

# Artemis Holdco 1 Limited

Report and Financial statements

Period ended

31 December 2022

Company Number 13436174

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# Artemis Holdco 1 Limited

## Annual report and financial statements Contents and Company information

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### Contents

3	Group strategic report
7	Directors' report
9	Directors' responsibilities statement
10	Independent auditor's report
13	Consolidated statement of comprehensive income
14	Consolidated statement of financial position
15	Consolidated statement of cash flows
17	Consolidated statement of changes in equity
18	Notes forming part of the consolidated financial statements
37	Parent company statement of financial position
38	Parent company statement of changes in equity
39	Notes forming part of the parent company financial statements

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### Directors

Carl Castledine  
Alexander Rankine  
David Wells

### Registered office

The Maylands Building  
200 Maylands Avenue  
Hemel Hempstead  
England, HP2 7TG

### Company number

13436174

### Auditors

Ballards LLP  
Oakmoore Court  
11o Kingswood Road  
Hampton Lovett, Droitwich  
England, WR9 0QH

# Artemis Holdco 1 Limited

## Group Strategic Report

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The Directors present the Group Strategic Report for the 18 month period ended 31 December 2022.

### Objective and Strategy

The principal objective of the group is the operation of a portfolio of holiday parks 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 parks' infrastructure.

The principal activity of the Company is that of a holding company.

### Business Review

This is the Groups first active period of trading, having commenced the period as a dormant holding company. The Group, supported by funds from the controlling party and external debt, has made a number of significant acquisitions including the Away Resorts, Aria and Coppergreen holiday park groups.

These parks have joined together under the Away Resorts brand and formed one of the leading holiday park groups in the UK, backed by CVC Capital Partners as controlling party.

As this is the first period of the combined group, presented for an 18-month period with the acquisitions happening during late 2021 and early 2022, the financial results of the group do not represent a normalised underlying set of results of the group nor have comparative period financial information. This is further distorted by the impact of COVID during the period.

### Trading and financial result for the period

The focus in the period was the acquisition and subsequent integration of the various groups under the Away Resorts brand and operations, which was significantly completed. The business also continued to be impacted by COVID in the early part of the period, and economic factors such as increased inflation and fuel prices.

The Group generated revenue of £229m and an operating loss before amortisation and impairment of £2m in the period, which includes results of the parks from acquisition. As discussed below, due to the amortisation and impairment charges totalling £298m together with interest payable of £67m (net of fair value gain) the resulting loss before tax totalled £366m.

### Acquisitions and funding

The group made three major acquisitions in the period, each being funded by a mix of loan notes due from the controlling party not repayable until 2030, and external bank debt not due for repayment until 2028. Details of the acquisitions and external debt can be found in notes 9 and 16 to these financial statements.

### Impairment

The group came together between October 2021 and January 2022. Whilst recovery from COVID and trading has been strong, external headwinds have since impacted the business and forecast period. Higher interest rates (impacting discount rates used in forecasting) have resulted in management concluding the goodwill arising on acquisitions should be impaired in the period causing, together with amortisation, a £290m charge.

### Balance sheet and liquidity

The Group has net current liabilities of £7m (2021: £nil) at the reporting date, including cash of £23m (2021: £nil). As referred to above, the Group's external debt is not due for repayment until 2028-2030 and the Group has available undrawn bank facilities to support working capital and future growth. After the impairment charge in the period of £298m, net liabilities at the reporting date total £359m.

The Company's balance sheet comprises investments in the group, funded through loan notes as stated above.

### Going concern

The group's balance sheet is funded through long term debt not due for repayment for more than 5 years from the balance sheet date. The group has a positive working capital cycle and continues to invest in the park portfolio for the long term. The group also maintains strong relationships with its shareholders and lenders.

# Artemis Holdco 1 Limited

## Group Strategic Report

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Management has prepared forecasts for the period to 31 December 2024 (the 'going concern period') on a base case and downside scenario, which trading continues to be monitored against. This reflects the experience in the 2022 and 2023 seasons and also factors in current economic headwinds.

On both base case and downside forecasts, the group does not require any further funding to meet its liabilities as they fall due within the going concern period. The sensitised downside forecast still shows adequate cash for all periods throughout the going concern period and no liquidity issues have been identified in respect of the group's liabilities as they fall due.

The group is required to comply with a net debt covenant as part of the facility agreement on its bank loans (see Note 16), however, a covenant breach is forecast at Q4 2023 and Q1 2024 in both base case and downside scenarios. The lending agreement stipulates that an equity cure is available to cure the breach should it arise. Therefore, to mitigate this potential breach, the majority shareholder, CVC Fund VIII, has provided an equity commitment letter which confirms that it will provide shareholder financing up to the amount of £10m to cover the potential breach. This equity commitment letter was signed on 6 December 2023 and is in place until 31 December 2024. Revised forecasts including this equity commitment result in significant headroom for the net debt covenant at all periods.

As a result, management are confident that the group will continue as a going concern for the foreseeable future, and continued investment in the park estate will ensure the long term vision of the Group.

### **Future developments and subsequent events**

Following the significant acquisitions in late 2021 and early 2022, the group has focussed on integrating the businesses and developing the Away Resorts brand. This has continued into 2023, together with continued growth and close management given the economic headwinds and price pressure.

There have been no material subsequent events.

### **Principal risks and uncertainties**

#### *Competition*

The group 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 Group's ability to meet its expectations and objectives. Competitors' pricing policies and strategies are kept under review and these influence the Group's strategies accordingly.

#### *Quality of customer service*

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

#### *Information systems and Cyber security*

The Group'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 group utilises cloud based and off site hosting together with regular backups and resilience planning to ensure a robust IT environment.

The group developed its in house IT team in the period and continues to partner with specialist external IT support companies to provide comprehensive support on a continuous basis. The group continues to invest in Cyber security, with a focus on training of teams and maintaining a best in class IT security environment. Cyber security risk continues to be a recurring board topic.

#### *Retention of key personnel*

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

#### *Global pandemics*

As demonstrated during the national lockdown in 2020 and 2021, the business would be significantly affected by a pandemic in the locations or some or all parks. The group invested heavily in recent periods including the

# Artemis Holdco 1 Limited

## Group Strategic Report

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provision of updated operational manuals and acquisition of safeguarding equipment in order to provide protection to our employees and customer base, and these areas continue to be monitored and expanded as required.

### *Variability of weather conditions*

The Group provides UK holidays in both caravan and chalet 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 Group's product. The Group mitigates this uncertainty by promoting all weather activities and managing prices in response to demand.

### *Availability of financing partners*

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

### *Political and economic 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 Group is also impacted by UK direct and indirect tax changes, together with inflation and government actions to manage or mitigate this. The Group manages this risk wherever possible through active management and engagement with stakeholders, reforecasting and monitoring for changes in the wider environment.

### **Section 172 statement**

The Board has a duty under the Companies Act 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 period 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. Significant matters in the period relate to engagement with shareholders on the planned acquisitions and the funding requirements, together with the business strategy.

### *Financing partners*

The group works closely with funding partners, be they external debt providers, shareholders, or those in the operational business. The Group is committed to honouring and fulfilling its loan covenants with the bank which it is reliant upon for development and growth in the business. The group worked with partners in the period on the acquisitions as discussed above, together with a number of sale and leaseback transactions as described in note 17.

### *Employees*

The Group 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 Group's aim is to recruit, train and promote the best person for the job and to create a working environment free from unlawful discrimination, victimisation and harassment, and in which all employees are treated with dignity and respect.

# Artemis Holdco 1 Limited

## Group Strategic Report

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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 Group 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 Groups Health & Safety Policy guides the Groups 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.

### *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. Included in the principal risks above is the Quality of customer service, underlying the Group's focus in this area.

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.

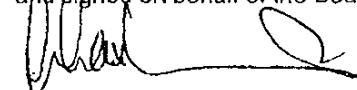
### *Regulators and tax authorities*

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.

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



C Castledine

Director

15 December 2023

# Artemis Holdco 1 Limited

## Directors' Report

The directors present their annual report and the audited financial statements for the period ended 31 December 2022. This directors' report should be read together with the Group strategic report.

### *Proposed dividend*

The directors do not recommend the approval of any dividends in respect of the period.

### *Employees*

The group 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 group 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.

Employee engagement is a focus for the management team. The group operates a number of engagement opportunities throughout the year including visiting sites, in person and virtual meetings, regular communications, incentives and awards.

### *Post balance sheet events*

Material post balance sheet events are disclosed in note 22 of the financial statements.

### *Matters covered in the Strategic Report*

Disclosure of the Company's review of business, going concern and future developments are included in the Strategic Report.

### *Directors and their interests*

The directors who held office during the period and to the date of this report were as follows:

Carl Castledine (appointed 23 August 2023)

Alexander Rankine

David Wells

Neill Ryder (resigned 19 June 2023)

Directors indemnity insurance is maintained for all directors by the company.

### *Matters covered in the Strategic Report*

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

## **Greenhouse gas emissions, energy consumption and energy efficiency action**

The Group is committed to reducing its environmental impact and has made recent Environment and Sustainability appointments to drive this agenda. The disclosures below are provided in accordance with the requirements of the Streamlined energy and carbon reporting (SECR). The Group continues to improve its internal data capture mechanisms to report energy use with greater transparency and accuracy.

During the period and subsequently the Group appointed an external consultant to support the collation and interpretation of energy data in the expanded park base. The outputs of this are being used by the board to support the short and long term goal setting process and to pursue energy-saving projects.

	2022
Scope 1 emissions (ltrs)	4,619,281
Scope 1 emissions (kWh)	2,981,661
Scope 2 emissions (kWh)	27,526,868
GHG emissions* (tCO <sub>2</sub> )	13,208
Intensity ratio** (kgCO <sub>2</sub> /£k)	0.065

# Artemis Holdco 1 Limited

## Directors' Report

No comparative data has been presented as this is the first period of group trading. Amounts have been presented for the combined group covering the 12 months to December 2022 as management consider an annual measure more understandable and will allow better comparison in future reports.

As part of the groups focus on sustainability we have partnered with 'Creating Tomorrow's Forest' to fight climate change and fund tree planting, together with a number of other charities and initiatives. More information can be found at [awayresorts.co.uk/about/sustainability](https://awayresorts.co.uk/about/sustainability).

\* The carbon intensity of procured electricity using location based methodology (source: International energy agency 2022).

\*\* Total emissions divided by revenue

\*\*\* The Group is developing its data capture process for transport emissions and it is not practicable to obtain this information yet, however management will seek to include this in future reports.

### Financial instruments and financial risk management

The Group's activities expose it to a number of financial risks including credit risk, interest rate risk, cash flow risk and liquidity risk.

#### *Interest rate risk*

The Group finances its operations through a mixture of retained profits and borrowings. The group has a mix of borrowings with fixed and variable interest rates. The group does not hedge against interest rates.

#### *Credit risk*

The Group's principal financial assets are bank balances and cash, trade debtors and other receivables. The Group's credit risk is primarily attributable to trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large range of customers. The credit risk of liquid funds is limited, because counterparties are banks with high credit ratings assigned by international credit rating agencies.

#### *Cash flow risk*

Funding has been arranged by the group in the period as stated in the Strategic Report, with repayments not due for more than 5 years from the balance sheet date. The group has further undrawn facilities available and maintains a healthy cash position. Future cash flow requirements are closely monitored to manage cash flow risk.

#### *Liquidity risk*

The group has arranged long and short-term debt facilities in order to ensure sufficient funds are available for ongoing operations and future developments. Following sale and leaseback transactions a portion of debt is now held in subsidiary companies under the ground rent agreements as a financial lease liability.

#### *Statement of disclosure to auditor*

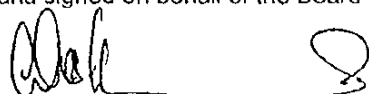
The directors confirm that:

- 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**

The group appointed Ballards LLP for the financial period. A resolution to re-appoint Ballards LLP 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



C Castlrodino  
Director  
15 December 2023



# Artemis Holdco 1 Limited

## Statement of Directors' Responsibilities

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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; 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.

# Artemis Holdco 1 Limited

## Independent Auditor's Report

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### Independent Auditor's Report to the Members of Artemis Holdco 1 Limited

#### Opinion

We have audited the financial statements of Artemis Holdco 1 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Total Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the 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.

#### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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.

# Artemis Holdco 1 Limited

## Independent Auditor's Report

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### Opinion on other matter 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 period 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 our 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 the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 9, 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *Identifying and assessing potential risks related to irregularities*

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to: – identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; – detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; – the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

# Artemis Holdco 1 Limited

## Independent Auditor's Report

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: stock and revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Bribery Act as well as pensions legislation and tax legislation.

### *Audit response to risks identified*

As a result of performing the above, we identified stock and revenue recognition as key audit matters related to the potential risk of fraud.

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

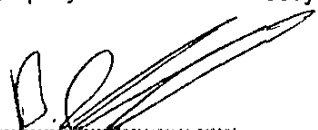
- testing the calculation of stock values and agreeing supporting documentation to assess accuracy of the valuation;
- testing stock schedules to physical items and vice versa to ensure completeness
- enquiring of management concerning stock items;
- testing of all material revenue streams to supporting documentation
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



.....  
Benjamin Powell MSc ACA CTA (Senior Statutory Auditor)  
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court  
11c Kingswood Road  
Hampton Lovett  
Droitwich  
Worcestershire WR9 0QH

15 December 2023

# Artemis Holdco 1 Limited

## Consolidated statement of comprehensive income for the Period ended 31 December 2022

	Note	Dec 2022 £'000	Jun 2021 £'000
Revenue	4	229,230	-
Cost of sales		(80,571)	-
<b>Gross profit</b>		<b>148,659</b>	<b>-</b>
Administrative expenses		(150,671)	-
<b>Operating loss before amortisation and impairment</b>		<b>(2,012)</b>	<b>-</b>
Amortisation and impairment	11	(297,730)	-
<b>Operating loss</b>	5	<b>(299,742)</b>	<b>-</b>
Interest receivable and similar income	6	18	-
Interest payable and similar charges	6	(73,850)	-
Gain on financial instruments held at fair value	14	7,220	-
<b>(Loss)/Profit before tax</b>		<b>(366,354)</b>	<b>-</b>
Tax credit	8	6,080	-
<b>(Loss)/Profit and total comprehensive income for the financial period</b>		<b>(360,274)</b>	<b>-</b>

The notes on pages 18 to 35 form part of these financial statements.

# Artemis Holdco 1 Limited

## Consolidated statement of financial position as at 31 December 2022

Company number: 13436174	Note	Dec 2022 £'000	Jun 2021 £'000
<b>Fixed assets</b>			
Intangible assets	11	34,848	-
Tangible assets	10	610,588	-
		<hr/>	<hr/>
		645,436	-
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories	13	25,885	-
Trade and other receivables	14	33,245	-
Cash and cash equivalents		23,334	-
		<hr/>	<hr/>
		82,464	-
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	15	89,683	-
		<hr/>	<hr/>
<b>Net current liabilities</b>		(7,219)	-
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>			
Loans and borrowings	16	733,075	-
Finance lease liabilities	17	173,105	-
Deferred tax liability	18	91,472	-
		<hr/>	<hr/>
		997,652	-
		<hr/>	<hr/>
<b>NET (LIABILITIES)</b>		(359,435)	-
		<hr/>	<hr/>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	19	8	-
Share premium reserve	19	831	-
Retained earnings		(360,274)	-
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>	20	(359,435)	-
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board of Directors on 15 December 2023 and were signed on its behalf by:



C Castledine  
Director

The notes on pages 18 to 35 form part of these financial statements.

# Artemis Holdco 1 Limited

## Consolidated statement of cash flows for the Period ended 31 December 2022

	Note	Dec 2022 £'000	Jun 2021 £'000
<b>Cash flows from operating activities</b>			
Loss before tax for the Period		(366,354)	-
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	10	19,592	-
Amortisation and impairment of intangible fixed assets	11	297,730	-
Finance income	6	(18)	-
Finance expense	6	73,850	-
Fair value gain on interest swap	14	(7,220)	-
Increase in trade and other receivables		(44,711)	-
Increase in inventories		(18,459)	-
Decrease in trade and other payables		28,318	-
Income taxes paid		-	-
<b>Net cash flows used in operating activities</b>		<b>(17,272)</b>	-
<b>Investing activities</b>			
Acquisition of subsidiary	9	(406,743)	-
Cash acquired from subsidiary	9	16,937	-
Purchases of property, plant and equipment	10	(82,332)	-
Interest received		18	-
<b>Net cash used in investing activities</b>		<b>(472,120)</b>	-
<b>Financing activities</b>			
Issue of ordinary shares	19	839	-
Proceeds from loans and borrowings	16	695,407	-
Repayment of loans and borrowings	9	(193,683)	-
Proceeds from new finance leases	17	48,767	-
Repayment of finance leases	17	(3,665)	-
Interest paid on loans and borrowings	6	(34,939)	-
<b>Net cash from financing activities</b>		<b>512,728</b>	-
<b>Net increase in cash and cash equivalents</b>		<b>23,334</b>	-
Cash and cash equivalents at beginning of Period		-	-
<b>Cash and cash equivalents at end of Period</b>		<b>23,334</b>	-

# Artemis Holdco 1 Limited

## Consolidated statement of cash flows for the Period ended 31 December 2022

### Analysis of changes in net debt for the Group

	At 1 July 2021 £'000	Cashflows £'000	Other non-cash changes £'000	At 31 December 2022 £'000
<b>Cash and cash equivalents</b>				
Cash	-	23,334	-	23,334
	-	23,334	-	23,334
<b>Borrowings</b>				
Finance lease due within one year	-	(3,665)	2,831	(834)
Finance lease due after one year	-	48,767	(221,872)	(173,105)
Bank loans due after one year	-	(169,677)	(175,982)	(345,659)
Loan Notes due to ultimate parent company	-	(332,047)	(37,668)	(369,715)
Amounts due to parent company	-	(16,818)	-	(16,818)
	-	(473,440)	(432,691)	(906,131)
<b>Total</b>	-	(450,106)	(432,691)	(882,797)

The Group had no net debt in the comparative period.

The notes on pages 18 to 35 form part of these financial statements.



## Artemis Holdco 1 Limited

### Consolidated statement of changes in equity for the Period ended 31 December 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
On incorporation	-	-	-	-
Loss and total comprehensive income for the year	-	-	-	-
<b>At 30 June 2021 and 1 July 2021</b>	-	-	-	-
Loss and total comprehensive income for the year	-	-	(360,274)	(360,274)
Issue of new shares	8	831	-	839
<b>At 31 December 2022</b>	<b>8</b>	<b>831</b>	<b>(360,274)</b>	<b>(359,435)</b>

The notes on pages 18 to 35 form part of these financial statements.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

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### 1 General information

Artemis Holdco 1 Limited is a private company limited by shares and incorporated in England. Its registered office is stated on the Company Information page.

### 2 Accounting policies

#### *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 (£), which is the Group's presentational currency, and the functional currency of the parent and all subsidiaries. Amounts are rounded to the nearest thousand.

The financial statements cover the 18 month period to December 2022, to align to the acquired entities.

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

The company has taken advantage of the exemption contained in FRS 102, section 33 and has therefore not disclosed transactions or balances with the entities which are wholly owned by the group.

#### *Going concern*

The group's balance sheet is funded through long term debt not due for repayment for more than 5 years from the balance sheet date. The group has a positive working capital cycle and continues to invest in the park portfolio for the long term. The group also maintains strong relationships with its shareholders and lenders.

Management has prepared forecasts for the period to 31 December 2024 (the 'going concern period') on a base case and downside scenario, which trading continues to be monitored against. This reflects the experience in the 2022 and 2023 seasons and also factors in current economic headwinds.

On both base case and downside forecasts, the group does not require any further funding to meet its liabilities as they fall due within the going concern period. The sensitised downside forecast still shows adequate cash for all periods throughout the going concern period and no liquidity issues have been identified in respect of the group's liabilities as they fall due.

The group is required to comply with a net debt covenant as part of the facility agreement on its bank loans (see Note 16), however, a covenant breach is forecast at Q4 2023 and Q1 2024 in both base case and downside scenarios. The lending agreement stipulates that an equity cure is available to cure the breach should it arise. Therefore, to mitigate this potential breach, the majority shareholder, CVC Fund VIII, has provided an equity commitment letter which confirms that it will provide shareholder financing up to the amount of £10m to cover the potential breach. This equity commitment letter was signed on 6 December 2023 and is in place until 31 December 2024. Revised forecasts including this equity commitment result in significant headroom for the net debt covenant at all periods.

As a result, management are confident that the group will continue as a going concern for the foreseeable future, and continued investment in the park estate will ensure the long term vision of the Group.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 2 Accounting policies (continued)

#### **Basis of consolidation**

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

#### **Revenue**

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. Credit notes issued to owners for specific periods due to park closures are recognised over the period to which they relate. Hiring and touring income are recognised in full when holidays commence. Retail and other related income are recognised at the point of sale. The Group earns sublet income for rentals arranged on Owners' Holiday Homes. The Group reports sublet income on a gross basis, where it is determined that the Group is the principal.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all tangible fixed assets, other than freehold land, 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:

Land under finance lease – Over the lease  
Buildings – 15 to 50 years  
Fixtures, fittings and equipment – 3 to 20 years

No depreciation is provided on freehold land or assets under construction.

#### **Goodwill**

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, together with direct transaction costs. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 10 years.

#### **Intangible assets (excluding goodwill)**

Intangible assets arise primarily from business combinations and cost reflects the fair value on acquisition. The intangible assets are amortised over their useful economic life between 7 and 10 years.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

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### 2 Accounting policies (*continued*)

#### ***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 estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### ***Financial assets***

##### ***Loans, prepayments and loans to fellow group undertakings***

Prepayments are measured at transaction cost. Loans made to fellow group undertakings are initially measured at fair value net of transactions costs and then they are subsequently measured at amortised cost using the effective interest rate less impairment.

##### ***Amortised cost***

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

#### ***Financial liabilities***

##### ***Other financial liabilities***

Bank borrowings and Loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Financial liabilities arising from sale and leaseback transactions follow the same measurement basis, as described below.

##### ***Finance costs***

Finance costs, comprising interest payable on loans, secured notes and the costs incurred in connection with the arrangements of borrowings are recognised in profit or loss using the effective interest rate method.

#### ***Inventories***

Stocks are 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.

#### ***Cash and liquid resources***

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

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### 2 Accounting policies (continued)

#### **Share capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

#### **Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

#### **Government grants**

Government grants are recognised in the income statements over the same period as the costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income.

#### **Leases**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Rentals payable under operating leases are charged to income statement 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.

#### **Sale and leaseback transactions**

Where a financing transaction takes place involving property which does not result in derecognition of the property, the transaction is accounted for as financing.

The proceeds received at inception are treated as a financial liability. Following initial recognition, repayments reduce the liability, and a financing charge is recognised in the income statement on an effective interest rate basis. The finance charge is allocated to each period during the lease term so as to produce a consistent charge.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

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### 2 Accounting policies (*continued*)

#### ***Pensions***

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

#### ***Other long-term service benefits***

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

#### ***Taxation***

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

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 taxation***

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

#### ***Provisions***

The group has recognised provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

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### 3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

#### *Judgements*

##### *Identification of acquired assets and liabilities on business combinations, and determination of fair value*

On business combinations, an assessment is made of the fair value of the assets and liabilities acquired. Management exercise judgement in the identification of all separately identifiable assets and liabilities, including intangible assets and deferred taxation. The difference between the fair value of identified assets and liabilities, and consideration paid to acquire the business (together with direct transaction costs) is recognised as goodwill. The useful economic life of goodwill is also a judgement made by the directors.

##### *Impairment indicators*

Management assess, as required under FRS 102 para 27, whether there are any indicators that any asset may be impaired. Judgement is required when taking into consideration both external and internal sources of information. Management did not identify any impairment indicators at period end and no impairment has arisen in the group in the period or subsequently.

##### *Accounting for sale and leaseback transactions*

The group has a number of parks which have been subject to sale and leaseback transactions in the current period or previously. Key judgements at the time of the transaction relate to if the group has retained control of the park following the transaction, and whether the leases entered into are operating or finance leases. Where the group has retained control of the park, the transaction is accounted for as a financing transaction.

#### *Estimates and assumptions*

##### *Useful life and residual values of fixed assets*

To determine the useful life and residual values of fixed assets, management is required to make estimates of current and future results of the group. The decision depends on an assessment of the use to which assets are put and their future alternative use.

##### *Fair value of identified acquired assets and liabilities on business combinations*

Once the acquired assets and liabilities have been identified, management utilise estimates in the measurement of fair value at acquisition. The fair value of tangible and intangible assets acquired is based on various valuation methods including external property valuation and discounted cash flows expected to be derived from the use of the asset. Where required, management involve valuation specialists.

# Artemis Holdco 1 Limited

Notes forming part of the consolidated financial statements  
for the Period ended 31 December 2022

## 4 Revenue

*Revenue is generated in the United Kingdom and comprises:*

	Dec 2022 £'000	Jun 2021 £'000
Sale of goods	112,263	-
Rendering of services	116,967	-
	<u>229,230</u>	<u>-</u>

## 5 Operating loss

*Operating loss is stated after charging:*

	Dec 2022 £'000	Jun 2021 £'000
Depreciation on tangible fixed assets	19,592	-
Amortisation of goodwill and intangible assets	33,711	-
Impairment of goodwill	264,019	-
Exceptional costs	11,548	-
	<u></u>	<u></u>

Exceptional costs relate to completed, aborted and potential acquisition costs, together with non-operational and restructure costs not expected to recur.

	Dec 2022 £'000	Jun 2021 £'000
<b>Auditors remuneration</b>		
Audit of the Group	165	-
	<u></u>	<u></u>

## 6 Finance income and expense

*Recognised in profit or loss*

	Dec 2022 £'000	Jun 2021 £'000
<b>Finance income</b>		
Interest received on bank deposits	18	-
	<u></u>	<u></u>
<b>Finance expense</b>		
Interest on bank loans	26,585	-
Amortisation of debt issue costs	1,243	-
Other bank interest payable	1,139	-
Interest on loan notes	37,668	-
Finance lease interest	3,298	-
Contingent rent	3,917	-
	<u>73,850</u>	<u>-</u>



# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 7 Employee benefit expenses

	Dec 2022 £'000	Jun 2021 £'000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	41,828	-
Social security contributions	3,520	-
Defined contribution pension cost	600	-
	<u>45,954</u>	<u>-</u>

### Average staff numbers

	Dec 2022	Jun 2021
Directors	3	-
Operations	2,044	-
	<u>2,047</u>	<u>-</u>

### Directors' remuneration

	Dec 2022 £'000	Jun 2021 £'000
Salary	1,566	-
Defined contribution pension cost	214	-
	<u>1,780</u>	<u>-</u>

Total emoluments and amounts receivable by the highest paid director in the Group was £462,804.

#### *Pension benefits*

The group operates a defined contribution scheme for all staff, total contributions payable in the period are disclosed above. The assets and liabilities of the scheme are held separately to the group.

# Artemis Holdco 1 Limited

Notes forming part of the consolidated financial statements  
for the Period ended 31 December 2022

## 8 Taxation

	Dec 2022 £'000	Jun 2021 £'000
<b><i>Tax credit</i></b>		
Current tax expense		
Current tax on profits for the Period	505	-
<b>Total current tax</b>	<b>505</b>	<b>-</b>
Deferred tax expense (recovery)		
Origination and reversal of temporary differences (Note 18)	5,575	-
<b>Total deferred tax</b>	<b>5,575</b>	<b>-</b>
<b>Total tax credit</b>	<b>6,080</b>	<b>-</b>

### ***Tax reconciliation***

The reasons for the difference between the actual tax charge for the Period and the standard rate of corporation tax in the United Kingdom applied to profits for the Period are as follows:

	Dec 2022 £'000	Jun 2021 £'000
Loss for the Period	(366,354)	-
Tax using the Company's domestic tax rate of 19% (Jun 2021 - 19%)	(69,607)	-
Expenses not deductible for tax purposes	58,936	-
Effect of changes in tax rates on recognised deferred tax liabilities	(583)	-
Timing differences where no deferred tax asset has been recognised	5,870	-
Adjustments to acquired income tax provisions	(696)	-
<b>Total tax credit</b>	<b>(6,080)</b>	<b>-</b>

### ***Changes in tax rates and factors affecting the future tax charge***

On 3 March 2021, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023, which was enacted in May 2021. Deferred tax balances arising on acquisition and at period end are measured at 25%.

## Artemis Holdco 1 Limited

### Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

#### 9 Acquisitions

During the period the Group has made a number of acquisitions. All acquisitions relate to groups of holiday parks based in the UK and have been combined by the Group to form the expanded Away Resorts Group. All acquisitions relate to 100% of the issued share capital of the acquired company.

- In October 2021 the Group acquired Archer Topco Limited and its subsidiaries ("Archer"). Consideration totalled £167m plus transaction costs payable on completion.
- In November 2021 the Group acquired AG Holiday Parks UK Limited and its subsidiaries ("Aria"). Consideration totalled £179m plus transaction costs payable on completion.
- In November 2021 the Group acquired Holiday Park Holdings Limited and its subsidiary, Golden Sands Holiday Camp (Rhyl) Limited ("Golden"). Consideration totalled £15.5m payable on completion.
- In January 2022 the Group acquired Coppergreen Developments Limited ("Copper"). Consideration totalled £86m payable on completion and a further £2m contingent on future events, plus costs.

<i>Net assets acquired</i>	<b>Archer £'000</b>	<b>Aria £'000</b>	<b>Golden £'000</b>	<b>Copper £'000</b>	<b>Total £'000</b>
Intangible assets	29,300	10,900	-	-	40,200
Tangible assets	248,700	198,000	13,973	87,175	547,848
Inventories	6,783	71	263	183	7,300
Trade and other debtors	12,196	13,643	275	602	26,716
Cash	7,353	1,016	2,552	6,016	16,937
Trade and other payables	(25,999)	(24,474)	(1,947)	(6,668)	(59,088)
Loans and borrowings	(140,400)	(130,700)	-	(48,100)	(319,200)
Deferred tax	(38,192)	(35,678)	(360)	(22,817)	(97,047)
<b>Total net assets acquired</b>	<b>99,741</b>	<b>32,778</b>	<b>14,756</b>	<b>16,391</b>	<b>163,666</b>
<b>Goodwill</b>	<b>70,739</b>	<b>149,632</b>	<b>361</b>	<b>71,646</b>	<b>292,378</b>
<b>Total</b>	<b>170,480</b>	<b>182,410</b>	<b>15,117</b>	<b>88,037</b>	<b>456,044</b>
<i>Purchase consideration</i>					
Cash paid	166,779	178,709	15,117	86,410	447,015
Transaction costs	3,701	3,701	-	1,627	9,029
<b>Total</b>	<b>170,480</b>	<b>182,410</b>	<b>15,117</b>	<b>88,037</b>	<b>456,044</b>

#### Key judgements and estimates relating to acquisitions

- The significant fair value adjustments made at acquisition relate to the adjustment of land and buildings to its fair value, recognition of intangible assets, and related deferred taxes.
- Management consider it remote that the contingent consideration payable relating to the Copper acquisition will be payable as it is unlikely the future events they are dependent on will occur.
- Intangible assets relate to customer lists and the 'Away Resorts' brand.
- Tangible assets have been revalued to their market value based on internal and external valuations.
- The goodwill arising on the acquisitions is attributable to the workforce, know how and intangible assets not required to be recognised under FRS102. The useful life is estimated to be ten years.

# Artemis Holdco 1 Limited

Notes forming part of the consolidated financial statements  
for the Period ended 31 December 2022

## 10 Property, plant and equipment

	Land and buildings £'000	Fleet £'000	Fixtures, Equipment and Plant £'000	Assets under construction £'000	Total £'000
<b>Cost</b>					
At 1 July 2021	-	-	-	-	-
Business combination (note 9)	495,674	42,452	9,722	-	547,848
Additions	32,360	31,361	12,935	5,676	82,332
	<u>528,034</u>	<u>73,813</u>	<u>22,657</u>	<u>5,676</u>	<u>630,180</u>
<b>At 31 December 2022</b>	<b>528,034</b>	<b>73,813</b>	<b>22,657</b>	<b>5,676</b>	<b>630,180</b>
<b>Accumulated depreciation</b>					
At 1 July 2021	-	-	-	-	-
Depreciation	8,698	8,319	2,575	-	19,592
	<u>8,698</u>	<u>8,319</u>	<u>2,575</u>	<u>-</u>	<u>19,592</u>
<b>At 31 December 2022</b>	<b>8,698</b>	<b>8,319</b>	<b>2,575</b>	<b>-</b>	<b>19,592</b>
<b>Net book value</b>					
At 30 June 2021	-	-	-	-	-
At 31 December 2022	519,336	65,494	20,082	5,676	610,588

### Land and buildings

Land and buildings consist of both freehold and leasehold assets. Freehold land has a net book value of £26,127,309 and is not depreciated.

The net carrying value of land and buildings held under finance leases is £323,452,000 (2021 – Nil). The Group retains full operational control of parks under finance leases. See note 17 for further information.

Total tangible fixed assets are pledged as security for the Groups bank loans.

# Artemis Holdco 1 Limited

Notes forming part of the consolidated financial statements  
for the Period ended 31 December 2022

## 11 Intangible assets

	Trade marks £'000	Customer relationships £'000	Goodwill £'000	Total £'000
<b>Cost</b>				
<b>At 1 July 2021</b>	-	-	-	-
Acquired through business combinations (note 9)	17,500	22,700	292,378	332,578
<b>At 31 December 2022</b>	<b>17,500</b>	<b>22,700</b>	<b>292,378</b>	<b>332,578</b>
<b>Accumulated amortisation and impairment</b>				
<b>At 1 July 2021</b>	-	-	-	-
Amortisation charge	2,042	3,310	28,359	33,711
Impairment of goodwill	-	-	264,019	264,019
<b>At 31 December 2022</b>	<b>2,042</b>	<b>3,310</b>	<b>292,378</b>	<b>297,730</b>
<b>Net book value</b>				
At 30 June 2021	-	-	-	-
<b>At 31 December 2022</b>	<b>15,458</b>	<b>19,390</b>	<b>-</b>	<b>34,848</b>

### Acquisitions through business combinations

These assets arise from the business combinations disclosed in note 9 and relate to customer relationships, trademarks, and goodwill. The customer relationships relate to the contractual relationships between the acquired group and pitch owners. The trademark relates to the 'Away Resorts' brand. The customer relationships were valued using an excess earnings method and the trademark using a relief from royalty method. Goodwill is the residual amount arising from the acquisitions, as calculated in note 9.

### Impairment

Management performed an impairment assessment at the reporting date in accordance with FRS 102. Goodwill is allocated to a single cash generating unit (CGU) being the operation of UK holiday parks, as any other method would be on an arbitrary basis, and the business operates a portfolio of similar parks.

The recoverable amount of the CGU was calculated based on a value in use (VIU) model. Due primarily to the external headwinds from the economy and inflation and their impacts on forecast results, this gave rise to a full impairment of goodwill. The VIU model utilised a discount rate of 16% and cash flow forecasts prepared by management as at the balance sheet date reflecting the identified headwinds noted above primarily impacting 2023/24. This indicated the full impairment of goodwill. Management also prepared sensitivities reflecting movement in discount rate, capex, EBITDA and growth rate. A +/-1% movement in discount rate would change the CGU value by £38-45m.

Management have considered if other assets such as identified intangibles and the park estate should be impaired and have concluded no further impairment arises, given the growth on the underlying cashflows supporting the identified intangibles, and the valuation work and property market relating to the park estate.

The impairment has been included in the income statement in the period.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 12 Subsidiaries

The undertakings, all of which are incorporated in England and Wales and have a registered office of The Maylands Building, 200 Maylands Avenue, Hemel Hempstead, England, HP2 7TG, and which the company or group hold 100% interest in the ordinary share capital at the year end are listed below. All undertakings are held indirectly other than Artemis Cleanco Limited. There were no other entities in which the Company or Groups' interest was over 20% equity interest. All of the above entities have been included in the consolidated results.

Where required, all subsidiaries have claimed the exemption from audit under s479A of the Companies Act 2006.

#### *Holiday park operators*

- Sandy Balls Estate Limited
- Mersea Island Holiday Park Limited
- Barmouth Bay Holiday Park Limited
- Mill Rythe Limited
- Tattershall Lakes Limited
- Whitecliff Bay Holiday Park Limited
- Boston West Holiday Park Limited
- St Ives Bay Holiday Park Limited
- Riverhead Commercial Services Ltd
- Golden Sands Holiday Camp (Rhyl)
- East Fleet Holiday Park Limited
- Essential Vivendi Ltd
- Southern Parks Ltd
- Coastal Parks Hold Ltd
- Rookley Hold Ltd
- AG (Glendevon) Ltd
- AG (Moffat) Ltd
- AG Swanage
- AG Newperran Ltd
- AG Retallack Ltd
- AG Gara Rock Ltd
- Bude Holiday Resorts Ltd
- AG Newquay Ltd
- Newquay View Resort
- Coppergreen Developments Ltd
- Piperdam Golf & Leisure Resort Ltd
- Kenwick Park Hotel Limited

#### *Holding companies and central services*

- Artemis Cleanco Limited
- Artemis Bidco Limited
- Archer Topco Limited (Jersey)
- Archer Midco Limited
- Archer Bidco Limited
- Willoughby (880) Limited
- Away Resorts Holding Limited
- Away Resorts Limited
- Away Resorts (Transport) Limited
- AG Holiday Parks UK Limited
- Essential Vivendi Management Ltd
- Essential Vivendi Flixton Ltd
- Essential Vivendi Construction Ltd

#### *Dormant entities*

- Whitecliff Bay & Hotel Company Ltd
- Holiday Park Holdings Limited
- AG Holiday Parks Lender Limited
- Kenwick Woods Limited
- Kenwick Estates Limited
- Kenwick Property Sales Limited
- ISV Freehold Ltd
- Rookley Freehold Ltd
- AG Swanage Property Ltd
- Blacklaw Estates Limited

## Artemis Holdco 1 Limited

### Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

#### 13 Inventories

	Dec 2022 £'000	Jun 2021 £'000
Finished goods and goods for resale	25,886	-

#### 14 Trade and other receivables

	Dec 2022 £'000	Jun 2021 £'000
Trade receivables	17,453	-
Prepayments and accrued income	3,706	-
Supplier deposits	2,582	-
Financial instruments held at fair value	7,220	-
Other receivables	2,284	-
	<u>33,245</u>	<u>-</u>

##### *Financial instruments held at fair value*

The Group entered into an interest rate swap in the period to help manage the exposure to variable interest rates on the Group's bank debt (see note 16). The interest rate swaps expire in April and May 2026, and interest is payable bi-annually. These are the only instruments held at fair value, and they are designated as fair value through profit or loss.

The Group recognised a fair value gain at the reporting date relating to these instruments of £7,220,014 (2021 - £Nil). The fair value at the reporting date is £7,220,014 which is based on the Mark-to-Market value published by the bank which provides the product. The current portion of the instrument is £1,902,362 (2021 - Nil).

#### 15 Trade and other payables

	Dec 2022 £'000	Jun 2021 £'000
Trade payables	28,527	-
Taxation and social security	15,911	-
Accruals	16,063	-
Deferred income	23,637	-
Payables to parent company	3,898	-
Finance leases (note 17)	834	-
Deferred consideration	813	-
	<u>89,683</u>	<u>-</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Amounts payable to the parent company are unsecured, interest free and repayable on demand.

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 15 Trade and other payables (continued)

Included within trade payables is an amount of £8.2m payable for inventory financing in relation to holiday home stock. Under the terms of the agreement, the inventory is purchased by the finance provider, but the risks and rewards of ownership are passed to the group and hence beneficial ownership is considered to pass at the point of delivery to the group. The outstanding balance must be repaid to the finance provider when the inventory is sold or adopted as group fleet. Until the outstanding payable balance is settled, the legal title of the inventory remains with the finance provider.

Deferred income relates to amounts invoiced to customers in relation to future periods, which is deferred and recognised over the period it relates to, in accordance with the Groups accounting policies.

Deferred consideration payable relates to the acquisition of the trade and assets of a hotel and golf course business purchased by Boston West Holiday Park Limited in 2020. The balance was discounted to its present value on acquisition of £1,746,000 using a discount rate of 13%, and will be settled over 60 months on equal monthly instalments.

Additional contingent consideration may be payable based on a fixed amount per additional pitch, if additional planning permission is granted within 36 months of acquisition – management have estimated contingent consideration payable at acquisition to be £nil.

### 16 Loans and borrowings

Loans have been obtained in the period to finance the acquisitions, both through bank and shareholders in the form of loan notes

The book value of loans and borrowings are as follows:

	Dec 2022 £'000	Jun 2021 £'000
<b>Non-Current (repayable in more than five years)</b>		
Bank loans	345,659	-
Loan notes due to ultimate parent company	369,715	-
Amounts due to parent company	16,818	-
Other loans	883	-
	<u>733,075</u>	<u>-</u>
<b>Current</b>		
Bank loans	-	-
Loan notes due to parent company	-	-
Loan due to parent company	-	-
	<u>-</u>	<u>-</u>
<b>Total loans and borrowings</b>	<u>733,075</u>	<u>-</u>



# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 16 Loans and borrowings (continued)

#### Bank loans

The bank loans were obtained as part of the funding for the Groups acquisitions in the period. The Group has bank facilities available at the reporting date totalling £430m of which £353m was drawn. These are presented above net of £7.3m arrangement fees, which are being amortised over the term of the debt.

The bank loans are repayable in 2028, and are subject to interest charged at SONIA plus between 3.25% to 6% and annual covenant reporting.

The bank loans are secured by a fixed charge over the Group's freehold property and floating charges over the remaining assets of the Group (note 10).

#### Loan notes due to parent company

The loan notes were obtained as part of the funding for the Groups acquisitions in the period. The loan notes are unsecured, carry a 10% interest rate payable annually on request of the lender, and are due for repayment in 2030.

### 17 Finance leases

Seventeen group companies have entered into sale and leaseback agreements as at the year end relating to land and buildings. Of these, 12 were in place at acquisition and 5 arose since acquisition by the Group. The lease term is between 60 and 999 years and the unexpired lease term is between 61 and 996 years.

In all cases, the Group retains full operational control of the parks and the transactions are accounted for as financing transactions, giving rise to a finance lease liability.

The ongoing rental obligations are £4,932,015 per annum ("ground rent"), increased for indexation annually. Where lease terms are in excess of 100 years, a peppercorn annual rental payment is due each year after year 100 until the end of the lease term.

<i>Movement in lease liability:</i>	£'000
Balance at 1 July 2021	-
Business combinations	125,517
New finance leases in the period	48,767
Interest accrued	3,320
Repayments	(3,665)
	<b>173,939</b>

<i>Minimum lease payment:</i>	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	4,982	4,148	834
Between one and five years	19,926	16,590	3,336
More than five years	437,518	267,749	169,769
	<b>462,426</b>	<b>288,487</b>	<b>173,939</b>

# Artemis Holdco 1 Limited

## Notes forming part of the consolidated financial statements for the Period ended 31 December 2022

### 18 Deferred tax

<i>Movement on deferred tax:</i>	<b>Dec 2022 £'000</b>	<b>Jun 2021 £'000</b>
At start of period	-	-
Arising on business combination	97,047	-
Tax expense recognised in income statement	(5,575)	-
At end of period	<b>91,472</b>	-

Deferred tax arises primarily on business combinations relating to the uplift of tangible fixed assets and the recognition of identified intangibles. The deferred tax liability is disclosed net of a deferred tax asset relating to losses carried forward of £5.8 million (£2.6m arising on business combination).

The liability will be released in line with the related depreciation and amortisation, with an expected credit of £2.5 million to the income statement in 2023. The asset will be released in line with future taxable profits. Deferred tax is recognised based on the UK tax rate of 25%.

A potential deferred tax asset totalling £7,272,000 (2021 - £Nil) has not been recognised due to the uncertainty over the timing or extent it will be realised in the future.

### 19 Share capital

	<b>Number</b>	<b>Issued and fully paid PAR Value £</b>	<b>Paid £</b>	<b>Premium £</b>
<i>Ordinary shares of 1p each</i>				
Issued on incorporation	1	-	-	-
Issued on 21 October 2021	749,367	7,493	749,367	741,874
Issued on 19 January 2022	89,455	895	89,455	88,561
<b>At 31 December 2022</b>	<b>838,823</b>	<b>8,388</b>	<b>838,822</b>	<b>830,435</b>

### 20 Reserves

The following describes the nature and purpose of each reserve within equity:

<b>Reserve</b>	<b>Description and purpose</b>
<i>Share premium</i>	Amount subscribed for share capital in excess of nominal value.
<i>Retained earnings</i>	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

### 21 Related party transactions

The group and company have obtained funding in the period from its immediate and ultimate parent companies to fund the acquisitions in the period. The amounts and key terms are disclosed in note 16, the interest charged is disclosed in note 6.

# **Artemis Holdco 1 Limited**

## **Notes forming part of the consolidated financial statements for the Period ended 31 December 2022**

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Key management are considered to include only the directors of the company.

### **22 Events after the reporting date**

There have been no material subsequent events that require disclosure.

### **23 Parent Company and Ultimate Controlling Party**

Artemis Holdco 1 Limited is the smallest and largest group in which the results of the company are consolidated. Artemis Holdco 1 Limited is incorporated and taxed in the United Kingdom.

The ultimate parent company is Away Holdings Jersey Limited, Incorporated in Jersey.

The ultimate controlling party is CVC Capital Partners.

## **Artemis Holdco 1 Limited**

Notes forming part of the consolidated financial statements  
for the Period ended 31 December 2022

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## **Artemis Holdco 1 Limited**

Parent Company  
Financial Statements

Period ended 31 December 2022

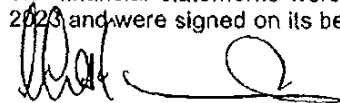
# Artemis Holdco 1 Limited

## Company statement of financial position as at 31 December 2022

Company number: 13436174	Note	Dec 2022 £'000	Jun 2021 £'000
<b>Fixed assets</b>			
Investment in subsidiaries	3	387,371	-
<b>Current assets</b>			
Trade and other receivables		-	-
Creditors: amounts falling due within one year		-	-
<b>Net current assets</b>		-	-
<b>Creditors: amounts falling due after more than one year</b>			
Loans and borrowings	4	386,532	-
<b>Net assets</b>		839	-
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	5	8	-
Share premium reserve	5	831	-
Retained earnings		-	-
<b>Total equity</b>		839	-

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the period was £Nil (2021 - £Nil).

The financial statements were approved and authorised for issue by the Board of Directors on 15 December 2023 and were signed on its behalf by:



C Castledine  
Director

The notes on pages 39 to 40 form part of these financial statements.

# Artemis Holdco 1 Limited

## Company statement of changes in equity as at 31 December 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
On Incorporation	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	-
<b>At 30 June 2021 and 1 July 2021</b>	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	-
Issue of new shares	8	831	-	839
<b>At 31 December 2022</b>	<b>8</b>	<b>831</b>	-	<b>839</b>

The notes on pages 39 to 40 form part of these financial statements.

# Artemis Holdco 1 Limited

## Notes forming part of the parent company financial statements for the Period ended 31 December 2022

### 1 Basis of preparation

The accounting policies applied by the Company are consistent to those disclosed in note 2 of the Group financial statements where applicable. Where the policies differ, or are additional to those used by the Group, they are explained below.

General information for the Company is consistent with note 1 to the Group financial statements

The financial statements are presented in sterling (£), which is also the functional currency of the Company. Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements cover the 18 month period to December 2022, to align to the acquired entities.

#### *Basis of preparation*

The financial statements have been prepared in accordance with FRS 102 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to prepare its own profit and loss account.

#### *Parent company disclosure exemptions*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The Company has taken advantage of the exemption available under FRS 102 and has not disclosed transactions and balances with entities that form part of the group headed by Artemis Holdco 1 Limited.

#### *Investments in subsidiaries*

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2 Employees

The Company has no employees other than the 3 (2021 - 3) directors, who did not receive any remuneration from the Company (2021 - £Nil).

## Artemis Holdco 1 Limited

### Notes forming part of the parent company financial statements for the Period ended 31 December 2022

#### 3 Investment in subsidiaries

	Dec 2022 £'000	Jun 2021 £'000
Investment in share capital	839	-
Financial assets treated as investment	386,532	-
	<u>387,371</u>	<u>-</u>

Details of the Company's subsidiaries are included in note 12 to the consolidated financial statements.

During the period the Company made investments in its direct subsidiary, Artemis Cleanco Limited, as detailed above. The Company owns 100% of the issued share capital of Artemis Cleanco Limited.

#### 4 Trade and other payables: due in more than one year

	Dec 2022 £'000	Jun 2021 £'000
Due to immediate parent company	16,817	-
Loan notes due to ultimate parent company	369,715	-
	<u>386,532</u>	<u>-</u>

See note 16 to the consolidated financial statements for further information.

#### 5 Share capital

Details of the Company's share capital is disclosed in note 19 of the consolidated financial statements.

#### 6 Events after the reporting date

There have been no material subsequent events that require disclosure.