

Church Point (Leisure) Limited

Annual report and financial statements

Registered number 01223570

31 December 2019

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Strategic report

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

Church Point (Leisure) Limited (the 'Company') is a non-trading holding company within the Richmond UK Holdco Limited group (the 'Group'). The Group owns and operates 67 award winning holiday parks, operating under the Parkdean Resorts brand.

Business review

The Company's result for the year comprised a loss before interest, tax, depreciation, amortisation and exceptional items ('EBITDA') of £1 (2018: £nil) and a loss after tax of £1 (2018: £nil). The Company had net assets of £nil as at 31 December 2019 (2018: £1).

Section 172(1) statement

The directors confirm their adherence to s172(1) of the Companies Act 2006. Given the inter-dependence of the entities within the Group, compliance was achieved by the Group as a whole and full details are set out in the consolidated financial statements of Richmond UK Holdco Limited.

Principal risks and uncertainties

The principal risks and uncertainties are integrated with those of the Group and are not managed separately. All of the key business risks and uncertainties disclosed in the consolidated financial statements of the Group are also applicable to the Company.

In addition to those risks and uncertainties disclosed in the signed Group financial statements, the Group has highlighted an epidemic/global pandemic risk, identified after the signing of the Group financial statements, in relation to recent events:

- **Future lockdowns**

As demonstrated in 2020, there is a risk that an epidemic or global pandemic can impact the travel and leisure industry, with the possibility of full park closure.

Although we cannot control the risk, we have shown that holiday parks can provide a safe, clean environment and our caravans and lodges offer a naturally social distanced experience. Should a similar situation arise in the future we would again take an active stance in promoting the inherent social distancing on the holiday parks and ensuring safety measures are in place on park, campaigning to ensure our parks could re-open as early as possible, in a safe way and following government guidelines and regulations closely to ensure full adherence for customer and team members' safety.

Through experience, we are able to adequately plan for closure, minimising costs while being able to work remotely if required, utilising the business continuity plan, ensuring customers are at the forefront of decision making, and managing and maintaining available liquidity. The Group's normal trading cycle includes the requirement to close and re-open parks at the end and beginning of the holiday seasons, so we have operational plans in place to conduct this in an orderly and efficient manner.

- **COVID outbreak on park**

There is a risk that a COVID-19 or other outbreak could take place on our parks, which would lead to financial impact due to closure and could cause reputational damage.

The Group has implemented all measures required to meet government guidelines to provide a safe holiday for customers and working environment for employees. This includes social distancing measures, deep cleans, PPE for employees, a contactless check-in and check-out system, as well as track and trace methodology on park.

Key performance indicators

The key performance indicators used by the Group is EBITDA.

Strategic report *(continued)*

Future developments

On 24 March 2020 all of the Group's holiday parks were closed as a result of the Government and devolved Governments ordered lockdown and remained closed until the re-opening of the parks in England on 6 July 2020 followed by re-opening of parks in Wales and Scotland. Following park re-opening, the Group has recovered with strength, showing a promising future bookings position and cash holding at the date of signing these financial statements. Looking ahead, there remains uncertainty regarding the ongoing impact of COVID-19, the wider economic repercussions and the potential for further lockdown measures. Despite the huge challenges faced, particularly in the travel and hospitality sectors, as a UK short stay holiday operator the Group is well-placed to benefit from the reluctance people may have to travel overseas at the moment.

By order of the Board



Steve Richards
Director

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

23 December 2020

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2019.

Proposed dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: £nil).

Directors

The directors who held office during the year, and up to the date of signing, were as follows:

Ian Kellett	
John Waterworth	Resigned 31 March 2019
Steve Richards	Appointed 24 May 2019

Steve Richards and Ian Kellett were also directors of the ultimate UK parent undertaking at the balance sheet date, Richmond UK Top Holdco Limited.

Another Group undertaking effected and maintained insurance for the directors against liabilities as officers in relation to the Company.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2018: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate governance

The Group have formally adopted the Wates Principles as their Corporate Governance Code in the year. In line with adherence to s172(2) of Companies Act 2006, the Group have continued to actively engage with employees and consider their interests in the year, have had regard to the Company's business relationships with suppliers, customers and others, and made key decisions in the year with these stakeholders' interests in mind. All information regarding the Wates Principles and further information regarding s172(2) is available in the consolidated financial statements of the Group.

Going concern and the impact of COVID-19 on the business

The COVID-19 global pandemic is a non-adjusting post balance sheet event. The financial impact on the Group and future expectations of the market and associated risks and opportunities are discussed within the strategic report under future developments, and in the going concern note on pages 10 and 11.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Judith Archibold
Secretary

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

23 December 2020

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Church Point (Leisure) Limited

Opinion

We have audited the financial statements of Church Point (Leisure) Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Church Point (Leisure) Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

23 December 2020

Profit and loss account and other comprehensive income
for the year ended 31 December 2019

	<i>Note</i>	2019 £	2018 £
Administrative expenses		(1)	-
Operating loss	2	(1)	-
<i>Analysed as:</i>			
EBITDA*		(1)	-
Operating loss		(1)	-
Loss before tax		(1)	-
Tax	4	-	-
Loss for the financial year		(1)	-

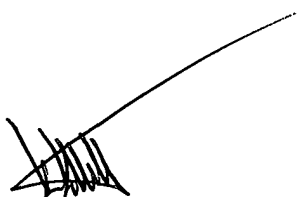
*EBITDA refers to earnings before interest, tax, depreciation, amortisation, impairment and exceptional items.

The Company has no items of comprehensive income other than the results for the current year disclosed above; accordingly a separate statement of other comprehensive income has not been included.

Balance sheet
at 31 December 2019

	<i>Note</i>	2019 £	2019 £	2018 £	2018 £
Current assets					
Debtors	5	-		1	
Net current assets			-		1
Total assets less current liabilities			-		1
Net assets			-		1
Capital and reserves					
Called up share capital	6		1		1
Profit and loss account			(1)		-
Shareholder's funds			-		1

These financial statements were approved by the Board on 23 December 2020 and were signed on its behalf by:



Ian Kellett
Director

Company registered number: 01223570

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2018	1	-	1
Balance at 31 December 2018	<u>1</u>	<u>-</u>	<u>1</u>
Balance at 1 January 2019	1	-	1
Total comprehensive income for the year			
Loss for the year	-	(1)	(1)
Balance at 31 December 2019	<u>1</u>	<u>(1)</u>	<u>-</u>

Notes

(forming part of the financial statements)

1. Accounting policies

Church Point (Leisure) Limited (the 'Company') is a private company registered in England and Wales and domiciled in the UK. The registered number is 01223570 and the registered office is 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ('FRS 102').

The presentation currency of these financial statements is pounds sterling, which is the Company's functional currency.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate UK parent undertaking at the balance sheet date, Richmond UK Holdco Limited includes the Company in its consolidated financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 2nd floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the year;
- cash flow statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The Company is a cross guarantor for the Group's banking facility and cash flow is managed on a Group basis. As such the going concern status of the Company is reliant on both the going concern status of the Group and the continued support of Richmond UK Holdco Limited ("the Parent").

As explained in the strategic report on page 1 the Group has recovered strongly from the lockdown, cash at the end of November 2020 was £71.0m and bookings for 2021 indicate that trading will continue to be strong when parks re-open. The Group's bankers have revised the Group financial covenant such that it is based on minimum liquidity levels up to and including the quarter ended 30 September 2021, reverting to a financial covenant based on a rolling 12-month trading performance from the quarter ending 31 December 2021. The Group has also benefited from a £25.0m investment from the Group's principal shareholder subsequent to the year end. The directors have prepared Group cash flow forecasts for a period of 15 months to 31 March 2022, incorporating management's latest assumptions on trading performance and capital expenditure, and taking account of the revised banking covenant arrangements. These forecasts indicate that the Group will be able to operate within its banking facilities and accordingly the directors have prepared the financial statements on the going concern basis.

Notes (continued)

1. Accounting policies (continued)

1.3 Going concern (continued)

The Group has sensitised the forecasts to take account of the continued uncertainty in respect of COVID-19 and has modelled a full UK lockdown lasting 4 weeks within the period ending 31 March 2021. In this severe but plausible scenario the cash flow forecasts indicate that the Group would still have sufficient liquidity to meet its liabilities as they fall due for that period and the Group would also have sufficient headroom on its banking covenants.

In addition the Parent has indicated that it will provide such support as is needed by the Company to meet its debts as they fall due for a period of at least 12 months from the date of approval of these financial statements. Having made enquiries of the directors of the Parent and assessed the financial position of the Parent, the directors are satisfied the Parent has the ability, intent and economic rationale to continue to support the Company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

1.6 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee (see note 7).

Notes (continued)

2. Expenses and auditor's remuneration

The audit fee was borne by another Group undertaking and was not recharged to the Company in the current or prior years.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent undertaking at the balance sheet date, Richmond UK Holdco Limited.

3. Directors' remuneration

The directors received no emoluments from the Company in respect of their services during the current or prior year.

The Company did not employ any people during the current or prior year.

4. Tax

There is no current or deferred tax expense in the current or prior year.

5. Debtors

	2019 £	2018 £
Amounts owed by Group undertakings	-	1
	<u> </u>	<u> </u>

Amounts owed by Group undertakings are repayable on demand.

6. Share capital

	2019 £	2018 £
<i>Allotted and called up</i>		
1 Ordinary share (2018: 1) of £1 each	1	1
	<u> </u>	<u> </u>
Shares classified in shareholder's funds	1	1
	<u> </u>	<u> </u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

7. Guarantees and contingent liabilities

The Company is a party to a cross guarantee in respect of the bank borrowings of certain members of the Group. The aggregate unprovided potential liability of the Company at the balance sheet date was £688,500,000 (2018: £708,500,000). The borrowings of certain members of the Group are secured on substantially all of the assets of Richmond UK Holdco Limited and its direct and indirect subsidiaries, including those of the Company.

Notes (continued)

8. Ultimate parent undertaking

The Company's immediate parent undertaking is PD Parks Limited, whose ultimate UK parent undertaking is Richmond UK Top Holdco Limited. Richmond UK Top Holdco Limited is indirectly controlled by Onex Partners IV LP, a private equity fund which is indirectly controlled by Onex Corporation. Onex Corporation is a Canadian headquartered private equity investment firm listed on the Toronto Stock Exchange.

The largest group the Company's balances are consolidated in is Richmond UK Top Holdco Limited, and these financial statements are available at 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

The smallest group the Company's balances are consolidated in is Richmond UK Holdco Limited, and these financial statements are available at 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

9. Post balance sheet events

On 24 March 2020 all of the Group's parks were closed as a result of the Government and devolved Governments ordered lockdown and remained closed until the re-opening of the parks in England on 6 July 2020 followed by re-opening of parks in Wales and Scotland.

As a consequence of the financial impact of the Government enforced closure, in June 2020 the Group received £25.0m in cash from its principal shareholder in the form of loan notes, as well as agreement of revised covenants with the Group's bankers as described in note 1.3.

The Group recovered strongly from the initial lockdown, benefitting from the attractiveness of staycations in self-contained spaces in the post lockdown market from July through to September. Further localised park closures in Wales were required by Government in October, before all parks were closed for holiday guests on 5 November 2020. This closure timing is slightly ahead of our usual trading patterns, where all but a small number of parks close for holiday guests for the winter period. The impact of restrictions during the winter months on our normal trading is therefore extremely limited, as we have planned for full closure of our parks to holiday guests until the end of March 2021 which is broadly in-line with our normal trading pattern. Under normal circumstances only a very small number of parks would open for the period between Christmas and New Year, this not being the case will have minimal impact on the Group's results for 2020. We would also expect to open a small number of parks for the February half-term holidays, however we have been cautious in our financial forecasts for 2021 and excluded this activity, albeit if we can open we will. As the Group has demonstrated in 2020, the business model is flexible enough to maximise the opportunities available under a range of COVID restrictions, and operationally we are planning to open where possible subject to the restrictions in place at the time.