

Lightwater Valley Attractions Limited
Strategic Report, Directors' Report and
Financial Statements for the Period 27 June 2022 to 25 December 2022



Lightwater Valley Attractions Limited

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Lightwater Valley Attractions Limited

Company Information for the Period 27 June 2022 to 25 December 2022

| | |
|---------------------------|---|
| DIRECTORS: | J A Smith A E Ackord |
| SECRETARY: | J A Smith |
| REGISTERED OFFICE: | 36 Drury Lane London WC2B 5RR |
| REGISTERED NUMBER: | 04091902 (England and Wales) |
| AUDITORS: | BDO LLP 55 Baker Street London W1U 7EU |
| BANKERS: | Barclays Bank Plc 1 Churchill Place London E14 5HP |
| SOLICITORS: | Browne Jacobson LLP 6 Bevis Marks London EC3A 7BA |

Lightwater Valley Attractions Limited

Strategic Report for the Period 27 June 2022 to 25 December 2022

The Directors, in preparing the Strategic Report, have complied with s414c of the Companies Act 2006.

REVIEW OF BUSINESS

The beginning of the current financial period coincided with the busiest period of trading for the Company, during the summer months. The prior reporting period included trading across the summer of 2021, which saw the removal of the last remaining COVID-19-imposed restrictions by the UK Government. The consequent pent-up demand from customers resulted in very strong trading for the business. By contrast, the summer of 2022 (the current reporting period) presented a more challenging trading environment, with high levels of inflation leading both to lower disposable income amongst consumers, reducing footfall to the Park, and to significant cost increases that were not able to be fully passed on. This led to lower profitability in the current period. Despite the challenging trading environment faced by the Company, the upgraded facilities across the Park fed through to improved spend-per-head. The Park continued to run seasonal events such as 'Frightwater Valley' at Halloween.

The Company has started work on the development of circa twenty pod-type units for rental on the southern edge of the Park. The unique forest environment will make these an attractive proposition and will add a further revenue stream to the business. Whilst this project is at an early stage and has required some variation to the original planning consent for 106 lodges, it demonstrates the potential to create significant growth in the medium term.

Financial results and key performance indicators ('KPIs')

The financial statements have been prepared for the 6 months ending 25 December 2022 so as to align the reporting date of the Company with that of the Brighton Pier Group PLC, the immediate parent of the Company, which prepared audited financial statements for the 18 month period ending 25 December 2022. Revenue for the 6 month period ended 25 December 2022 was down 58% on the prior period at £2.8 million (16 months to 26 June 2022: £6.7 million). The current 6 month period is not directly comparable with the prior period (16 months). On a like-for-like basis, revenue for the 6 month period ended 25 December 2022 was down 27% (6 months ended 26 December 2021: £3.8 million). Exceptional trading over summer 2021 that was boosted by Government support packages, pent-up consumer demand and disposable incomes accrued during the COVID-19 lockdowns did not recur in the current period. Consumer demand was further dampened by the rising inflation seen throughout the majority of 2022, with admissions down on the previous year.

Gross margin was down 5% at 84% (16 months to 26 June 2022: 88%) due to the greater proportion of spend on direct cost input items (primarily food & beverage items), following the upgrade of various Park facilities.

On a like-for-like basis, EBITDA in the period was £0.4 million (6 months to 26 December 2021: £1.9 million), with the decrease due to a combination of lower admissions in 2022 and significant cost inflation that was not able to be fully passed on to customers.

Profit before tax in the period was £42,000 (16 months to 26 June 2022: £1,361,000). On a like-for-like basis, profit before tax in the 6 months to 26 December 2021 was £1,511,000.

Strategic Report - continued
for the Period 27 June 2022 to 25 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES

| Key risks | Risk description | Mitigating actions and achievements during the year |
|--|--|--|
| Business risk: Increased competition and changing consumer habits | <p>The experiential leisure and entertainment market in the UK is vibrant, exciting and continuously changing.</p> <p>There is no certainty that the Company will continue to achieve the market penetration it seeks.</p> <p>There is no certainty that the Company will be able to respond to changes in consumer habits.</p> <p>Failure to respond to changing market conditions and consumer habits could impact the future earnings of the Company.</p> | <p>The Company conducts extensive and ongoing market research in order to better understand, and respond to, the evolution of consumer habits.</p> <p>Following the acquisition of the Company by The Brighton Pier Group PLC, a number of capital projects have been undertaken in the current period in order to adapt the offering of the Park to changes in habits.</p> |
| Business risk: Failure to recruit the best management for our businesses | The market for the best people is fiercely competitive. | The Company continues to focus on training programmes, covering management development, stock administration, marketing and health and safety training. |
| Impact on the Company of wage inflation arising from statutory increase in minimum wage pension auto-enrolment and rates | Rising costs from statutory increases in pension, wages and rates are hard to mitigate. | The Company works to mitigate increased statutory employment costs by efficient management of rotas and staffing levels across all areas of the business. |
| Regulatory risk: Failure to comply with the complex regulatory frameworks in place in the UK | The Company's operations are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, maintenance of the pleasure rides, entertainment licenses, competition, health and safety, sanitation and data protection. | <p>The Company conducts regular audits and training on fire and health and safety for all staff, to ensure compliance with all applicable laws and regulations. Detailed records of any incidents or regulatory visits are maintained by the Company.</p> <p>The Company's focus on operational 'rituals and routines' which helps to protect it in this highly regulated marketplace.</p> |

Lightwater Valley Attractions Limited

Strategic Report - continued

for the Period 27 June 2022 to 25 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES - continued

| Key risks | Risk description | Mitigating actions and achievements during the year |
|---|--|---|
| IT risk: Threat of cyber attack | The threat of cyber-attack is ever present in the UK. | Mitigation of these risks is managed at Group level. The Group has extensive preventative measures and controls in place to reduce this risk. These include: |
| Loss of system and website availability | Such an event could have a significant impact on the Company's systems and websites. | <ul style="list-style-type: none">• a robust disaster recovery plan with servers located in third party off-site data centres. This includes regular back-up routines for the security of all our data, which is hosted by third party hosting specialists;• fully out-sourced IT management;• extensive planned improvements as a continuing activity to ensure all of the Group's hardware and operating systems are fully supported with regular operating updates as required;• implementing multi-factor authentication across all the Group's central servers and email accounts this year; and• undertaking a full review in the coming year of all the Group's IT infrastructure to ensure it is capable of safeguarding for current and potential future cyber security threats. |

FUTURE OUTLOOK

The current high inflation rate in the UK has translated into further cost increases that are expected to continue into 2023, in particular in relation to wage pressures. Although cost increases have in part been offset by operational improvements and other efficiencies, as inflation continues these will become harder to mitigate over the short to medium term. The resulting contraction in consumer discretionary spend is also expected to continue to affect footfall to the Park.

The Park is generally closed across the quieter winter months, resulting in minimal sales in both the 13-week period to March 2023 and March 2022.

For the longer term, the Directors are confident in the ability of the management team to operate well in our market but remain mindful of the continuing pressures from the wider economic environment in which we trade.

Lightwater Valley Attractions Limited

Strategic Report - continued for the Period 27 June 2022 to 25 December 2022

SECTION 172 STATEMENT

Under Section 172(1) of the Companies Act 2006, a Director of a Company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

Key Stakeholders

The Directors considers the key stakeholders of the Company to be its employees, its customers, its suppliers, the community and environment in which it operates and its shareholders.

| Stakeholder Group | Why we engage | Decisions we make with stakeholders in mind |
|-------------------|---|---|
| Employees | <p>The Company's long-term future and success depends on the commitment of its people to the purpose and vision of the company.</p> <p>Our workforce is our advantage through which we can meet the growing demands of the competitive sector within which we trade.</p> <p>We believe it is of critical importance to have an inclusive employment policy that does not discriminate. Diversity reflects the customers we work with every day.</p> | <p>The Directors recognise that a highly motivated and skilled workforce is critical for the success of the business in achieving its strategic ambitions. Pay benefits and other support provisions are kept under regular review by the Directors to ensure employees have the support they need from the Company.</p> <p>Employees from across the Group meet regularly both at Lightwater Valley and at other Group-owned sites, enabling access to Group resources and sharing of best practices.</p> <p>Staff have access to various role-specific training initiatives, allowing them to cultivate the essential skills required to succeed in their roles.</p> |
| Customers | <p>The Company's engagement with its customers is fundamental to its success.</p> <p>We want every customer to leave with wonderful memories that last a lifetime.</p> <p>Satisfied customers are the best promoters for our businesses.</p> | <p>Measuring our customers' satisfaction is an essential metric of how well we run our business.</p> <p>We continue to use www.reputation.com as a key metric. This enables the Company to measure its interactions with customers in the following ways:</p> <ul style="list-style-type: none">enabling them to communicate better by ensuring we rank higher and accurately in all local searches, maps and directories;monitoring all of our social media in order to help us understand our customers and how they rate us, as well as ensuring that if things go wrong, we can easily communicate and put things right;improving our star rating across all the top sites;building and analysing social engagement in our online communities; andgaining actionable insight and competitive analysis with meaningful scores to monitor and measure progress. |

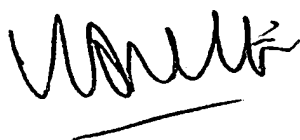
Lightwater Valley Attractions Limited

Strategic Report - continued for the Period 27 June 2022 to 25 December 2022

SECTION 172 STATEMENT - continued

| Stakeholder Group | Why we engage | Decisions we make with stakeholders in mind |
|---|--|--|
| Suppliers | <p>The Company depends on its suppliers to deliver the right products, at the right price and the best quality.</p> <p>We believe in long-term trading relationships and are proud to have built up strong collaborations over many years with large numbers of our suppliers.</p> | <p>All key strategic supplier relationships are regularly reviewed and approved at Board level.</p> <p>Open and transparent relationships and communications with key suppliers is encouraged and common objectives are regularly shared and reported on.</p> |
| Our communities and the environment within which we operate Our commitment to a sustainable future | <p>The aim of the Company is to entertain its customers. Supported by our values of passion, integrity, knowledge, and inclusivity, our vision is to work together to build a thriving, growing business where our customers leave with wonderful memories that last a lifetime.</p> <p>The Company is committed to operating sustainably through careful management of its environmental footprint.</p> | <p>The Company is actively involved in several innovative carbon reduction schemes. Eco-friendly biomass heating systems create energy to heat many parts of the Park through the burning of wood-pellets.</p> <p>In addition, solar farms installed in fields adjacent to the Park provide up to 45% of the required electricity needs of the Company.</p> <p>The Company aims to source locally wherever possible, to support and promote local businesses.</p> |
| Shareholders | <p>Engagement with the Group's shareholders sets out to obtain investor buy-in to our strategic objectives and to explain the work we do to further them.</p> <p>The AIM listing provides the Group with access to capital which is of vital importance to the longer-term objectives and success of the Group.</p> | <p>The Board communicates with shareholders through its Annual Report and Accounts, full and half-yearly announcements, the AGM and one-to-one meetings with existing and potential new shareholders. Feedback from these meetings is communicated to the full Board.</p> <p>Furthermore, a large range of corporate information, including all Regulatory News Service announcements and presentations, are available to shareholders, investors and the public on the Brighton Pier Group's investor website at: www.brightonpiergroup.com.</p> |

ON BEHALF OF THE BOARD:



J A Smith – Company Secretary and Director

Date: 27 July 2023

Lightwater Valley Attractions Limited

Directors' Report for the Period 27 June 2022 to 25 December 2022

The directors present their report with the financial statements of the Company for the period 27 June 2022 to 25 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review is the operation of Lightwater Valley Family Adventure Park, situated in North Yorkshire.

Lightwater Valley is home to a family adventure park set in 175 acres of North Yorkshire countryside. As a 'pay once and ride all day' attraction, guests pay once at the admission kiosks and are then free to enjoy most of the Park's rides and attractions at their own pace. The Park also offers a wide range of food and beverage options and an 18-hole mini golf course. More information can be found on the Company website, www.lightwatervalley.co.uk.

DIVIDENDS

No dividends will be distributed for the 6-month period ended 25 December 2022 (16 months to 26 June 2022: nil).

DIRECTORS

Directors who held office during the period and up to the date of approval of the accounts, except as noted, are set out below:

J A Smith
A E Ackord

GOING CONCERN

The directors and management of the business have reviewed the Company's and the Group's detailed forecast cash flows for the forthcoming twelve months from the date of the approval of the financial statements and consider that the Group, and therefore the Company, will have sufficient cash resources available to meet its day-to-day working capital requirements and liabilities as they fall due. These cash flow forecasts and re-forecasts are prepared regularly as part of the business planning process. These have been subjected to scenario modelling and sensitivity analysis which the directors consider to be sufficiently robust. Accordingly, these financial statements have been prepared on a going concern basis.

EVENTS AFTER THE REPORTING DATE

Information relating to events since the end of the period is given in note 19 to the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



J A Smith – Company Secretary and Director

Date: 27 July 2023

Lightwater Valley Attractions Limited

Statement of Directors' Responsibilities for the Period 27 June 2022 to 25 December 2022

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; 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.

Lightwater Valley Attractions Limited

Report of the Independent Auditors to the Members of Lightwater Valley Attractions Limited

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 December 2022 and of its profit for the 6 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Lightwater Valley Attractions Limited ("the Company") for the 6 month period ended 25 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion

We were not appointed as auditor of the company until after 26 June 2022 and thus did not observe the counting of physical inventories at the end of that period. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £213,000 held at 26 June 2022 by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount at 25 December 2022 was necessary or whether there was any consequential effect on the cost of sales for the year ended 25 December 2022.

Our opinion on the current period's financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities held at 26 June 2022. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Lightwater Valley Attractions Limited

Report of the Independent Auditors to the Members of Lightwater Valley Attractions Limited - continued

Other Companies Act 2006 reporting

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the control environment and business performance;
- the results of our enquiries with management and the directors about their own identification of the risk of irregularities;
- any matters we identified through the review of their policies and procedures; and
- the matters discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements.

Lightwater Valley Attractions Limited

Report of the Independent Auditors to the Members of Lightwater Valley Attractions Limited – continued

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

We gained an understanding of the legal and regulatory framework in which the Company operates along with the industry and considered the risk of fraud and non-compliance with applicable laws and regulations. These included the Companies Act 2006, employment law, pensions and tax legislation.

Our procedures included, but were not limited to, assessing the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk, including in relation to management override of controls. These procedures included:

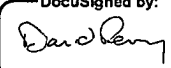
- Identifying and testing journal entries, in particular journal entries posted to revenue, unusual account combinations and journals posted by unexpected users;
- Enquiries with management and those charged with governance;
- Review of board minutes throughout and subsequent to the period;
- Review of correspondence between the Company and regulatory and taxation bodies; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud, was limited by the matter described in the basis for qualified opinion section of our report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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David Perry FCA (Senior Statutory Auditor)
for and on behalf of BDO LLP
55 Baker Street
London

27 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lightwater Valley Attractions Limited

Statement of Comprehensive Income for the Period 27 June 2022 to 25 December 2022

| | | Period 27.6.22 to 25.12.22 | Period 1.3.21 to 26.6.22 |
|---|-------|-------------------------------------|-----------------------------------|
| | Notes | £'000 | £'000 |
| TURNOVER | 3 | 2,785 | 6,660 |
| Cost of sales | | <u>(457)</u> | <u>(791)</u> |
| GROSS PROFIT | | 2,328 | 5,869 |
| Administrative expenses | | (2,175) | (4,311) |
| Gain on disposal of assets | | - | 6 |
| Other income | 5 | <u>-</u> | <u>25</u> |
| OPERATING PROFIT | | 153 | 1,589 |
| Interest payable and similar expenses | 6 | <u>(111)</u> | <u>(228)</u> |
| PROFIT BEFORE TAXATION | 7 | 42 | 1,361 |
| Tax charge on profit | 8 | <u>(54)</u> | <u>(328)</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL PERIOD | | (12) | 1,033 |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE PERIOD | | <u><u>(12)</u></u> | <u><u>1,033</u></u> |

The notes form part of these financial statements.

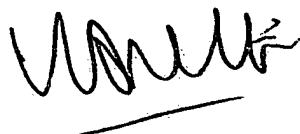
Lightwater Valley Attractions Limited (Registered number: 04091902)

Balance Sheet

As at 25 December 2022

| | | 25.12.22 | 26.6.22 |
|--|-------|-----------------|----------------|
| | Notes | £'000 | £'000 |
| FIXED ASSETS | | | |
| Property, plant and equipment | 9 | 3,999 | 4,064 |
| Intangible assets | 10 | 70 | 70 |
| Right-of-use assets | 15 | 7,438 | 6,656 |
| Other receivables | 12 | <u>1,500</u> | <u>-</u> |
| | | <u>13,007</u> | <u>10,790</u> |
| CURRENT ASSETS | | | |
| Stocks | 11 | 142 | 213 |
| Trade and other receivables | 12 | 226 | 1,788 |
| Cash at bank and in hand | | <u>83</u> | <u>179</u> |
| | | 451 | 2,180 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | <u>(789)</u> | <u>(1,305)</u> |
| NET CURRENT (LIABILITIES)/ASSETS | | <u>(338)</u> | <u>875</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 12,669 | 11,665 |
| NON-CURRENT LIABILITIES | | | |
| Other payables | 13 | (9,083) | (8,123) |
| Deferred tax liability | 16 | <u>(344)</u> | <u>(288)</u> |
| NET ASSETS | | <u>3,242</u> | <u>3,254</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 4,750 | 4,750 |
| Retained deficit | | <u>(1,508)</u> | <u>(1,496)</u> |
| SHAREHOLDERS' FUNDS | | <u>3,242</u> | <u>3,254</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2023 and were signed on its behalf by:



J A Smith – Company Secretary and Director

Lightwater Valley Attractions Limited

**Statement of Changes in Equity
for the Period 27 June 2022 to 25 December 2022**

| | Called up share capital £'000 | Retained deficit £'000 | Total equity £'000 |
|------------------------------------|--|------------------------------|--------------------------|
| Balance at 28 February 2021 | 4,750 | (2,514) | 2,236 |
| Changes in equity | | | |
| On transition to IFRS 16 | - | (15) | (15) |
| Total comprehensive income | - | 1,033 | 1,033 |
| Balance at 26 June 2022 | <u>4,750</u> | <u>(1,496)</u> | <u>3,254</u> |
| Changes in equity | | | |
| Total comprehensive expense | - | (12) | (12) |
| Balance at 25 December 2022 | <u>4,750</u> | <u>(1,508)</u> | <u>3,242</u> |

The notes form part of these financial statements.

**Notes to the Financial Statements
for the Period 27 June 2022 to 25 December 2022**

1. STATUTORY INFORMATION

Lightwater Valley Attractions Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The Company is a wholly owned subsidiary of The Brighton Pier Group PLC which prepares publicly available consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. This Company is included in the consolidated financial statements of The Brighton Pier Group PLC for the 18 month period ended 25 December 2022. These accounts are available from the registered office at 36 Drury Lane, London, WC2B 5RR and at the Company's website at www.brightonpiergroup.com.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

The current 6 month period to 25 December 2022 is not directly comparable with the prior 16 month period to 26 June 2022. The financial statements have been prepared to 25 December 2022 so as to align the reporting date of the Company with that of the Brighton Pier Group PLC, the immediate parent of the Company, which prepared audited financial statements for the 18 month period ending 25 December 2022. The presentation and functional currency used is sterling (£'000 unless otherwise stated).

The financial statements of Lightwater Valley Attractions Limited have been prepared on a going concern basis and under the historical cost convention.

Going concern

The directors and management of the business have reviewed the Company's and the Group's detailed forecast cash flows for the forthcoming twelve months from the date of the approval of the financial statements and consider that the Group, and therefore the Company, will have sufficient cash resources available to meet its day-to-day working capital requirements and liabilities as they fall due. These cash flow forecasts and re-forecasts are prepared regularly as part of the business planning process. These have been subjected to scenario modelling and sensitivity analysis which the directors consider to be sufficiently robust. Accordingly, these financial statements have been prepared on a going concern basis.

New standards and interpretations effective for the period

The new standards, interpretations and amendments that are effective for the first time for the financial year beginning 26 December 2022 are detailed below:

- IFRS 3 Business Combinations (Amendment – Definition of Business);
- Annual Improvements to IFRS: 2018-2020 Cycle;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract);
- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use); and
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS39, IFRS 7, IFRS 4 and IFRS 16.

These amendments have not had a material impact on the Company.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

2. ACCOUNTING POLICIES - continued

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

Exemption from preparation of consolidated financial statements

The financial statements contain information about Lightwater Valley Attractions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group.

**Notes to the Financial Statements - continued
for the Period 27 June 2022 to 25 December 2022**

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities at the Balance Sheet date, and amounts reported for revenues and expenses during the period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to changes in expected future cash flows. The cash flows are derived from the budget and projections for the next three years. These projections are influenced by factors which are inherently uncertain such as footfall and non-controllable costs such as rent, rates and license costs. They do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is also sensitive to the discount rate used for the discounted cash flow model and the growth rate used for extrapolation purposes.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes.

Turnover from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Turnover arising from the sale of annual passes is recognised over time in accordance with the satisfaction of the relevant performance obligation.

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment. Such cost includes the cost of replacing part of the property, plant and equipment when the cost is incurred, if the recognition criteria are met, in which case the carrying value of the replaced part is written off. All major repairs and maintenance costs are recognised in the Statement of Comprehensive Income as incurred. Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

| | |
|--------------------------------|------------------|
| Leasehold improvements | - 15 to 20 years |
| Fixtures, fittings & equipment | - 3 to 10 years |
| Computers | - 3 years |

An item of tangible fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the period the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The assets are reviewed for impairment if events or circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

2. ACCOUNTING POLICIES - continued

Intangible assets

Amortisation is recorded in administrative costs in the Statement of Comprehensive Income. Amortisation is calculated on a straight-line basis over the useful life of the asset as follows:

Computer software and websites: 3 to 7 years

Financial instruments

Financial instruments comprise trade and other debtors, amounts due both from and to Group undertakings, trade and other creditors, accruals, amounts owed to Group undertakings and lease liabilities.

Trade and other debtors and debtors and amounts due from Group undertakings that relate to trading are carried in the Balance Sheet at invoiced value less allowance for expected credit losses. Expected credit losses are estimated based on the ageing of the debt, experience and known circumstances of the counterparty.

Trade and other creditors, accruals, amounts owed to Group undertakings and lease liabilities are recorded initially at fair value and subsequently carried at amortised cost.

These instruments are accordingly classified as Level 2 in the IFRS 13 fair value hierarchy.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. No deferred tax is recognised on initial recognition of investment in subsidiaries. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full and are not discounted.

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

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

2. ACCOUNTING POLICIES - continued

Leases

The majority of the Company's accounting policies for leases are set out in note 15.

Identifying Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) there is an identified asset;
- (b) the Company obtains substantially all the economic benefits from use of the asset; and
- (c) the Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

Employee benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the Statement of Comprehensive Income as an exceptional item in the period in which they are incurred.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Retained deficit" represents the accumulated losses attributable to equity shareholders.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

3. TURNOVER

Analysis of turnover from contracts with customers:

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|----------------------------|--|--|
| Type of service | | |
| Admissions – daily | 1,754 | 4,322 |
| Admissions – season passes | 41 | 20 |
| Food and beverage | 509 | 1,187 |
| Merchandise | 341 | 826 |
| Rides and activities | 130 | 276 |
| Other | <u>10</u> | <u>29</u> |
| | <u>2,785</u> | <u>6,660</u> |

All turnover originated in the United Kingdom in both the current and prior reporting periods.

4. EMPLOYEES AND DIRECTORS

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|-----------------------|--|--|
| Wages and salaries | 1,130 | 1,965 |
| Social security costs | 49 | 104 |
| Other pension costs | <u>10</u> | <u>21</u> |
| | <u>1,189</u> | <u>2,090</u> |

The average number of employees during the period was as follows:

| | Period 27.6.22 to 25.12.22 | Period 1.3.21 to 26.6.22 |
|-----------|-------------------------------------|-----------------------------------|
| Employees | 214 | 174 |

None of the directors received any remuneration for their qualifying services during the current or prior period. The directors of the company are also the directors of the other entities within the Group, and are remunerated via fellow Group undertakings.

5. OTHER INCOME

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|-----------------|--|--|
| Furlough income | - | 2 |
| Grant income | - | 23 |
| | <u>-</u> | <u>25</u> |

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

6. NET FINANCE COSTS

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|---|--|--|
| Interest payable and similar charges | | |
| Bank charges | 26 | 10 |
| Bank loan interest | - | 8 |
| Lease interest | <u>85</u> | <u>210</u> |
| | <u>111</u> | <u>228</u> |

7. PROFIT BEFORE TAXATION

The profit before taxation (16 months ending 26 June 2022: profit before taxation) is stated after charging:

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|---|--|--|
| Cost of inventories recognised as expense | 457 | 791 |
| Depreciation – owned assets | 149 | 382 |
| Depreciation – right-of-use assets | 48 | 117 |
| Profit on disposal of fixed assets | - | 6 |
| Amortisation of intangible assets | <u>6</u> | <u>2</u> |

Auditor's remuneration of £10,000 (16 months ending 26 June 2022: £30,000) relating to the audit of the financial statements of the Company was borne by Eclectic Bars Trading Limited, a fellow Group undertaking. There were no non-audit fees incurred during the current or prior period.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

8. TAXATION

Analysis of tax expense

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|--|--|--|
| Current tax | (2) | 325 |
| Deferred tax | <u>56</u> | <u>3</u> |
| Total tax expense in Statement of Comprehensive Income | <u>54</u> | <u>328</u> |

Factors affecting the tax expense

The tax assessed for the period is higher than (16 months ending 26 June 2022: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

| | Period 27.6.22 to 25.12.22 £'000 | Period 1.3.21 to 26.6.22 £'000 |
|--|--|--|
| Profit before income tax | <u>42</u> | <u>1,361</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (16 months ending 26 June 2022: 19%) | 8 | 259 |
| Effects of: | | |
| Fixed asset differences | 8 | - |
| Movement in deferred not recognised | 60 | |
| Adjustments in respect of prior periods | (21) | |
| Change in tax rates | <u>(1)</u> | <u>69</u> |
| Tax expense | <u>54</u> | <u>328</u> |

There was no unrecognised deferred tax in the current period (16 months ending 26 June 2022: net deferred tax liabilities of £60,000)..

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

9. PROPERTY, PLANT AND EQUIPMENT

| | Fixtures, fittings & equipment £'000 | Leasehold improvements £'000 | Computer equipment £'000 | Totals £'000 |
|-----------------------|---|------------------------------------|--------------------------------|-----------------|
| COST | | | | |
| At 26 June 2022 | 4,552 | 4,238 | 9 | 8,799 |
| Additions | <u>84</u> | <u>-</u> | <u>-</u> | <u>84</u> |
| At 25 December 2022 | <u>4,636</u> | <u>4,238</u> | <u>9</u> | <u>8,883</u> |
| DEPRECIATION | | | | |
| At 26 June 2022 | 3,009 | 1,725 | 1 | 4,735 |
| Charge for period | <u>85</u> | <u>63</u> | <u>1</u> | <u>149</u> |
| At 25 December 2022 | <u>3,094</u> | <u>1,788</u> | <u>2</u> | <u>4,884</u> |
| NET BOOK VALUE | | | | |
| At 25 December 2022 | <u>1,542</u> | <u>2,450</u> | <u>7</u> | <u>3,999</u> |
| At 26 June 2022 | <u>1,543</u> | <u>2,513</u> | <u>8</u> | <u>4,064</u> |

As at 25 December 2022, the gross cost of fully depreciated property, plant and equipment that is still in use was £nil (26 June 2022: £nil).

10. INTANGIBLE ASSETS

| | Computer software and websites £'000 |
|-----------------------|---|
| COST | |
| At 26 June 2022 | 72 |
| Additions | <u>6</u> |
| At 25 December 2022 | <u>78</u> |
| DEPRECIATION | |
| At 26 June 2022 | 2 |
| Charge for period | <u>6</u> |
| At 25 December 2022 | <u>8</u> |
| NET BOOK VALUE | |
| At 25 December 2022 | <u>70</u> |
| At 26 June 2022 | <u>70</u> |

As at 25 December 2022, the gross carrying amount of fully depreciated intangible assets that is still in use was £nil (26 June 2022: £nil).

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

11. STOCKS

| | 25.12.22 | 26.6.22 |
|--------|------------|------------|
| | £'000 | £'000 |
| Stocks | <u>142</u> | <u>213</u> |

12. TRADE AND OTHER RECEIVABLES

| | 25.12.22 | 26.6.22 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade debtors | 26 | 35 |
| Prepayments and accrued income | 195 | 505 |
| Other debtors | 5 | - |
| Amounts due from Group undertakings | <u>-</u> | <u>1,248</u> |
| | <u>226</u> | <u>1,788</u> |
| Amounts falling due after more than one year: | | |
| Amounts due from Group undertakings | <u>1,500</u> | <u>-</u> |

Amounts due from Group undertakings consists of £1,500,000 (26 June 2022: £1,248,000) in relation to trading balances. All amounts are repayable on demand.

13. TRADE AND OTHER PAYABLES

| | 25.12.22 | 26.6.22 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade creditors | 116 | 545 |
| Other creditors | 64 | 35 |
| Leases (see note 15) | 91 | 132 |
| Accrued expenses | 75 | 66 |
| Deferred income | 33 | 41 |
| Corporation tax payable | 319 | 325 |
| Social security and other taxes | 28 | 30 |
| VAT | <u>63</u> | <u>131</u> |
| | <u>789</u> | <u>1,305</u> |
| Amounts falling due after more than one year: | | |
| Amounts owed to Group undertakings | 1,354 | 1,260 |
| Other creditors | 261 | 296 |
| Leases (see note 15) | <u>7,468</u> | <u>6,567</u> |
| | <u>9,083</u> | <u>8,123</u> |

Amounts owed to Group undertakings consists of £1,354,000 (26 June 2022: £1,260,000) in relation to trading balances. All amounts are repayable on demand.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

14. FINANCIAL LIABILITIES - BORROWINGS

| | 25.12.22 £'000 | 26.6.22 £'000 |
|-----------------------------------|----------------------------|-------------------------------|
| Current: | | |
| Leases (see note 15) | <u>91</u> | <u>132</u> |
| Non-current: | | |
| Leases (see note 15) | <u>7,468</u> | <u>6,567</u> |
| Terms and debt repayment schedule | | |
| | 1 year or less £'000 | 1-2 years £'000 |
| Leases | <u>91</u> | <u>39</u> |
| | 2-5 years £'000 | More than 5 years £'000 |
| | <u>123</u> | <u>7,306</u> |
| | | Totals £'000 |
| | | <u>7,559</u> |

15. LEASING

Right-of-use assets

| | 25.12.22 £'000 | 26.6.22 £'000 |
|---------------------------|-------------------|------------------|
| COST | | |
| At beginning of period | 6,773 | - |
| On transition to IFRS 16 | - | 6,523 |
| Remeasurement adjustments | <u>830</u> | <u>250</u> |
| | <u>7,603</u> | <u>6,773</u> |

AMORTISATION

| | 25.12.22 £'000 | 26.6.22 £'000 |
|------------------------|-------------------|------------------|
| At beginning of period | 117 | - |
| Charge for period | <u>48</u> | <u>117</u> |
| | <u>165</u> | <u>117</u> |

NET BOOK VALUE

Lease liabilities

| | 25.12.22 £'000 | 26.6.22 £'000 |
|--------------------------------|-------------------|------------------|
| At beginning of period | 6,699 | 35 |
| On transition to IFRS 16 | - | 6,523 |
| Interest charge in the period | 85 | 210 |
| Repayment of lease liabilities | (55) | (319) |
| Remeasurement adjustments | <u>830</u> | <u>250</u> |
| | <u>7,559</u> | <u>6,699</u> |

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

15. LEASING - continued

Lease liabilities - continued

Minimum lease payments fall due as follows:

| | 25.12.22 £'000 | 26.6.22 £'000 |
|------------------------------|-------------------|------------------|
| Gross obligations repayable: | | |
| Within one year | 268 | 191 |
| Between one and five years | 858 | 764 |
| In more than five years | 14,800 | 13,270 |
| | <u>15,926</u> | <u>14,225</u> |
| Finance charges repayable: | | |
| Within one year | 177 | 59 |
| Between one and five years | 696 | 407 |
| In more than five years | <u>7,494</u> | <u>7,060</u> |
| | <u>8,367</u> | <u>7,526</u> |
| Net obligations repayable: | | |
| Within one year | 91 | 132 |
| Between one and five years | 162 | 357 |
| In more than five years | <u>7,306</u> | <u>6,210</u> |
| | <u>7,559</u> | <u>6,699</u> |

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

IFRS 16 was adopted on 1 March 2021 using the modified retrospective approach to transition. The following policies apply subsequent to the date of initial application.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are expensed in the period to which they relate.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, and initial direct costs incurred.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. In this case an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in the Statement of Comprehensive Income.

Lightwater Valley Attractions Limited

Notes to the Financial Statements - continued for the Period 27 June 2022 to 25 December 2022

15. LEASING - continued

Nature of leasing activities (in the capacity as lessee)

The Company leases the land and buildings on which the Lightwater Valley Family Adventure Park is situated. The remaining term of this lease is 75 years. The rent payable on this site is indexed on an annual basis in line with the Index of Retail Prices as published by the Office for National Statistics. At the point at which the rent is indexed, the lease liability is remeasured to incorporate all future re-indexed payments for the remaining lease term.

16. DEFERRED TAX LIABILITY

| | |
|--|------------|
| | £'000 |
| Balance at 27 June 2022 | 288 |
| Origination and reversal of timing differences | <u>56</u> |
| Balance at 25 December 2022 | <u>344</u> |

17. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|-----------------|----------------|------------------|------------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 25.12.22 | 26.6.22 |
| | | | £ | £ |
| 4,750,002 | Ordinary shares | £1 | <u>4,750,002</u> | <u>4,750,002</u> |

18. OTHER FINANCIAL COMMITMENTS

The bank loans and overdrafts held by the ultimate parent undertaking, The Brighton Pier Group PLC and its subsidiaries are subject to cross guarantees and debentures over the current future assets of all companies in the Group. The total amount outstanding for the Group in relation to these charges at 25 December 2022 was £11,327,000 (26 June 2022: £12,642,000).

19. EVENTS AFTER THE REPORTING PERIOD

On 19 April 2023, the Group's term loan and revolving credit banking facilities were extended for a period of 12 months and are now due for final repayment on 5 December 2024.

The Group's current intention is to replace the £10,870,000 term loan and £1,000,000 revolving credit facility with a larger revolving credit facility and a reduced term loan. This will provide the Group with additional flexibility in meeting its day-to-day working capital requirements and reduce its interest costs by repaying further debt back to the revolving credit facility. The covenant tests will be modified to account for the changes in circumstances as part of the revised refinancing arrangement.

20. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling party is The Brighton Pier Group PLC, a Company incorporated in England and Wales.

The smallest and largest group which includes the results of the Company is that headed by The Brighton Pier Group PLC. Copies of The Brighton Pier Group PLC financial statements can be obtained from www.brightonpiergroup.com.