Parkdean Holidays Limited

Annual report and financial statements

Registered number 03864124

31 December 2022

Contents

Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

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

Business review

The Company's result for the year comprised a loss of £6,000 *(2021: £3,000)*. The Company had net assets of £405,000 as of 31 December 2022 *(2021: £411,000)*.

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 and full details are set out in the consolidated financial statements of the Group.

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.

Key performance indicators

The key performance indicators used by the Group are revenue and EBITDA. A reconciliation of EBITDA to operating loss is included on the face of the profit and loss account.

Future developments

The directors are confident in the growing UK staycation market which remains an extremely attractive option for UK holidaymakers and represents a great opportunity for those who are interested in owning a holiday home.

The Board are confident of a successful trading year for the Group for the year ending 31 December 2023.

By order of the Board

Steve Richards
Director

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET
2022

6 February 2024

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

Proposed dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2022 *(2021: £nil)*.

Directors

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

Ian Kellett
Steve Richards

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 company 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 *(2021: £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 continues to operate under the Wates Corporate Governance Principles for large private companies. In line with adherence to s172(2) of Companies Act 2006, the Group has continued to actively engage with employees and consider their interests in the year, has 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.

Streamlined energy and carbon reporting

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Company qualifies as a low energy user and is exempt from reporting under these regulations.

Going concern

The principal activity of the Company is that of a non-trading company within the Richmond UK Holdco Limited group (the 'Group'). It is also a cross guarantor for the Richmond UK Holdco Limited group's (the 'Group') banking facility and cash flow forecasts are managed on a Group basis. The Company is reliant on the Group to provide cash to meet its obligations as they fall due.

In order to conclude on the appropriateness of adopting the going concern basis of accounting in preparing these financial statements, the directors have assessed the financial position of the Company and the Group at the end of the year, and they have also considered the projected future trading and cash flows of the business and the financing facilities available, alongside the principal risks facing the Group that could threaten its business model, trading performance, solvency or liquidity.

Directors' report *(continued)*

Going concern *(continued)*

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.

The directors have assessed the risks and performance of the Company and the Group using the evidence available to them. Forecasts and projections have been prepared against the various covenants required to be met within the new borrowing facilities together with a range of sensitivities modelled to allow for reasonable changes in trading performance, and these show that the Group has headroom over the outlook period. In the normal course of business the Company will require ongoing funding to manage its working capital cycle via funding from its parent and fellow subsidiary companies within the Richmond UK Top Holdco Limited Group, in order to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

Richmond UK Top Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period. 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.

The directors have therefore concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group and Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Events since the balance sheet date

Following the balance sheet date, the Group extended the Revolving Credit Facility with an expiry date of the earlier of March 2024 and 3 months before the maturity of the first lien secured syndicated facility.

The Group then initiated the process of refinancing the First Lien and Revolving Credit Facility – see note 10 Post balance sheet events for more details.

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

Judith Archibold
Secretary

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

6 February 2024

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 101 *Reduced Disclosure Framework.*

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 Parkdean Holidays Limited

Opinion

We have audited the financial statements of Parkdean Holidays Limited ("the Company") for the year ended 31 December 2022 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

Independent auditor's report to the members of Parkdean Holidays Limited
(continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to cash.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 Parkdean Holidays 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.

Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

7 February 2024

Profit and loss account and other comprehensive income

for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Administrative expenses		(6)	(3)
Operating loss	3	(6)	(3)
Analysed as:			
EBITDA*		(6)	(3)
Operating loss		(6)	(3)
Loss before tax		(6)	(3)
Tax	4	-	-
Loss for the financial year		(6)	(3)

*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 or prior year disclosed above; accordingly a separate statement of other comprehensive income has not been included. All of the activities of the Company are classified as continuing.

Balance sheet
at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Current assets					
Debtors *(including £4,162,000 (2021: £nil) due after more than one year)*	*5*	**4,169**		4,175	
Cash		**9**		9	
		4,178		4,184	
Creditors: amounts falling due within one year	*6*	**(3,773)**		(3,773)	
Net current assets			**405**		411
Total assets less current liabilities			**405**		411
Net assets			**405**		411
Capital and reserves					
Called up share capital	*7*		**-**		-
Profit and loss account			**405**		411
Shareholder's funds			**405**		411

These financial statements were approved by the Board on 6 February 2024 and were signed on its behalf by:

Ian Kellett
Director

Company registered number: 03864124

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	-	-	414	414
Total comprehensive loss for the year				
Loss for the year	-	-	(3)	(3)
Balance at 31 December 2021	-	-	411	411
Balance at 1 January 2022	-	-	**411**	**411**
Total comprehensive loss for the year				
Loss for the year	-	-	**(6)**	**(6)**
Balance at 31 December 2022	-	-	**405**	**405**

Notes
(forming part of the financial statements)

1. Accounting policies

Parkdean Holidays Limited (the 'Company') is a private company registered in England and Wales and domiciled in the UK. The registered number is 03864124 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 101 *Reduced Disclosure Framework* ('FRS 101').

The presentation currency of these financial statements is pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's UK parent undertaking at the balance sheet date, Richmond UK Holdco Limited includes the Company in its consolidated financial statements. The consolidated financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 has applied the exemptions available under FRS 101 in respect of the following disclosures:

- cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosure of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Richmond UK Holdco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

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 director in the application of these accounting policies that have a significant effect on the financial statements or 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.

Notes *(continued)*

1. Accounting policies *(continued)*

1.3 *Going concern*

The principal activity of the Company is that of a non-trading company within the Richmond UK Holdco Limited group (the 'Group') . It is also a cross guarantor for the Richmond UK Holdco Limited group's (the 'Group') banking facility and cash flow forecasts are managed on a Group basis. The Company is reliant on the Group to provide cash to meet its obligations as they fall due.

In order to conclude on the appropriateness of adopting the going concern basis of accounting in preparing these financial statements, the directors have assessed the financial position of the Company and the Group at the end of the year, and they have also considered the projected future trading and cash flows of the business and the financing facilities available, alongside the principal risks facing the Group that could threaten its business model, trading performance, solvency or liquidity.

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.

The directors have assessed the risks and performance of the Company and the Group using the evidence available to them. Forecasts and projections have been prepared against the various covenants required to be met within the new borrowing facilities together with a range of sensitivities modelled to allow for reasonable changes in trading performance, and these show that the Group has headroom over the outlook period. In the normal course of business the Company will require ongoing funding to manage its working capital cycle via funding from its parent and fellow subsidiary companies within the Richmond UK Top Holdco Limited Group, in order to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

Richmond UK Top Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period. 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.

The directors have therefore concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group and Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Notes *(continued)*

1. Accounting policies *(continued)*

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 investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings and trade and other creditors.

Investments in equity and debt securities

Investments in subsidiaries are carried at cost less impairment.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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 8).

Notes *(continued)*

1. Accounting policies *(continued)*

1.7 *Impairment excluding stocks and deferred tax assets*

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

1.8 *Expenses*

Other interest receivable and interest payable

Interest payable and similar charges comprise interest payable, finance charges on shares classified as liabilities, unwinding of the discount on provisions that are recognised in the profit and loss account and finance leases recognised in the profit and loss account using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income comprise interest receivable on funds invested and dividend income.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

1.8 *Tax*

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes *(continued)*

2. Directors' remuneration and employee disclosure

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.

3. 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.

4. Tax

Recognised in the profit and loss account
There is no current tax expense in the current or prior year.

Reconciliation of effective tax rate

	2022 £000	2021 £000
Loss for the year	**(6)**	(3)
Total tax expense	**-**	-
Loss excluding tax	**(6)**	(3)
Effects of:		
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	**(1)**	(1)
Group relief claimed	**(3)**	(3)
Transfer pricing adjustment	**4**	4
Total tax expense	**-**	-

Factors affecting current and future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021. The deferred tax balances at the balance sheet date have been calculated at the tax rate that is expected to apply to the reversal of the related difference.

5. Debtors

	2022 £000	2021 £000
Amounts owed by Group undertakings	**4,169**	4,175
	4,169	4,175

Included within amounts owed by Group undertakings is £4,162,000 (2021: £nil) expected to be recovered in more than 12 months. Amounts owed by Group undertakings are repayable on demand.

Notes *(continued)*

6. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to Group undertakings	3,771	3,771
Other creditors	2	2
	3,773	3,773

Amounts owed to Group undertakings are interest free and repayable on demand.

7. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
5 (*2021: 5*) Ordinary shares of £0.20 each	-	-
Shares classified in shareholder's funds	-	-

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.

8. 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 £753,500,000 *(2021: £688,500,000)*. 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.

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

10. Post balance sheet events

During 2023, certain of the Group's borrowing facilities were due to mature within 12 months – the £538.5m first lien facility was set to mature in March 2024, with the revolving credit facility due to expire three months before the first lien maturity date.

As a result, the Group undertook a number of re-financing activities during 2023. During July 2023 the previous loan structure was replaced in its entirety. Sufficient funds were generated from a new £550m senior term loan, new £100m super senior revolving credit facilities and financing from the Company's ultimate parent undertaking by way of £50m of loan notes. The Group also entered into two asset-backed loans secured against 19 of its parks which generated a net £145.5m cash inflow for the Group. The proceeds from these activities were used to repay in full the first and second lien loans and the previous revolving credit facilities in advance of their maturity dates.

The Group's re-financing activities were fully completed on 28th December 2023 following provision of further financing from the Company's ultimate parent undertaking by way of additional £75m loan notes. The Group's new facilities each have maturity dates in 2029.