

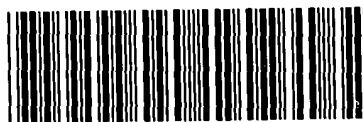
Company Registration No. 07056893

Tattershall Lakes Limited

Report and Financial Statements

for the year ended 31 December 2019

WEDNESDAY



A9KIQHMW

A35

23/12/2020

#210

COMPANIES HOUSE

Tattershall Lakes Limited

Report and financial statements 31 December 2019

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	7
Statement of directors' responsibilities	8
Independent auditor's report to the members of Tattershall Lakes Limited	9
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15

Tattershall Lakes Limited

Officers and professional advisers

Directors

C Castledine
G Lashley
N Ryder

Secretary

N Ryder

Registered Office

575-599 Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7DX

Bankers

National Westminster Bank
42 Market Square
Aylesbury
Buckinghamshire
HP20 1TR

Solicitors

Freeths LLP
Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Tattershall Lakes Limited

Strategic report (continued)

Objectives and strategy

The principal objective of Tattershall Lakes Ltd (the “Company”) is the operation of a holiday park in the United Kingdom to provide an excellent quality experience for holidaymakers and holiday homeowners whilst maximising returns for shareholders.

Key to the achievement of this is the attainment and retention of a motivated and well-trained workforce managed by several key individuals in senior roles to provide a high quality of customer service. The objectives are further supported by a strong brand and marketing message, competitive pricing strategies and continual investment in the park’s infrastructure.

Business review

The Company’s results for the year comprised: turnover £34,021,000 (2018: £26,830,000), operating profit of £8,132,000 (2018: £5,896,000) and net profit after tax of £6,550,000 (2018: £3,168,000). The Company had net assets of £19,181,000 as at 31 December 2019 (2018: £12,632,000).

The Company’s operations are seasonal. Management attempt to achieve maximum occupancy from holidaymakers during the operating season whilst retaining average prices at an acceptable level. Booking occupancy and average price are therefore closely monitored key performance indicators, and pricing and marketing strategies are altered accordingly.

The Company also sells static holiday homes to private individuals who pay a licence fee to retain the holiday home on a pitch at the park. Sales volumes, average margins and total owner numbers are monitored in order to maximise revenues from this source, with sales staff incentivised accordingly.

Bookings for the 2019 season were up by 8% on the previous year and average price increased by 17%, which together had a proportional impact on revenue from holiday bookings. Overall holiday home sales volume increased by 22% and price by 4% versus 2018, reflecting the greater demand following the capital investment in 2018 and 2019. There were some significant cost pressures, notably due to higher wages which were affected by the growth in headcount and National Living Wage, utility costs due to national pricing effects, and marketing expenditure. The overall result represents a strong performance from the business.

The Company entered into a lease agreement, transacting on the freehold element of the land and buildings in 2018. The assets were reclassified to leasehold land and buildings, a finance lease obligation was recognised within the finance lease liabilities in 2018. The Company’s intercompany debtor is £27,500,000 (2018: £23,504,000) due to increase in transfers to its intermediate parent company in the year. Working capital was maintained throughout the year.

The Company is continuing to invest in infrastructure, letting fleet and central facilities in order to secure the long-term profitability of the park. During the year, the Company invested £5,793,576 (2018: £5,698,888) in capital expenditure, which included the investment in static pitches, hire fleet units and central facilities. The company received funds with respect to the pitch developments under the existing finance lease (see note 13).

Future developments and subsequent events

The impact of the COVID-19 pandemic and the temporary closure in 2020 of the parks within the group to holiday homeowners and holidaymakers has resulted in a reduction in the profitability of the business in the forthcoming period. Investments have been made in the provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customers. Please see note 18 for subsequent event disclosures and Archer Topco Limited consolidated accounts for more information.

Going concern

On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation and the impacts of COVID-19 have been taken into consideration as part of the going concern assessment. As at the date of signing these financial statements:

1. On 24th March 2020, as a result of the COVID-19 pandemic and in accordance with emergency legislation, the park was closed to holidaymakers and owners, and the operations of the park were temporarily suspended during the national lockdown period. Following government guidance, the park reopened on the 4th July 2020 and significant investment has been made to installing safeguarding measures to protect our customers and staff.

Tattershall Lakes Limited

Strategic report (continued)

Going concern (continued)

2. Excellent customer service is key to our success and decisions were made to maintain high standards with our holiday homeowners and holiday makers that recognised and reflected the exceptional nature of the circumstances. Holidaymakers due to enjoy holidays at the park during the lockdown period were offered full refunds or the transfer of their booking to a later date. Holiday homeowners were given credits against their annual fees. Regular communication was provided by senior management to our customer base
3. The company utilised the government furlough scheme to safeguard the employees' positions for the longer term. Key management and support staff were retained on park to manage customer relationships and maintain the estate. The health implications on our furloughed employee base was recognised and all staff were communicated with regularly, and the online training portal was made available to them to improve their skill set in the period. Employees who continued working through the lockdown maintained the necessary level of operations to protect the estate.

The directors have reviewed the company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends to 31 December 2024. These projections indicate that the company will continue to be able to meet its liabilities as they fall due.

However, the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements. The bank facility is also secured by the assets held by the Group and its subsidiaries.

The directors have concluded that whilst the group has sufficient liquidity for the foreseeable future the ongoing discussions over bank covenants represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further, the Company has also received confirmation from its ultimate parent undertaking, Archer Topco Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

Global pandemics

As demonstrated during the national lockdown in 2020, the business would be significantly affected by a global pandemic. Investments have been made in the provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customer base. Please refer to the going concern note for management's detailed risk assessment in response to COVID-19.

Competition

The Company operates in a competitive environment with other holiday parks in similar geographic locations. The actions and performance of competitors can have an impact on the Company's ability to meet its expectations and objectives. Competitors' pricing policies and strategies are kept under review and these influence the Company's strategies accordingly.

Quality of customer service

The Company's reputation is heavily dependent on the quality of the customer service provided. The Company invests in significant training programmes to ensure that staff members adhere to our service policies. Service levels are monitored by direct customer feedback via questionnaires and indirectly via social media.

Tattershall Lakes Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Availability of financing partners

The Company introduces customers to several financing partners in order to fund the purchase of holiday homes at the Company's park. Should these financing partners exit the market or substantially reduce their exposure, there would be a detrimental impact on the Company's ability to maintain sales volume. The Company has few options in mitigating this risk, however the financing partners have been in the sector for a considerable period of time and the directors consider it unlikely that they will exit from the sector in the near future.

Information systems

The Company's activities are dependent on the performance of a variety of software packages and the stability of the platforms on which they are hosted. The Company has utilised off site hosting and has partnered with specialist IT support companies to provide comprehensive support on a continuous basis.

Retention of key personnel

The retention of various key personnel is a significant factor in the Company's ability to meet its growth expectations and compete effectively due to their relevant skills and experience. The Company's employment policies, remuneration and benefits packages are regularly reviewed and are designed to be competitive with other companies.

Variability of weather conditions

The Company provides UK holidays in both caravan and lodge accommodation, and also in touring fields for holidaymakers to bring their own caravan or tent. As a result, the prevailing weather conditions can have an impact on the demand for the Company's product. The Company mitigates this uncertainty by promoting all weather activities and managing prices in response to demand.

Political risks

The Company's trading policies align with sector best practice, and it is an approved operator under the NCC. As a result, any tightening of the legislative environment should not adversely affect how the business operates.

The Company trades solely within the UK and although the uncertainty surrounding the Brexit process is not helpful, there is no specific identified risk associated with this.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use financial derivatives nor does its activities expose it to significant commodity price risk.

Credit risk

The Company's principal financial assets are bank balances, trade and intercompany receivables. The credit risk on liquid funds and derivative financial instruments are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Interest rate risk

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company uses interest rate swap contracts to hedge these exposures, although none were in place during the financial year.

Liquidity risk

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance. Please refer to the going concern note for management's detailed risk assessment in response to COVID-19.

Tattershall Lakes Limited

Strategic report (continued)

Section 172 Statement

The Board has a duty under s172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so, to have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term,
- (b) The interests of the Company's employees,
- (c) The needs to foster the Company's business relationships with suppliers, clients and others,
- (d) The impact of the Company's operations on the community and the environment,
- (e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) The needs to act fairly as between members of the Company.

During the year the Board has considered its duties under s172 and how it fulfils its obligations therefore in respect of the following key stakeholder groups:

Shareholders

The Board is appointed by the shareholders to oversee, govern and make decisions on their behalf and so directly responsible for protecting and managing their interests in the Company. It does this by setting the strategies, policies and corporate governance structures described elsewhere in these financial statements. Refer to the Strategic Report where principal risks and future developments have been discussed further, including going concern.

Employees

Our employee policy is described in the Directors' Report. The Company is committed to supporting the principle of equal opportunities and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic origin, gender, marital status, disability, religion, age or sexual orientation. The Company's aim is to recruit, train

The Group undertakes employee engagement surveys to get feedback on culture and wider matters of importance to employees and offers training and development opportunities, enabling employees to improve their professional competencies within a bespoke Holiday Hero training programme.

The recruitment, training, career development and promotion of less able persons are fully and fairly considered having regard to the aptitudes and abilities of each individual. Efforts are made to enable employees who become less able during employment to continue their career with the Company and, if necessary, appropriate training is provided.

The Company insists on the highest standard of professionalism and integrity from our employees who are expected to refrain from any conduct or behaviours that could be perceived unfavourably.

The Company's Health & Safety Policy guides the Company's direction and approach to responsible health and safety management. To ensure a consistent approach to maintaining the health, safety and well-being of all persons who might be affected by the activities within an office, all locations commit to implementing standards prescribed by the Policy. Our policy during the national lockdown period as a result of COVID-19 is detailed in the table at the end of this report.

Customers

The Company's customers are vital to the success of the business and it is important that we deliver with integrity the best possible level of service. We are aligned with and focussed on our customers' satisfaction and care about their holiday experience. We know that long lasting relationships depend on this and our Net Promotor Score, which confirms our status as 'world-class', is an important indicator of customer satisfaction when compared against the wider hospitality sector. Further details surrounding our customer service approach can be found on our website.

Suppliers

The Company has developed a responsible purchasing policy to include consideration of items such as environment, diversity, health and safety and the modern slavery trade. Further details surrounding our procurement strategy can be found on our website.

It is the Company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on timely submission of valid invoices. In absence of agreed terms, the Company's policy is to pay within 30 days from receipt of a valid invoice. Our policy during the national lockdown period as a result of COVID-19 is detailed in the table at the end of this report.

Tattershall Lakes Limited

Strategic report (continued)

Section 172 Statement (continued)

Regulators and tax authorities

The Company values require its employees to deal honestly and openly with regulators and tax authorities and in compliance with all the relevant laws and regulations in place. Consultants are contracted with in the event of significant changes to relevant laws and regulations in order to ensure accurate and timely compliance with regulators and tax authorities, including HMRC, the FCA and Health and Safety regulators. Systems are maintained to produce accurate and complete data for reporting purposes and annual audits and inspections contribute towards a robust regulatory environment.

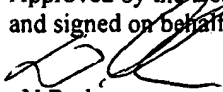
The wider community

The Company's approach to business includes a deeply held sense of responsibility to the environment and communities in which we operate. The Company seeks to engender good relationships with local councils and is an active member of the community. Recycling is in place at both holiday parks and at head office and regular fundraising takes place for various community causes. Away Resorts has a zero tolerance approach to any form of modern slavery and is committed to acting ethically, with integrity and transparency in all business dealings, and to safeguard against any form of modern slavery taking place within the business or our supply chain.

Key decisions made in the year as summarised below:

Significant events/decisions	Key S.172 matter(s) affected	Actions and impact
Acquisition of the parent company by Archer Bidco Limited	Shareholders	<ul style="list-style-type: none">- Shareholder consultation took place in accordance with governance requirements.
Development of systems and data warehouse	Customers, employees	<ul style="list-style-type: none">- Better understanding of customer behaviours and preferences has improved customer experience.- Increased availability of data has improved employees' ability to carry out their roles more effectively.- Improved efficiency to deal with GDPR information requests.
Launch of sales systems	Customers	<ul style="list-style-type: none">- The Company's product offering to customers has improved following clearer understanding of sales pipelines and enabled a greater personalisation of the customer journey
Extension of employee support systems	Employees	<ul style="list-style-type: none">- Introduction of online training platform has provided a consistent approach to Group wide training requirements.- Introduction of health benefits scheme to support employees and close family.
COVID-19 Post Balance Sheet Event	Shareholders, Suppliers, Employees, Customers, Lenders	<ul style="list-style-type: none">- All parks closed during the national COVID-19 lockdown.- Existing committed facilities were utilised to ensure the group had sufficient liquidity to cover liabilities.- Suppliers were communicated with to agree suitable terms during the lockdown period.- 665 out of 796 employees across the Away Resorts Group were placed in the governments job-retention scheme from 28th March 2020 with a gradual and staggered return to work during June and July as the parks were allowed to reopen from July 4th. Where appropriate staff have been encouraged to work from home and work spaces have been reconfigured to enable social distancing.- Partial refunds and special debt collection terms were put in place with private holiday home owners. Refunds or alternative dates were provided for all holidays.

Approved by the Board of Directors
and signed on behalf of the Board


N Ryder
Director
28 August 2020

Tattershall Lakes Limited

Directors' report

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

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Employees

The Company recognises that the contribution made by its employees is crucial to its success. Substantial investment is therefore made in the training, development and motivation of staff, with particular attention to ensuring customer satisfaction and the achievement of high standards of service. The Company endorses the application of equal opportunities policies to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job or if this is not practicable, every effort will be made to find an alternative job and provide appropriate training.

Post balance sheet events

Material post balance sheet events are disclosed in note 18 of the financial statements.

Matters covered in the strategic report

Disclosure of the Company's review of business, future developments, going concern assessment and the Company's financial risk management objectives and policies are included in the Strategic Report.

Directors and their interests

The directors who held office during the year were as follows:

C Castledine
G Lashley
N Ryder

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. Directors indemnity insurance is maintained for all directors by the ultimate parent Company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

The interests of the directors in the shares of Archer Topco Limited are disclosed in the directors' report of that Company, copies of which can be obtained from the address in note 19.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

BDO LLP were appointed as auditor during the year, and a resolution to re-appoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



N Ryder
Director
28 August 2020

Tattershall Lakes Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Tattershall Lakes Limited

Opinion

We have audited the financial statements of Tattershall Lakes Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year 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.

Basis for opinion

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

Material uncertainty related to going concern

We draw your attention to note 1 which states that the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements as a result of the impact of the COVID -19 Pandemic.

Discussions with the group's bankers to amend the terms of borrowing and to waive the forecasted covenant breaches are ongoing and have not yet been finalised. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Tattershall Lakes Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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 and Director's report.

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;

- 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report to the members of Tattershall Lakes Limited (continued)

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.



Dominic Stammers
Senior Statutory Auditor
for and on behalf of BDO LLP
Statutory Auditor, Chartered Accountants
London.
Date: 28 August 2020

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

Tattershall Lakes Limited
Statement of comprehensive income
For year ended 31 December

	Note	2019 £	2018 £
Turnover	3	34,020,622	26,830,125
Cost of sales		<u>(13,873,304)</u>	<u>(10,912,583)</u>
Gross profit		20,147,318	15,917,542
Administrative expenses		<u>(12,015,265)</u>	<u>(10,021,165)</u>
Operating profit		8,132,053	5,896,377
Profit on disposal of fixed assets		-	-
Interest payable and similar charges	7	<u>(968,417)</u>	<u>(198,678)</u>
Profit on ordinary activities before taxation	4	7,163,636	5,697,699
Tax on profit	8	<u>(614,107)</u>	<u>(2,529,286)</u>
Profit and total comprehensive income for the financial year		<u>6,549,529</u>	<u>3,168,413</u>
Profit and total comprehensive income for the financial year attributable to: Owners of the parent Company		<u>6,549,529</u>	<u>3,168,413</u>

All results are derived from continuing operations.

The notes on pages 15 to 24 form part of these financial statements.

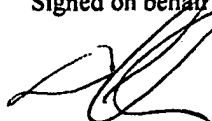
Tattershall Lakes Limited

Statement of financial position As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	<u>31,507,475</u>	<u>27,537,048</u>
Current assets			
Stock	10	2,367,486	2,217,037
Debtors	11	30,913,761	26,425,594
Cash at bank and in hand		<u>47,231</u>	<u>3,246</u>
		33,328,478	28,645,877
Creditors: amounts falling due within one year	12	<u>(5,995,450)</u>	<u>(6,329,834)</u>
Net current assets		27,333,028	22,316,043
Net assets less current liabilities		58,840,503	49,853,091
Creditors: amounts falling due after more than one year:			
Finance leases	13	(38,616,008)	(36,140,139)
Provisions for liabilities and charges	14	<u>(1,043,420)</u>	<u>(1,081,406)</u>
Net assets		19,181,075	12,631,546
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account		<u>19,181,073</u>	<u>12,631,544</u>
Total equity shareholders' funds		19,181,075	12,631,546

These financial statements were approved by the Board of Directors on 28 August 2020

Signed on behalf of the Board of Directors



N Ryder

Director

Date

The notes on pages 15 to 24 form part of these financial statements.

Tattershall Lakes Limited

Statement of changes in equity For the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2018	2	9,463,131	9,463,133
Profit and total comprehensive income for the year	-	3,168,413	3,168,413
At 31 December 2018	2	12,631,544	12,631,546
Profit and total comprehensive income for the year	-	6,549,529	6,549,529
At 31 December 2019	<u>2</u>	<u>19,181,073</u>	<u>19,181,075</u>

The notes on pages 15 to 24 form part of these financial statements.

Tattershall Lakes Limited

Notes to the financial statements **Year ended 31 December 2019**

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Company information

Tattershall Lakes Limited is a Company domiciled in England and Wales, registration number 07056893. The registered office is 575-599 Maxted Road, Hemel Hempstead, Hertfordshire, HP2 7DX.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 1(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

The directors have reviewed the Company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the Company's finances, contracts and likely future demand trends. The Company has a net current asset position of £27,333,000 (2018: £22,316,000) and a net asset position of £19,181,000 (2018: £12,632,000).

The directors have reviewed the company's projected income and cash flows which they have prepared on the basis of a detailed analysis of the company's finances, contracts and likely future demand trends to 31 December 2024. These projections indicate that the company will continue to be able to meet its liabilities as they fall due.

However, the Company's intermediate parent company, Archer Bidco Limited, is forecasting breaches in the covenants on the Group's lending facilities within twelve months of the date of approval of these financial statements as a result of the impact of the COVID-19 Pandemic. The bank facility is also secured by the assets held by the Group and its subsidiaries.

Tattershall Lakes Limited

Notes to the financial statements (continued) **Year ended 31 December 2019**

1. Accounting policies (continued)

Going concern (continued)

The directors have concluded that whilst the group has sufficient liquidity for the foreseeable future the ongoing discussions over bank covenants represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further, the Company has also received confirmation from its ultimate parent undertaking, Archer Topco Limited, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Assets under finance lease	Life of the lease
Buildings	50 years
Plant and machinery	4 to 10 years

No depreciation is provided on assets under construction

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is determined on the basis of the price paid for the goods including any cost of bringing the item to its current location or any additional enhancement expenditure. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Trade and other debtors

Short terms debtors are measured at transaction price, less any impairment.

Trade and other creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective rate of interest method.

Tattershall Lakes Limited

Notes to the financial statements (continued) **Year ended 31 December 2019**

1. Accounting policies (continued)

Taxation

The tax charge for the year represents the sum of the tax currently payable and deferred tax based on the taxable profit for the year.

Current tax is recognised for the amounts of Corporation Tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on all timing differences at the reporting date, except as otherwise indicated. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenditure in tax assessment in periods different from those in which they are recognised in the financial statements. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Lease assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Assets held under finance lease are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are analysed between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held as finance lease are included in tangible fixed assets and depreciated and assessed for impairment loss in the same way as owned assets.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers.

Caravan sales are recognised at the point of sale subject to either full cash receipt or a signed third-party finance agreement as that is when the significant risk and rewards of ownership transfer to the purchaser. Owners' rents are recognised on a straight-line basis over the 12-month period to which invoiced amounts relate. Hiring and touring income is recognised in full when holidays commence. Retail and other income are recognised at the point of sale. The Company earns sublet income for rentals arranged on Owners' Holiday Homes. The Company reports sublet income on a gross basis, where it is determined that the Company is the principal. That is, the amounts billed to our customers are recorded as revenues, and amounts paid to Owners are recorded as cost of revenues.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amounts charged to the profit and loss account represent the contribution payable to the scheme in respect of the accounting year.

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

1. Accounting policies (continued)

Financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, 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.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

As required by FRS 102 the directors have considered the impact of the Covid-19 pandemic on the financial statements. The World Health Organisation declared a global health emergency in January 2020 and a global pandemic in March 2020 and as the impact by the balance sheet date was limited to areas in China which do not have an impact on the operations or results of the Company, this has been treated as a non-adjusting post balance sheet event. The result of this is that the financial impact of the pandemic has not been considered in the estimates or judgements.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Company under the ground rent agreement are operating or finance leases. The decision depends on an assessment of whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider values issues such as future market conditions, the remaining life of the asset and projected disposal.

3. Segmental information

FRS 102 requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker, since they are primarily responsible for the allocation of resources to segments and the assessment of the performance of each segment.

The principal activity of the Company is the operation of a holiday park. Management consider there is only one operating segment, as this is the lowest level at which discrete financial information is available. All of the Company's income is generated from UK operations.

Turnover, analysed by category, was as follows:

	2019 £	2018 £
Sale of goods	23,254,126	18,077,497
Rendering of services	10,766,496	8,752,628
	<u>34,020,622</u>	<u>26,830,125</u>

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

4. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation on tangible fixed assets	1,751,086	1,547,923
Hire of other assets – operating leases	24,494	245,339
Management charge from group undertaking	991,500	739,856
Exceptional legal and professional fees	-	145,601
	<u> </u>	<u> </u>

Fees payable to the Company's auditor have been borne by the parent Company.

5. Remuneration of directors

Directors' remuneration is borne by the parent Company.

6. Staff number and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2019 Number	2018 Number
Directors	3	3
Administrative staff:		
Permanent	83	59
Seasonal	139	110
	<u> </u>	<u> </u>
	225	172
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	4,617,115	3,763,927
Social security costs	359,711	305,050
Pensions costs	42,473	17,559
	<u> </u>	<u> </u>
	5,019,299	4,086,536
	<u> </u>	<u> </u>

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £42,473 (2018: £17,559); £nil (2018: £nil) of this amount being unpaid at the year end.

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

7. Interest payable and similar charges

	2019 £	2018 £
Finance lease interest	957,773	197,736
Other interest payable	4,459	942
Contingent rent payable	6,185	-
	<u>968,417</u>	<u>198,678</u>

8. Taxation

	2019 £	2018 £
UK Corporation Tax	652,093	1,971,415
Total current tax	<u>652,093</u>	<u>1,971,415</u>
Deferred taxation charge	(37,986)	557,871
Total tax charge	<u>614,107</u>	<u>2,529,286</u>

Factors affecting the tax charge for the current year:

The current tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

Reconciliation of effective tax rate:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>7,163,636</u>	<u>5,697,699</u>
Current tax at 19.00% (2018: 19.00%)	<u>1,361,091</u>	<u>1,082,563</u>
Effects of:		
Expenses not allowable for Corporation Tax	108,260	30,849
Fixed asset timing differences	4,544	632,138
Other difference	(32,463)	2,939
Chargeable gain	-	2,294,313
Group relief received	(906,394)	(1,471,681)
Adjustments in respect of previous periods	62,465	21,293
Deferred tax not recognised	16,604	(63,128)
Total tax expense	<u>614,107</u>	<u>2,529,286</u>

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

9. Tangible fixed assets

	Land and buildings £	Assets under construction £	Other operating assets incl fleet £	Total £
Cost or valuation				
At the beginning of the year	25,352,350	956,992	6,280,917	32,590,259
Additions	3,834,968	1,154,786	803,822	5,793,576
Reclassifications	931,841	(957,302)	25,461	-
Disposals	-	-	(142,534)	(142,534)
At the end of the year	30,119,159	1,154,476	6,967,666	38,241,301
Accumulated depreciation				
At the beginning of the year	2,817,370	-	2,235,841	5,053,211
Charge for the year	752,943	-	998,143	1,751,086
Reclassification	-	-	-	-
Disposals	-	-	(70,471)	(70,471)
At the end of the year	3,570,313	-	3,163,513	6,733,826
Net book value				
At 31 December 2019	26,548,846	1,154,476	3,804,153	31,507,475
At 31 December 2018	22,534,980	956,992	4,045,076	27,537,048

Land and buildings consists of both leasehold land and buildings, there is no freehold land.

Tangible fixed assets with a carrying value of £ 31,507,475 (2018: £27,537,048) are pledged as security for the parent entity loans.

Ground rent transaction

The Company entered into a lease agreement in 2018, secured on the land and buildings of the Company. Under the terms of the agreement, the Company is subject to ongoing rental obligations ("ground rent") over the next 999 years. The assets have been reclassified to leasehold land and buildings, with a corresponding finance lease obligation recognised within finance lease liabilities. The total net book value of the assets (including land and building) held under finance lease is £26,548,846 (2018: £16,957,843).

Additional funds were received during the year for pitch developments, disclosed in note 13.

Tattershall Lakes Limited

Notes to the financial statements (continued)

Year ended 31 December 2019

10. Stock

	2019 £	2018 £
Goods for resale	<u>2,367,486</u>	<u>2,217,037</u>

Stock recognised in cost of sales during the year as an expense was £10,568,544 (2018: £7,910,987).

The total carrying amount of stock is pledged as security for the parent entity's bank loans.

11. Debtors

	2019 £	2018 £
Trade debtors	2,850,407	2,488,799
Prepayments	555,190	424,366
Other debtors	8,458	8,458
Amounts owed from group undertakings	<u>27,499,706</u>	<u>23,503,971</u>
	<u>30,913,761</u>	<u>26,425,594</u>

Amounts due from group undertakings are receivable on demand and do not earn interest income.

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	5,408,667	4,252,011
Taxation and social security	447,929	1,975,161
Finance lease liabilities	92,597	84,873
Other creditors	<u>46,257</u>	<u>17,789</u>
	<u>5,995,450</u>	<u>6,329,834</u>

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

13. Finance leases

Finance lease liabilities are payable as follows:

	Minimum lease payments £	Interest £	Principal £
Less than one year	1,056,114	963,517	92,597
Between one and five years	5,280,570	4,781,842	498,728
More than five years	98,218,603	60,101,323	38,117,280
At 31 December 2019	104,555,287	65,846,682	38,708,605
Less than one year	986,514	901,641	84,873
Between one and five years	4,932,570	4,475,446	457,124
More than five years	92,513,391	56,830,376	35,683,015
At 31 December 2018	98,432,475	62,207,463	36,225,012

In 2018 the Company entered into a lease agreement for 999 years, secured on the land and buildings of the Company. The ongoing rental obligations is £1,056,114 (2018: £986,514) per annum, increased for indexation annually, with a peppercorn annual rental payment after year 100 to the end of the lease term.

Arrangement fees associated with the finance lease of £463,393 have been capitalised and will be amortised into income over the life of the lease.

During the year, the company received additional funding of £2,009,302 in February 2019 and £580,465 in July 2019 for pitch developments. Arrangement fees of £18,125 in February 2019 and £5,236 in July 2019 associated with this funding have been capitalised and will be amortised into income over the life of the lease.

14. Provisions for liabilities and charges

	2019 £	2018 £
Deferred taxation (relating to fixed asset timing differences)	1,043,420	1,081,406
The above balance is made up of the following:		
Balance at 1 January	1,081,406	523,535
Debit to profit and loss account during the year	(37,986)	557,871
Balance at 31 December	1,043,420	1,081,406

Tattershall Lakes Limited

Notes to the financial statements (continued) Year ended 31 December 2019

15. Called up share capital

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i>		
2 (2018 – 2) ordinary shares of £1 each	2	2

Ordinary shares rank equally in terms of rights to dividends, repayments of capital and voting.

16. Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes current and prior period retained profits and losses.

17. Commitments

(a) Capital commitments at 31 December 2019 were £3,485,791 (2018: £3,856,154).

(b) The Company's future minimum operating lease payments are as follows:

	2019	2018
	£	£
Within one year	4,419	555
Between two and five years	15,023	2,221
Over five years	-	185
	<u>19,442</u>	<u>2,961</u>

18. Subsequent events

The impact of the COVID-19 pandemic and the temporary closure in 2020 of the park to holiday homeowners and holidaymakers has resulted in a reduction in the profitability of the business in the forthcoming period. Details of the impact of COVID-19 and the decisions made by management to safeguard the business, its employees and customers, are detailed in the Strategic Report.

19. Ultimate parent Company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of Aaway Resorts Limited, a company registered in England and Wales. The ultimate parent company is Archer Topco Limited, a company registered in Jersey.

The smallest group in which the results of the company are consolidated is that headed by Willoughby (880) Limited, incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Archer Topco Limited, incorporated in Jersey and registered at the Jersey Financial Services Commission, 14-18 Castle Street, St Helier, Jersey, JE4 8TP.