reversal of impairment of land and buildings (note 9)	46.8	-
Taxation	(9.1)	6.4
	38.9	(44.9)
	40.0	(43.7)

Movements in the fair value of financial derivatives are considered to be adjusted income/expenses. The £0.3 million adjusted finance expense for the current period represents costs incurred to obtain a covenant waiver in respect of the Company's secured debt. Impairments of land and buildings and reversals of impairments are considered to be adjusting items. Taxation on these items has also been treated as an adjusted item.

The £51.3 million adjusted impairment in the prior period represents the impairment loss recognised on the land and buildings held at fair value and the associated eliminated depreciation of £1.2 million on the class of assets in light of the Covid-19 pandemic. Taxation on these expenses was also treated as an adjusting item, as was the impact of the change in applicable deferred tax rate from 17% to 19%.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

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

The financial result for the period ended 22 April 2021 was significantly impacted as a result of the Covid-19 pandemic. The CP Woburn (Operating Company) village was closed for a significant proportion of the financial year, in line with Government guidance, and were subject to self-imposed occupancy limits and a reduced guest offering during the periods they were open. The village closed to guests on 20 March 2020 and remained closed at the beginning of the financial period.

The Company earned no revenue during the closure periods but incurred costs necessary to maintain the quality and structure of the sites. Expenditure incurred during the closure periods includes payroll, maintenance and energy costs. In addition, certain categories of inventory with limited useful lives were disposed of or donated to charities where appropriate. An element of payroll costs was reimbursable under the UK Government's Job Retention Scheme and the Company benefitted from the Business Rates holiday announced for the UK Leisure industry with effect from 1 April 2020.

The CP Woburn (Operating Company) Limited village was open on the following dates during the current financial period:

- 13 July 2020 – 5 November 2020
- 4 December 2020 – 18 December 2020
- 12 April 2021 – 22 April 2021

Analysis of the Company's trading performance during the prior financial period is set out below.

	Result prior to closure before adjusted items £m	Closure period before adjusted items £m	Total before adjusted items £m	Adjusted items £m	Total £m
<b>Revenue</b>	<b>86.6</b>	-	<b>86.6</b>	-	<b>86.6</b>
Cost of sales	(24.3)	(0.9)	(25.2)	-	(25.2)
<b>Gross profit</b>	<b>62.3</b>	<b>(0.9)</b>	<b>61.4</b>	-	<b>61.4</b>
Administrative expenses	(18.1)	(1.1)	(19.2)	-	(19.2)
<b>EBITDA</b>	<b>44.2</b>	<b>(2.0)</b>	<b>42.2</b>	-	<b>42.2</b>

As the financial result for all of the period ended 22 April 2021 was impacted as a result of the Covid-19 pandemic, no similar analysis for the current year has been presented.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 6. Net finance costs

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	£m	£m
<b>Finance expense</b>		
Interest payable on borrowings	(7.9)	(7.5)
Interest payable to Group undertakings	(31.0)	(28.6)
Interest expense on lease liabilities	(1.2)	(1.1)
- Accelerated amortisation of deferred issue costs	(0.1)	-
- Premium on settlement of the B3 notes	(0.2)	-
Total finance expense before adjusted items	(40.4)	(37.2)
<i>Adjusted finance expense</i>		
Covenant waiver fees	(0.3)	-
	(0.3)	-
<b>Total finance expense</b>	<b>(40.7)</b>	<b>(37.2)</b>
<b>Finance income</b>		
Interest receivable from Group undertakings	-	1.8
Other interest receivable	-	0.1
Total finance income	-	1.9
<b>Net finance costs</b>	<b>(40.7)</b>	<b>(35.3)</b>

### 7. Taxation

#### (a) Taxation

The tax (charge)/credit is made up as follows:

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	£m	£m
<b>Current tax:</b>		
- Adjustments in respect of prior periods	-	(1.6)
	-	(1.6)
<b>Deferred tax:</b>		
- Origination and reversal of temporary differences	(8.7)	5.2
- Adjustments in respect of prior periods	0.1	0.1
<b>Taxation (note 7(b))</b>	<b>(8.6)</b>	<b>3.7</b>

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

The tax assessed for the period is higher (2020: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2020: 19%). The difference is reconciled below:

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	£m	£m
<b>Loss before taxation</b>	<b>(0.2)</b>	<b>(54.2)</b>
Loss before taxation multiplied by the standard rate of corporation tax in the UK	(0.1)	(10.3)
Adjustments in respect of prior periods	-	1.5
Impact of change in corporation tax rate	-	3.1
Group relief not paid for	8.7	2.0
<b>Tax charge/(credit) for the period (note 7(a))</b>	<b>8.6</b>	<b>(3.7)</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 7. Taxation (continued)

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

It was announced in the 3 March 2021 Budget that the standard rate of corporation tax in the UK will increase from 19% to 25% with effect from April 2023. This was substantively enacted on 24 May 2021.

Deferred tax is calculated at a rate of 19% (2020: 19%). If all of the deferred tax, as set out in note 16, was to reverse at the amended rate of 25% the impact on the closing deferred tax position would be to increase the deferred tax asset by £0.1 million and increase the deferred tax liability by £9.4 million.

### 8. Intangible assets

	Software £m
<b>Cost</b>	
At 24 April 2020	0.8
<b>At 22 April 2021</b>	<b>0.8</b>
<b>Amortisation</b>	
At 24 April 2020	0.8
Charge for the period	-
<b>At 22 April 2021</b>	<b>0.8</b>
Net book amount at 23 April 2020	-
<b>Net book amount at 22 April 2021</b>	<b>-</b>

	Software £m
<b>Cost</b>	
At 26 April 2019	0.8
<b>At 23 April 2020</b>	<b>0.8</b>
<b>Amortisation</b>	
At 26 April 2019	0.8
Charge for the period	-
<b>At 23 April 2020</b>	<b>0.8</b>
Net book amount at 25 April 2019	-
<b>Net book amount at 23 April 2020</b>	<b>-</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 9. Property, plant and equipment

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 24 April 2020	332.9	94.4	21.5	4.0	-	452.8
Additions	0.3	0.9	2.2	0.3	-	3.7
Disposals	-	-	(0.5)	-	-	(0.5)
<b>At 22 April 2021</b>	<b>333.2</b>	<b>95.3</b>	<b>23.2</b>	<b>4.3</b>	<b>-</b>	<b>456.0</b>
<b>Depreciation and impairment</b>						
At 24 April 2020	51.3	34.5	13.4	4.0	-	103.2
Charge for the period	1.1	6.3	3.5	0.1	-	11.0
On disposals	-	-	(0.5)	-	-	(0.5)
Reversal of impairment	(46.8)	-	-	-	-	(39.3)
Eliminated on reversal of impairment	(1.1)	-	-	-	-	(1.1)
<b>At 22 April 2021</b>	<b>4.5</b>	<b>40.8</b>	<b>16.4</b>	<b>4.1</b>	<b>-</b>	<b>65.8</b>
Net book amount at 23 April 2020	281.6	59.9	8.1	-	-	349.6
<b>Net book amount at 22 April 2021</b>	<b>328.7</b>	<b>54.5</b>	<b>6.8</b>	<b>0.2</b>	<b>-</b>	<b>390.2</b>

If the land and buildings had not been revalued, the historical cost net book amount would be £225.1 million (2020: £224.7 million).

At 30 September 2019 the Company adopted a revaluation policy for land and buildings and independent chartered surveyors valued the assets on an open market basis. The valuation resulted in the recognition of a gain of £108.2 million and the associated deferred tax liability of £18.4 million.

At 23 April 2020 independent chartered surveyors revalued the Company's land and buildings on an open market basis. The valuation identified an impairment of £51.3 million recognised in the income statement as an adjusted item. The third party used adjusted forecasts for the impact of Covid-19 and current market data to attain an estimated current market value as at 23 April 2020.

A further revaluation was undertaken on the same basis as at 22 April 2021 which identified a reversal of the previous impairment of £46.8 million.

The valuations performed are subject to material valuation uncertainty due to the current extraordinary circumstances and the unknown future impact that Covid-19 might have on the real estate market and therefore less certainty can be attached the valuation than would otherwise be the case.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 9. Property, plant and equipment (continued)

	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 26 April 2019	222.1	93.5	19.1	4.0	1.1	339.8
Additions	1.8	0.7	2.5	-	0.1	5.1
Revaluation	108.2	-	-	-	-	108.2
Disposals	-	-	(0.2)	-	(0.1)	(0.3)
Transfers	0.8	0.2	0.1	-	(1.1)	-
<b>At 23 April 2020</b>	<b>332.9</b>	<b>94.4</b>	<b>21.5</b>	<b>4.0</b>	<b>-</b>	<b>452.8</b>
<b>Depreciation and impairment</b>						
At 26 April 2019	-	28.2	10.3	4.0	-	42.5
Charge for the period	1.2	6.3	3.3	-	-	10.8
On disposals	-	-	(0.2)	-	-	(0.2)
Impairment	51.3	-	-	-	-	51.3
Eliminated on impairment	(1.2)	-	-	-	-	(1.2)
<b>At 23 April 2020</b>	<b>51.3</b>	<b>34.5</b>	<b>13.4</b>	<b>4.0</b>	<b>-</b>	<b>103.2</b>
Net book amount at 25 April 2019	222.1	65.3	8.8	-	1.1	297.3
<b>Net book amount at 23 April 2020</b>	<b>281.6</b>	<b>59.9</b>	<b>8.1</b>	<b>-</b>	<b>-</b>	<b>349.6</b>

If the land and buildings had not been revalued, the historical cost net book amount in the prior year would have been £224.7 million.

At 30 September 2019 the Company adopted a revaluation policy for land and buildings, independent chartered surveyors valued the assets on an open market basis. The valuation resulted in the recognition of a gain of £108.2 million and the associated deferred tax liability of £18.4 million.

At 23 April 2020 independent chartered surveyors revalued the Company's land and buildings on an open market basis. The valuation identified an impairment of £51.3 million recognised in the income statement as an adjusted item. The third party used adjusted forecasts for the impact of Covid-19 and current market data to attain an estimated current market value as at 23 April 2020. The valuation performed is subject to material valuation uncertainty due to the current extraordinary circumstances and the unknown future impact that Covid-19 might have on the real estate market and therefore less certainty can be attached the valuation than would otherwise be the case.

### 10. Right-of-use assets

	£m
<b>Cost</b>	
At 24 April 2020	18.7
Disposal	(0.1)
<b>At 22 April 2021</b>	<b>18.6</b>
<b>Depreciation</b>	
At 24 April 2020	(0.4)
Charge for the period ended 22 April 2021	(0.2)
<b>At 22 April 2021</b>	<b>(0.6)</b>
Net book amount at 24 April 2020	18.3
<b>Net book amount at 22 April 2021</b>	<b>18.0</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 10. Right-of-use assets (continued)

	£m
<b>Cost</b>	
At 26 April 2019	18.6
Addition	0.1
<b>At 23 April 2020</b>	<b>18.7</b>
<b>Depreciation</b>	
At 26 April 2019	(0.2)
Charge for the period ended 23 April 2020	(0.2)
<b>At 23 April 2020</b>	<b>(0.4)</b>
Net book amount at 26 April 2019	18.4
<b>Net book amount at 23 April 2020</b>	<b>18.3</b>

### 11. Trade and other receivables

	2021 £m	2020 £m
Amounts falling due within one year:		
Trade receivables	0.1	0.7
Prepayments	0.1	0.1
Other receivables	0.2	-
Amounts owed by Group undertakings	-	146.0
	<b>0.4</b>	<b>146.8</b>

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2020: £nil). All of the amounts above are denominated in £ sterling.

Amounts owed by Group undertakings at 23 April 2020 were due from Center Parcs (Operating Company) Limited as set out in note 21. The balance due from Center Parcs (Operating Company) Limited was interest-free.

### 12. Trade and other payables

	2021 £m	2020 £m
Trade payables	0.6	0.3
Other tax and social security	0.2	-
Other payables	0.2	0.8
Accruals	6.1	5.6
Deferred income	22.6	10.5
Other financial liabilities	-	4.5
	<b>29.7</b>	<b>21.7</b>

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

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

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 13. Borrowings

	2021	2020
	£m	£m
<b>Current</b>		
Loans from Group Undertakings	<b>166.0</b>	-
<b>Non-current</b>		
Loans from Group Undertakings	-	268.0
Secured debt	<b>199.6</b>	198.5
	<b>199.6</b>	466.5

The loans from Group undertakings are unsecured and repayable on 28 February 2022. As at 22 April 2021, interest is payable at a fixed rate of 8% per annum on loans of £3.0 million (2020: £2.8 million) and at 12% per annum on the remainder. Interest on all loans from Group undertakings are rolled up into the outstanding balance. An amount of £133.0 million was offset with the interest-free balance owed by Center Parcs (Operating Company) Limited during the current period as set out in note 21.

The secured debt is part of an overall £1,909.5 million (2020: £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:

	2021	2020
	£m	£m
Tranche A4	<b>70.0</b>	70.2
Tranche A5	<b>85.3</b>	85.3
Tranche B3	<b>15.3</b>	29.3
Tranche B4	<b>15.3</b>	15.3
Tranche B5	<b>15.3</b>	-
Unamortised deferred issue costs	<b>(1.6)</b>	(1.6)
	<b>199.6</b>	198.5

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 £0.1 million (2020: £0.2 million) was credited to the income statement of the Company during the period.

On 20 November 2018 the Group issued a further £100.0 million of Tranche A4 secured notes via a tap issue, at a premium of £3.2 million; this premium is being amortised over the period to expected maturity and amortisation of £0.1 million (2020: £nil) was credited to the income statement of the Company during the period.

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 Group settled £230.0 million of Tranche B3 secured notes during the period, of which, £14.0 million was settled by the Company.

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 B5 notes have an expected maturity date of 28 August 2026 and a final maturity date of 28 August 2050. The interest rate to both expected maturity and final maturity is fixed at 6.500%. The Group issued £250.0 million of Tranche B5 secured notes during the period, of which, £15.3 million was issued by the Company.



## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 13. Borrowings (continued)

The tranche B3, B4 and B5 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. The options to repay the B3, B4 and B5 debt prior to maturity are considered to be derivative financial instruments with a fair value of £1.5 million (2020: £nil), such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in fair value has been recognised as an adjusted item in the income statement.

The derivative financial instrument recognised by the Group is £25.2 million and this has been apportioned to the individual borrowers in line with the tranche B debt held by each entity.

All tranches of debt are subject to financial covenants. In the year to 22 April 2021, the Company announced a consent solicitation in respect of the Class A and Class B notes. As a result of passing the Resolution in the current year, the testing of the Class A and Class B notes have been waived for the financial covenant test dates falling August 2020, February 2021 and August 2021. Costs of £0.3 million were incurred by the Company in the process of agreeing the covenant waiver.

For the February 2022 test date, Free Cash Flow will be amended so that if any of the Group's villages are closed during the relevant testing period as a result of measures implemented by the Group in response to any Covid-19 related or other pandemic, the Group will be allowed to add equity proceeds received during the testing period to EBITDA in order to pass the Financial Covenant tests.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations.

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

	Less than one year £m	One to two years £m	Two to five years £m	Greater than five years £m	Premium and deferred issue costs £m	Total £m
<b>At 22 April 2021</b>						
Loans from Group undertakings	166.0	-	-	-	-	166.0
Secured debt	-	15.3	84.5	100.6	(0.8)	199.6
<b>Total borrowings</b>	<b>166.0</b>	<b>15.3</b>	<b>84.5</b>	<b>100.6</b>	<b>(0.8)</b>	<b>365.6</b>
<b>At 23 April 2020</b>						
Loans from Group undertakings	-	268.0	-	-	-	268.0
Secured debt	-	-	29.3	169.8	(0.6)	198.5
<b>Total borrowings</b>	<b>-</b>	<b>268.0</b>	<b>29.3</b>	<b>169.8</b>	<b>(0.6)</b>	<b>466.5</b>

All amounts are denominated in £ sterling.

#### Reconciliation of opening and closing secured debt

	2021 £m	2020 £m
Secured debt at the beginning of the period	198.5	198.4
Cash flows		
- Proceeds from external borrowings	15.3	-
- Repayment of external borrowings	(14.0)	-
- Issue costs on secured debt	(0.3)	-
Amortisation of deferred issue costs	0.3	0.3
Amortisation of premium on issue of secured notes	(0.2)	(0.2)
<b>Secured debt at the end of the period</b>	<b>199.6</b>	<b>198.5</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 14. Leases

#### Lease liabilities

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

	22 April 2021 £m	23 April 2020 £m
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	0.7	0.7
One to five years	2.9	2.8
More than five years	251.3	252.1
<b>Total undiscounted lease liabilities</b>	<b>254.9</b>	<b>255.6</b>
<b>Lease liabilities included in the balance sheet</b>		
Current	-	-
Non-current	21.1	20.6
<b>Total lease liabilities</b>	<b>21.1</b>	<b>20.6</b>
<b>Amounts recognised in the income statement</b>		
Interest on lease liabilities	(1.2)	(1.1)
<b>Total recognised in the income statement</b>	<b>(1.2)</b>	<b>(1.1)</b>
<b>Amounts recognised in the cash flow statement</b>		
Repayment of lease liabilities	-	-
Interest on lease liabilities	(0.7)	(0.6)
<b>Total recognised in the cash flow statement</b>	<b>(0.7)</b>	<b>(0.6)</b>

Lease liabilities are predominantly in respect of the land at the Woburn village. The lease agreement includes a five-yearly upwards only rent reviews calculated with reference to revenue increases.

When measuring lease liabilities, the Company discounted lease payments using appropriate incremental borrowing rates. The weighted average rate applied to undiscounted cashflows is 5.8%.

### 15. Financial instruments

#### **Financial instruments by category**

The accounting policies for financial instruments have been applied to the items below. As at 22 April 2021 and 23 April 2020 all of the Company's financial assets were classified as those measured at amortised cost, with the exception of derivative financial instruments which are classified as fair value through profit and loss. As at 22 April 2021 and 23 April 2020 all of the Company's financial liabilities were categorised as other financial liabilities.

	2021 £m	2020 £m
<b>Financial assets</b>		
Trade receivables	0.1	0.7
Other receivables	0.2	-
Amounts owed by Group undertakings	-	146.0
Cash and cash equivalents	14.0	2.3
Derivative financial instruments	1.5	-
	<b>15.8</b>	<b>149.0</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 15. Financial instruments (continued)

Financial liabilities	2021 £m	2020 £m
Borrowings	365.6	466.5
Lease liabilities	21.1	20.6
Trade payables	0.6	0.3
Other payables	0.2	0.8
Other financial liabilities	-	4.5
	<b>387.5</b>	<b>492.7</b>

#### 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 1 (2020: Level 1) and fair values have been derived from unadjusted quoted market prices in active markets. The Company's derivative financial instruments have been categorised as Level 3.

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

The fair value of the Company's gross secured debt is (before unamortised debt costs) at 22 April 2021 was £217.7 million (2020: £196.2 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 22 April 2021	Loans from Group undertakings £m	Secured debt £m	Total £m
In less than one year	182.3	8.0	190.3
In one to two years	-	22.8	22.8
In two to five years	-	14.7	14.7
In more than five years	-	197.8	197.8
	<b>182.3</b>	<b>243.3</b>	<b>425.6</b>

At 23 April 2020	Loans from Group undertakings £m	Secured debt £m	Total £m
In less than one year	-	7.6	7.6
In one to two years	330.9	7.6	338.5
In two to five years	-	48.8	48.8
In more than five years	-	181.3	181.3
	<b>330.9</b>	<b>245.3</b>	<b>576.2</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 16. Deferred tax

	2021 £m	2020 £m
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after more than 12 months	-	0.3
	-	0.3
<b>Deferred tax liabilities</b>		
Deferred tax liabilities to be recovered after more than 12 months	(28.6)	(20.3)
	(28.6)	(20.0)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The above deferred tax balance is after offset.

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 22 April 2021 £m	52 weeks ended 23 April 2020 £m
<b>At the beginning of the period</b>	(20.0)	(6.9)
(Charged)/credited to the income statement	(8.7)	5.3
Adjustment in respect of prior periods	0.1	-
Charged to the statement of comprehensive income	-	(18.4)
<b>At the end of the period</b>	(28.6)	(20.0)

The deferred tax liability is principally in respect of accelerated capital allowances.

Deferred tax is calculated at a rate of 19% (2020: 19%).

### 17. Share capital, revaluation reserve, share premium and retained earnings

	2021 £m	2020 £m
<b>Allotted and fully paid</b>		
89,861,024 ordinary shares of £1/100,000 (2020: 89,861,024 ordinary shares of £1/100,000 per share)	-	-

On the 30 September 2019, as part of a restructuring undertaken by the Center Parcs (Holdings 3) Limited group of companies the Company granted a bonus issue of 89,466,000 £1 ordinary shares from the revaluation reserve to its immediate parent company Center Parcs (Holdings 3) Limited.

Subsequently a capital reduction was undertaken to reduce the £89.8 million of £1 ordinary shares to £898.61 of 89,861,024 £1/100,000 ordinary shares and the share premium account was cancelled in full.

The Company was incorporated in 2011 and hence does not have an authorised share capital.

#### *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 22 April 2021 (continued)

### 17. Share capital, revaluation reserve, share premium and retained earnings (continued)

	Share capital £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 23 April 2020	-	-	(14.9)	(14.9)
<b>Comprehensive income</b>				
Loss for the period	-	-	(8.8)	(8.8)
<b>At 22 April 2021</b>	-	-	<b>(23.7)</b>	<b>(23.7)</b>

	Share capital £m	Share premium £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 25 April 2019	-	1.2	-	14.9	16.1
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(50.5)	(50.5)
<b>Transactions with owners</b>					
Adoption of revaluation policy	-	-	89.8	-	89.8
Issue of shares	89.8	-	(89.8)	-	-
Capital reduction	(89.8)	(1.2)	-	91.0	-
Dividends	-	-	-	(70.3)	(70.3)
<b>At 23 April 2020</b>	-	-	-	<b>(14.9)</b>	<b>(14.9)</b>

On 30 September 2019, the Company distributed £70.3 million of receivables as set out in note 21 and the Company undertook a capital reduction pursuant to which its share premium account was cancelled in full.

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 land and buildings held by the Company at fair value would be impaired resulting in the net liabilities position as at 23 April 2020.

The share premium account comprised of amounts in excess of nominal value received for the issue of shares less any transaction costs.

When land and buildings are revalued any gains and losses are recognised in the revaluation reserve, except to the extent that a revaluation gain reverse a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in the revaluation reserve; such gains and losses are recognised in the profit or loss. The associated deferred tax on revaluations is also recognised in the revaluation reserve.

### 18. Working capital and non-cash movements

	52 weeks ended 22 April 2021 £m	52 weeks ended 23 April 2020 £m
(Increase)/decrease in inventories	(0.3)	0.5
Decrease/(increase) in trade and other receivables	13.4	(41.5)
Increase/(decrease) in trade and other payables	7.4	(6.6)
	<b>20.5</b>	<b>(47.6)</b>

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 19. Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £0.5 million (2020: £1.7 million).

### 20. Employees and Directors

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	£m	£m
Staff costs during the period:		
Wages and salaries	11.1	18.9
Social security costs	0.9	1.0
Pension costs	0.3	0.3
	<b>12.3</b>	<b>20.2</b>

As at 22 April 2021 approximately 19% (2020: 85%) 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 £7.0 million (2020: £1.1 million).

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

	52 weeks ended 22 April 2021	52 weeks ended 23 April 2020
	Number	Number
By activity:		
Leisure, retail and food and beverage	668	795
Housekeeping, technical and estate services	735	783
Administration	101	114
	<b>1,504</b>	<b>1,692</b>

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

The Directors are remunerated for their services to the Group of companies headed by Center Parcs (Holdings 1) Limited rather than individual subsidiary companies. Directors' emoluments are therefore set out in the consolidated financial statements of Center Parcs (Holdings 1) Limited.

### 21. Related parties

During the current and prior period the Company entered into transactions, in the ordinary course of business, with related parties. All companies are members of the Group headed by Center Parcs (Holdings 1) Limited. Transactions entered into, and balances outstanding, are as follows:

	Balance at 25 April 2019 £m	Movement in 52 weeks £m	Balance at 23 April 2020 £m	Movement in 52 weeks £m	Balance at 22 April 2021 £m
Center Parcs (Operating Company) Limited					
- Loans	(239.4)	(28.6)	(268.0)	102.0	(166.0)
- Trading balances	110.9	35.1	146.0	(146.0)	-
Center Parcs (Holdings 3) Limited	68.5	(68.5)	-	-	-

The movement on the loans balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 22 April 2021 represents interest payable of £31.0 million and an off-set with the trading balances of £133.0 million.

## Notes to the financial statements

for the 52 weeks ended 22 April 2021 (continued)

### 21. Related parties (continued)

The movement on the trading balances with Center Parcs (Operating Company) Limited in the 52 weeks ended 22 April 2021 represents settlement of the balance due, including an off-set with the loan balance of £133.0 million.

The movement on the trading balances with Center Parcs (Operating Company) Limited in the 52 weeks ended 23 April 2020 represented 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 on the balance with Center Parcs (Holdings 3) Limited in the 52 weeks ended 23 April 2020 represented interest receivable of £1.8 million and the distribution of its net receivable of £70.3 million to the Company as part of the restructuring set out in note 17.

### 22. 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 £1,909.5 million (2020: £1,889.5 million).

### 23. 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).

### 24. Post balance sheet event

On 7 May 2021 the Group issued £255.0 million of Tranche B6 secured notes, of which £15.6 million was issued by the Company. Part of the proceeds of these new notes was used to settle the Group's remaining Tranche B3 secured notes, of which £15.3 million was settled by the Company.

The Tranche B6 notes have an expected maturity date of 28 August 2027 and a final maturity date of 28 February 2051. The interest rate to expected maturity is fixed at 4.500% and the interest rate from expected maturity to final maturity is fixed at 4.500%.