

Tiger Topco 1 Limited

Annual Report and Financial Statements

Registered number 10500425

Year ended 31 December 2021

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DIRECTORS AND ADVISERS

Directors

K Dearing (appointed 8th April 2022)
A Weiss (appointed 8th April 2022)
C Ling
C Middleton (appointed 8th April 2022)

A Fawcett (resigned 8th April 2022)
J Sills (resigned 8th April 2022)
A Clish (resigned 8th April 2022)
R Ullman (resigned 8th April 2022)
S J E Roddis (resigned 8th April 2022)
B J Coady (resigned 8th April 2022)

Registered Office

Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

Solicitors to the Company

Jones Day
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London
EC4Y 0DJ

Independent Auditor

KPMG LLP, Statutory Auditor
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Brighton Road
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West Sussex
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STRATEGIC REPORT

The directors present their strategic report for Tiger Topco 1 Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2021. The Directors also include their Section 172 (s.172) statement within this report.

Ownership

Tiger Topco 1 Limited is the UK parent undertaking of the Group trading as Park Holidays UK Limited and is the largest and smallest group in which results of the Company are consolidated in 2021. On 8 April 2022, the Tiger Topco 1 Group was purchased by Sun Communities, Inc. a company listed on the New York Stock Exchange. Following this purchase, the immediate parent of the company is SCI Bidco Limited, a company registered in Jersey. The ultimate parent company is Sun Communities, Inc.

Review of the business

Under s.172 of the Companies Act 2006 (CA2006), the Group is required to include a separate statement in the Strategic Report which outlines how directors have considered broader stakeholder needs when performing their statutory duties. As a result of this requirement, the Group has used the recommendations made within the Wates Report as a framework within which to make their s.172 statement. It is believed that using such a framework will help in preparing statutory accounts that provide a fair review of the business of the Group, including a description of the principal risks and uncertainties facing the Group, an analysis of the development and performance of the business during the year, and its position at the year end.

About us

The principal activity of Tiger Topco 1 Limited is that of a holding company. The main trading entity of the Group is Park Holidays UK Limited, which accounts for the majority of the Group’s operations. The Group currently operates 42 holiday parks located mainly on coastal locations in the south of England. The majority of the parks being within a two-hour drive time of London. In 2021 the Group acquired 9 new parks through the acquisition of Bridge Leisure Group (see page 7 for further information on the acquisition).

Business model

The Group operates holiday parks that offer a wide range of accommodation ranging from static caravans and lodges, to touring, camping and glamping pitches. In addition, a variety of on-park facilities are available such as restaurants, bars, swimming pools, amusement arcades and other entertainment activities like Segways, mini-golf and pitch and putt.

At 31 December 2021, the Group had nearly 15,900 pitches, consisting of static caravan pitches for holiday home usage by private buyers and Group owned hire fleet as well as pitches specific to touring and glamping. The parks range in size from 100 to 850 pitches. The major revenue streams of the business can be broken down into four main categories which are defined below. The business strategy is to focus on improving revenue streams by expanding the range and improving the quality of the products offered to potential and existing customers. The future of the Company is driven via an expansion strategy of new park acquisitions, land acquisitions adjacent to current parks and, where possible, the development of current park facilities.

Holiday home sales

The sale of new and second-hand static caravans and lodge on a pitch for holiday home ownership by private buyers on our parks. The purchase of a holiday home represents a long-term commitment from our customers as they are sold with the benefit of a pitch licence. The licence allows holiday homeowners to occupy a pitch on-site until the legal expiry of their pitch licence (thirty years in the case of a lodge) in exchange for an annual pitch fee. The annual pitch fee paid by a caravan owner covers the holiday-season length which varies according to the permission/consent given by the relevant local authority. Growth in holiday home sales revenue is achieved by providing a wider variety of purchasing options to our pre-existing and new customers in addition to increasing the overall number of units sold on new and existing holiday parks.

Owner revenue

Recurring revenue from owners is predominantly pitch fees which are payable annually and the recharging of utility costs. Growth in this area is driven by higher pitch occupancy through growing holiday home sales and annual increases in pitch fees, which are governed by the terms of the relevant clause in the pitch licence.

STRATEGIC REPORT (continued)

Holiday lettings sales

Sale of short breaks and holidays to customers from a selection of accommodation ranging from our standard caravans, touring and camping pitches or one of the higher specification lodge units. The holiday fleet has seen investment over the last year which has further improved mix in terms of the quality of units available to our customers for holiday lettings. This has driven a strong increase in repeat bookings and an improvement in online review feedback and ratings. Further growth within this revenue stream will be achieved through a combination of factors such as increasing occupancy in the off-peak season, reviewing the mix of caravan and lodge fleet and investing in our people to ensure that customers are receiving the best service possible.

Other revenue

Revenue from on-site facilities such as restaurants, bars, convenience stores and amusement arcades. Primarily growth is driven by increased footfall but there has also been a focus on extending and refurbishing existing facilities to raise the standard of all parks. We also have a loyalty card scheme in place with new and existing owners to encourage spending at our on-site facilities.

Trading conditions

Holiday parks across the UK were closed through the first quarter of 2021 due to a further national lockdown to inhibit the spread of coronavirus (2020: holiday parks were closed from mid-March to early July and again through November). A small number of caravan sales were able to be completed virtually but the parks, holiday fleet and complexes remained closed. In early April 2021, the covid-19 restrictions were eased. This allowed us to reopen our parks to owners and holidaymakers including opening our complexes (outdoor only) all within coronavirus secure guidelines. Restrictions were further relaxed in May before being lifted completely in mid-July. Despite the lockdown in the first quarter of 2021, the business has seen a continuation of the strong rebound in the second half of 2020 after the first national lockdown. Demand for both the purchase and hire of holiday homes across the UK remains very strong with, in managements opinion, the recent lockdowns acting as a catalyst of the existing trend towards 'staycations'.

Strategy

With 'staycations' becoming increasingly popular, and with increased short-term demand driven by restrictions on international travel, potential customers have a variety of options as to where to take holidays in the UK. With customer demand for UK holiday options likely to heighten, it is the Group's strategy to meet these higher levels of demand both in terms of holiday sales and in caravan sales whilst maintaining its existing relationships with holiday homeowners and stakeholders.

Strategic objectives

The Group has set out its ambition: continue to grow and to become the first choice holiday park operator within the UK. There are five strategic priorities which underpin this ambition:

1. Researching and pursuing opportunities for expansion either organically by purchasing land adjacent to current parks, or by acquiring holiday parks consistent with the Group's existing portfolio in terms of quality, potential and geography;
2. Maintaining and enhancing strong and open relationships with all stakeholders hence protecting and enhancing our reputation;
3. Delivering where possible an enhanced customer experience by continued investment into park facilities; listening to feedback from customers and holiday owners and delivering a service that will make them want to return to our parks; and
4. Maintaining a high-quality workforce; by focusing on recruiting the best people and enabling them to maintain high standards by investing in their training and future within the Group.

The relevant risks applicable to the strategic priorities are included and explained in the Principal Risks and Uncertainties section of these financial statements.

STRATEGIC REPORT (continued)

Corporate governance

Although the Group does not meet the definition of a 'large company' for Corporate reporting purposes, and therefore is not required to report on compliance with the provisions of the Combined Code on Corporate Governance, the Group operates within a framework that adheres to good governance and aims to provide transparency to stakeholders.

Statement by the directors in performance of their statutory duties in accordance with s.172(1) Companies Act 2006

The Board of Directors of Tiger Topco 1 Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021.

a) When making decisions, we take the course of action that we consider best leads to the success of the Group over the long term, which includes considering the broad range of stakeholders that interact with, and are impacted by, our operations. See the section on 'Corporate, social and environmental matters' within the Directors' Report (pages 12 to 18) for more information and for examples of engagement that were undertaken across the business during 2021.

b) Our people are fundamental to the successful operation of the business. We aim to be a responsible employer in the approach that we take towards the pay and benefits that our employees receive and like to develop an environment where our employees feel valued and engaged in the business. The health, safety and well-being of our employees is also one of our primary considerations in the way we do business (see the section on 'Our people' within the Directors' Report (page 14) for more information).

c) Our approach on engagement and management of business relationships with suppliers and customers is discussed within the Directors' Report, see page 16.

d) The impact of the Group's operations on the community and the environment are discussed in detail within the Directors' Report, see page 15.

e) Our intention as the Board of Directors, is to behave responsibly and ensure that the business is operated in a responsible manner, operating within the high standards of business conduct and good governance expected for a business of our size and in doing so, will contribute to the delivery of our strategic objectives. For further information on the long-term strategy of the Group, see the section on Strategy within the Strategic Report (page 4).

f) We understand the need to act fairly between the colleagues of the Group and believe that our actions, as the Board of Directors, show that we behave responsibly towards all members and treat them fairly and equally, so they too may benefit from the successful delivery of our strategic goals.

STRATEGIC REPORT *(continued)*

Financial review and key performance indicators

A summary of the results for the Group for the year to 31 December 2021 can be found below:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Revenue	236,732	145,416
EBITDA (pre non-underlying items)	84,296	40,762
Operating profit (pre non-underlying items)	72,067	30,752
Operating profit (post non-underlying items)	84,055	29,415
Profit/(Loss) before tax	38,097	(1,501)
Profit/(Loss) for the year	33,133	(6,325)

Revenue

Caravan sales revenue grew 52.7% for the year, and the Group also saw a 74.4% increase across the remaining combined revenue streams. In 2021, revenue from owners increased by £14.9m; driven mainly by the acquisition of Bridge Leisure Group. Holiday sales revenue increased by £24.3m and all other revenue (total revenue excluding caravan sales, owner income and holiday sales) increased by £4.5m. Included in other operating income for the year is £2.1m received from the government's job retention scheme.

EBITDA (pre non-underlying items)

EBITDA is earnings before interest, tax, depreciation and amortisation and is an important performance measure for the Group for profitability and operating performance. It can be reconciled to Loss/Profit before tax within the accounts per the table below:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
EBITDA	84,296	40,762
Depreciation/Amortisation	(12,229)	(10,010)
Net finance expense	(45,958)	(30,916)
Non-underlying items	11,988	(1,337)
Profit/(Loss) before tax	38,097	(1,501)

For the year ended 31 December 2021 EBITDA was £84.3m, an increase of £43.5m on the 2020 EBITDA of £40.8m. Despite continued disruption to the business due to coronavirus through the first quarter, the business has performed strongly in the remainder of the year and continues to benefit from the shift in consumer preference towards domestic holidays. The performance this year is also impacted by the acquisition of the Bridge Leisure Group.

Non-underlying items

To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column on the Statement of Comprehensive Income. A detailed breakdown of non-underlying items are given in Note 7. Non-underlying items in the year were an income of £12.0m (2020: cost of £1.3m). This is primarily due to the reversal of previous impairments on land and buildings, see note 7.

STRATEGIC REPORT *(continued)*

Financial Review and Key Performance Indicators *(continued)*

Net finance expense

The net finance expense for the year was £46.0m, against £30.9m for 2020. £19.5m (2020: £12.5m) of the increase is attributable to interest on loan notes.

Capital investment

One of the key strategic objectives for the Group is to continue to grow and become the first-choice holiday park operator within the UK. A key enabler in delivering this objective is a continued focus on transforming the customer experience through both investment and improvement in park and customer service standards. This will ensure that parks can operate efficiently, and customers enjoy a superior holiday experience relative to competitors, encouraging greater utilisation of our parks and supporting the Group's long-term growth ambitions. In 2021, the group has invested in programs in particular to update IT systems with a focus on CRM. The key investment drivers for the Group are as follows:

- Service quality
- Cost efficiencies
- Environment, Health and Safety, Security and Compliance focus

	31 Dec 2021	31 Dec 2020
	£000	£000
Additions	34,304	20,307
Additions through business combinations	82,111	12,012
Capital expenditure	116,415	32,319

Key capital investment projects and programmes completed during the year ended 31 December 2021 can be summarised as follows:

- Fleet replacement programme - 360 new caravans were added at the start of the 2021 season, 23 lodges and 40 camping pods were also added. A second batch of caravans were added later in the year, this consisted of 174 caravans to replace older units that were not double glazed and central heated. Hire fleet caravans and lodges are now all double glazed and centrally heated.
- Continued improvement to park facilities - there have been various projects across multiple parks including extensions and refurbishment to existing facilities, construction of new swimming pools and changing rooms, full refurbishment of letting apartments and other park improvements.
- Base development - approximately 250 bases were added over the estate with a mixture of standard, large and lodge bases. Each development included bases, infrastructure, roads, parking and soft landscaping.

Non-current assets

Land and buildings are held at their revalued amount. A desktop revaluation took place at the 31 December 2021 which resulted in an uplift which partially flowed into profit for the year, to the extent that there were prior year impairments to reverse, and partially flowed to OCI.

Acquisitions during the year

Bridge Leisure Group

On 18 May 2021 the Group acquired all the shares in Bridge Leisure Topco Limited ("Bridge", "Bridge Group") for £18,035,000 satisfied in cash. Total funding required for the acquisition amounted to £85,847,000 as shown in note 13. As well as owning and operating nine holiday parks across the UK, Bridge managed the running of three other parks on behalf of their owners. This significant multi-park acquisition of the Bridge business has provided the Group with an opportunity to greatly expand its park footprint across parts of the UK where a presence was not previously maintained. It is a major step towards fulfilling the Group's long term growth ambitions and has also enabled the Group to become one of the largest owners of holiday parks in the leisure sector. Subsequent to the acquisition, the nine Bridge holiday parks were added as new venues on the Park Holidays UK website, which now offers 42 holiday parks across the UK Full details of the acquisition can be found in Note 13.

STRATEGIC REPORT *(continued)*

Acquisitions during the year (continued)

Bay View Park Limited

Earlier in the year on 22 February 2021 the Group acquired the entire share capital of Bay View Park Limited ("Bay View") for a cash consideration of £1,167,000. Total funding required for the acquisition amounted to £1,840,000, including £673,000 of redemption debt specifically agreed to be paid by the Group on behalf of Bay View.

Bay View's Holiday Park is located in Pevensey Bay, East Sussex, less than a mile from the Pevensey Bay Holiday Park operated by Park Holidays UK Limited. Featuring a 9-hole golf course, the Bay View Holiday Park was seen as an attractive addition to the Park Holidays UK Limited portfolio, in terms of extra capacity, considerable development opportunity and in widening the spectrum of entertainment offerings. This acquisition, along with property simultaneously purchased from the owners of Bay View, was subsumed into Park Holidays UK Limited's Pevensey Bay Holiday Park creating a much larger footprint and opportunities to generate long term benefits for the Park Holidays UK portfolio. Full details of the acquisition can be found in Note 13.

Total debt and leverage

At the year end, debt comprised one term loan facility totalling £179.6m (2020: £177.3m), expiring in February 2024. Three acquisition related accordion facilities and a capex and acquisition facility drawdown are included within this figure. The £15m Super Senior Revolving Credit Facility remained in place but undrawn through the year to November when it was cancelled early.

In addition, 25 of the total 40 holiday parks owned by the Group are held under ground rent finance leases totalling £220.8m (2020: £195.9m). The first ground rent transaction occurred in 2017 with a second transaction occurring in 2018. Under the terms of these agreements, the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years with the option to repurchase the land for £1 at the end of this period. The annual payments increase annually in line with RPI subject to a 4% cap and 1% floor in any one year.

Going concern

The Group's net balance sheet position has increased since 31 December 2020.

All the Group's financial covenants (see Note 19) have been met for the year ended 31 December 2021 and are forecast to be met in future periods.

Holiday parks across the UK were closed through the first quarter of 2021 by the Government in response to the coronavirus pandemic, however the likelihood of further significant disruption to the trade of the group due to coronavirus now seems remote. Extensive analysis of the Group's ability to continue trading was performed, including sensitivity analysis to stress-test the forecasts prepared. Based on the conclusions of this analysis (further detailed in note 1 of the financial statements), the Directors have a reasonable expectation that the Company will continue as a going concern and accordingly the financial statements have been prepared on that basis.

Dividends

No dividend payments were made during the year.

STRATEGIC REPORT (continued)

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties that could have a material impact on the Group's operations and its ability to achieve its strategic objectives. The Group have identified and assessed the risks currently being faced along with the potential impacts and probability of occurrence.

All of the key business risks and uncertainties disclosed in these Group financial statements are also applicable to the main trading entity of the Group; Park Holidays UK Limited.

The key risks identified are disclosed below:

Risk explanation and impact	Mitigation strategy
BUSINESS RISKS	
Customer Expectations and Pressure from Competitors The Group faces local and international competition from holiday operators. If customers expectations are not met, or their holiday experience is not satisfactory, future growth potential and reputation could be at risk.	Holiday guest and owner feedback is monitored regularly to ensure that where the Group is not meeting customer expectations, steps are taken to rectify the situation to ensure it is not repeated. Capital expenditure on facilities helps the business to exceed customer expectations and also attract customers away from competitors.
Brexit Risk of adverse economic outcomes because of Brexit.	There remains a risk to the business as the UK and EU continue to map out future trading relationships. The Group continues to monitor the effects of Brexit on the UK economy and the knock-on impact on consumer spending. There is a strong correlation between consumer confidence and holiday home sales. Most of the direct suppliers are UK-based businesses and therefore it is not expected that Brexit will have a material negative impact on the business. Exchange rate movements have already resulted in raw material costs increases. These increases have been mitigated by improved procurement. A potential benefit of Brexit remains in that staycations and UK based holiday homes are favoured by consumers, meaning that we may see an increase in trade as a result.
Impact of coronavirus If there is another wave of coronavirus and the government implements further lockdowns, there is a risk that trading performance may suffer. There is also a risk to the health and welfare of our staff from contracting the virus and knock-on impacts to customer service as well.	We have been proactive in all measures taken to mitigate the negative impact of coronavirus. We are able to take actions in the event that forecasts or estimates show a significant negative trend. Most of our direct suppliers are UK based business and we have long established working relationships with them. The Group are working in line with the NHS public information guidelines and have policies and procedures in place to appropriately deal with any suspected cases of the virus. Furthermore, all our accommodation is detached and self-catered, lending itself to use while adhering to social distancing measures.
FINANCIAL RISKS	
Credit Risk Due to the nature of the Group's operations; there is a relatively low credit risk. Annual site fees are paid for in full in advance or by direct debit throughout the year. Holidays cannot be taken unless full payment is received, and the ownership of a holiday home does not transfer until all funds are transferred upon completion. The majority of on park spend is paid for at the point of sale.	The Group has a credit policy in place and the exposure to credit is monitored. Owners are able to pay their site fees in full, via direct debit or via a specified payment plan and default is closely monitored. Credit terms for holidays can be for up to a year in advance if a customer pre-books but there is a requirement to pay the total balance of the holiday 30 days before the start of the holiday.

STRATEGIC REPORT *(continued)*

Principal Risks and Uncertainties *(continued)*

FINANCIAL RISKS <i>(continued)</i>	
Liquidity The operation of holiday parks is seasonal in nature but follows general trends each year. Throughout the holiday season cash flows are positive; but in the winter months it is significantly lower and in some months there can be more outgoings than receipts. It is essential that cash management remains a key focus for mitigating liquidity risks caused by seasonal trading.	The term loan and accordion facilities were repaid post year end (see Note 30). A cash forecast is prepared every week to allow issues to be addressed before they materialise. See Going Concern narrative on page 29 for consideration of liquidity through the going concern period.
Interest Rate Risk The bank borrowing facilities are subject to floating rates of interest as detailed in Note 19.	The Group monitors interest rate exposure on a regular basis and takes appropriate action including the use of derivatives.
Inflation and cost pressures The UK economy has recently experienced inflation at multi-decade highs as well as unprecedented energy price rises.	The group has a rigorous budgeting process and regularly assesses the impact of cost pressures. Whilst cost rises are sometimes unavoidable, the Group has worked with its suppliers and energy broker to mitigate the impact of these as much as possible.
OPERATIONAL RISKS	
Health and Safety Due to the high level of footfall on the Group's parks and facilities during the year (consisting of staff, contractors, owners and holiday guests) there is an inherent risk of an accident.	As a Group we have a duty of care to protect the safety and security of all individuals that visit our parks. We review all reported incidents and put in place actions to try and ensure that they are not repeated. Our Health and Safety guidelines have been expanded to incorporate how to operate our parks in a Covid secure manner.
Quality Employees The holiday park industry is a very competitive environment for recruiting and retaining skilled, high quality employees. As the Group continues to grow it is imperative that our people want to, and are able to grow with it.	The Group's brand is strong in the marketplace, with the business being an attractive choice for potential candidates, which is useful when opportunities come to light for new roles. However, where possible the Group will try to promote from within the existing workforce to motivate and encourage staff to have a longer-term view. As the economy emerges from the pandemic businesses are competing to hire talent to keep up with demand. This has led to a highly competitive jobs market. The Group's brand and reputation in the marketplace has served it well and continues to attract the talent and resources needed to grow the business.
Business Continuity The effect of a power outage and the Groups' ability to continue normal business activities. The effect of flooding (Coastal & Surface) upon the parks and the Groups' ability to continue normal business activities. The effect of falling trees/branches and related trip & obstruction hazards upon the parks and the Group's ability to continue normal business activities	The Group has a business continuity/disaster recovery plan in place, detailing actions to be taken should a disaster happen. In addition, provision is in place for the central support offices, should the need arise. Flood Risk Assessments have been completed and Flood Warning Evacuation Plans are in place for each respective park/site, detailing relevant actions to be taken should potential / actual flooding occur. The Group has completed detailed Tree Surveys and has in place a Tree Management Strategy (TMS) for each respective park/site, detailing relevant actions to be taken by the company to decrease risk and liability.

STRATEGIC REPORT (*continued*)

Principal Risks and Uncertainties (*continued*)

OPERATIONAL RISKS (<i>continued</i>)	
Technology and Cyber Security As with many organisations we rely heavily on IT systems to help manage our business including our customer data. It is important that we manage the risks associated with this reliance on IT to keep the Company and our customer data safe and secure.	Regular third-party penetration testing of our networks is performed and reported. A framework of service level agreements is in place with our key suppliers and system providers to ensure there is an appropriate response in the event of a failure of any part of our network.
Regulatory Compliance The Group is authorised by The Financial Conduct Authority (FCA) to provide access to regulated products and services for customers.	The Group can help customers find different financing options for purchasing a holiday home. This can include the use of a finance provider. We are careful to ensure that our sales processes are in compliance with our FCA authorisations, via regular training courses to sales staff and managers. We take care to run the company in accordance with the FCA's Code of Conduct (COCON).
National Minimum Wage ("NMW") A significant, rapid increase in the NMW rates could be detrimental to the Group's profitability.	The estimated rates per the Office for Budget Responsibility are obtained and used when preparing the budget on an annual basis. These are then compared to actual rates when they are released, to ensure that the Group has adequately provided for employee costs and is in compliance with Government standards.

By order of the Board



C.A Ling
Director
Glovers House
Glovers End
Bexhill-on-Sea
East Sussex
TN39 5ES
06 June 2022

DIRECTORS' REPORT

The directors present their directors' report and the audited financial statements for the year ended 31 December 2021.

Research and Development

The Group undertook no research and development during the year.

Financial instruments

Information in respect of the Group's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk are given in Note 23 to the financial statements.

Dividends

No dividend payments were made during the year (2020: *£nil*).

The directors do not recommend the payment of a dividend in respect of the year end 31 December 2021 (2020: *£nil*).

Group Board of Directors

The Board comprises the Non-Executive Chairman, two non-executive investor directors and four executive directors. The Board meet on a monthly basis and have a collective responsibility in the performance of their duties for the Group including:

- The monitoring of progress against business plans and targets;
- The assessment, control and addressing of risk factors;
- The development and implementation of strategy, operational plans and budgets
- Ensuring the Group's compliance with legal and regulatory requirements; and
- The development and implementation of the Group's business standards and health, safety, security and environmental policies and procedures.

Directors

The directors who held office were as follows:

K Dearing (appointed 8th April 2022)
A Weiss (appointed 8th April 2022)
C Ling
C Middleton (appointed 8th April 2022)

A Fawcett (resigned 8th April 2022)
J Sills (resigned 8th April 2022)
A Clish (resigned 8th April 2022)
R Ullman (resigned 8th April 2022)
S J E Roddis (resigned 8th April 2022)
B J Coady (resigned 8th April 2022)

Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The Group provided qualifying third-party indemnity provisions to directors of associated companies during the financial year and at the date of this report.

K Dearing

Karen Dearing has served as the Chief Financial Officer and Executive Vice President of Sun Communities Inc. since 2008. She joined in 1998 as the Director of Finance where she worked extensively with accounting and finance matters related to ground-up developments and expansions. Ms. Dearing became the Corporate Controller in 2002 and Senior Vice President in 2006. She is responsible for the overall management of information technology, accounting, tax and finance departments and all internal and external financial reporting. Prior to working for Sun Communities, Ms. Dearing had over seven years of experience as the Financial Controller of a privately-owned automotive supplier and over four years of experience as a certified public accountant with Deloitte.

DIRECTORS' REPORT (continued)

Directors (continued)

A Weiss

Aaron Weiss is the Executive Vice President of Corporate Strategy and Business Development at Sun Communities Inc. and was appointed to this role in October 2021. Mr Weiss joined Sun Communities with a comprehensive background in both real estate and lodging. Most recently, he was a Managing Director in Citigroup's Real Estate & Lodging Investment Banking Group in New York where he provided strategic and financing advice to a broad array of private and public real estate, lodging and private equity clients, including Sun Communities. Prior to joining Citigroup in 2009, Mr. Weiss was in the Real Estate, Lodging and Gaming Groups at Nomura and Lehman Brothers in Sydney, Los Angeles and New York, where he executed transactions spanning mergers and acquisitions, corporate advisory, investment grade and high yield debt offerings, and equity issuance.

C Ling

Chris Ling joined the Board in January 2020 as the Chief Financial Officer having joined the Company in November 2019. Chris is a highly experienced Finance Director with over 20 years of senior finance roles across a wide range of companies and industries. He has significant experience of working in listed companies including Centrica and QinetiQ and is a Fellow of the Institute of Chartered Accountant in England and Wales. Chris is also a non-executive Director of the Richmond Housing Partnership.

C Middleton

Charles Middleton joined the Board in April 2022 having worked at British Land Company PLC for over 20 years. Charles is highly experienced in a wide range of financial roles having served as both Group Financial Controller, Company Secretary and Head of Tax during his time with the business. Charles is also Chair of Hackney CVS, a charity seeking to make Hackney a fairer place.

Political contributions

Neither the Group nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2020: *Nil*).

Post balance sheet events

On 8 April 2022, Sun Communities, Inc., a company trading on the New York Stock Exchange, has completed the purchase of Tiger Topco 1 Group for a consideration of £950m. The purchase has resulted in the repayment of the Groups senior debt and PIK notes post year-end, and a new financing structure will soon be in place. The financing structure includes replacement of the existing amounts owed to external parties with intercompany balances owned to other companies in the Sun Communities Inc. structure.

DIRECTORS' REPORT (*continued*)

Corporate, social and environmental matters

Our People

Providing good customer service is in the hands of hundreds of staff working at our parks. We devote a lot of care in selecting the very best people for each job and training them to ensure they have the right skills to do that job to our exacting standards. It can mean hard work and long hours, so we believe in trying to make it an enjoyable place to work. In order to ensure that this is the case; it is essential that we build trusting relationships where employees feel motivated and engaged and provide them with a working environment that enables them to develop over the long term.

Maintaining a happy, healthy and productive workforce is key to achieving the businesses strategic objectives. Therefore, careful consideration is always given to the impact on employees of decisions made by the board. Executive and managerial level employees are often consulted on the impact of decisions on their respective staff, and these consultations help shape the decisions made.

We have a highly engaged workforce who take pride in their work and welcome opportunities to develop new skills. Park managers are in regular contact with Regional Managers through site visits and regular catch ups. They also have the opportunity to put questions or ideas to senior leaders. The Sales Director and Chief Operating Officer also make regular trips to all parks within the portfolio to monitor trading performance and manage any concerns our employees have. The Finance director holds a meeting with all members of the finance team at least once per year to discuss the Group's performance for the financial year and the future for the business; this gives staff the opportunity to ask questions but also enables them to understand the vital role they play within the business and how their actions enable the effective operation of the business' activities. Any information on matters of concern applicable to the entire workforce are distributed through Group-wide emails whenever any situations arise. Financial analysis is prepared on a weekly and monthly basis and cascaded throughout the organisation so that all staff have a common awareness of the financial performance of the Group. All staff are encouraged to come forward with any innovative ideas on new processes to be implemented or how existing processes could be improved, as by encouraging this behaviour it helps to improve employee satisfaction and, if successful, can lead to cost reductions for the business. We also encourage the involvement of employees in the company's performance through various incentive schemes.

In addition, we have been working with Investors in People for nearly 11 years to ensure we always maintain a genuine commitment to improving the way we manage, develop and lead our teams. As well as the usual assessment visits they also distribute a staff survey which provides us with some key statistics about how we are performing in terms of managing, leading and developing our staff, which all employees are invited to participate in. For 2019 the Company were awarded the 'Investors in People – Silver Award', for good staff and recruitment practices – a measure of our commitment to people. This award is a 3-year assessment therefore is still held, with reassessment due in April 2022.

The Group has a structured health and safety policy and provides the relevant financial and human resources to ensure the fulfilment of the policy. Adequate training is provided for all relevant employees. The directors continue to prioritise health and safety issues across all areas of the Group's activities.

Equal opportunities and disabled employees

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

The Group's policy is to consult and discuss with employees at meetings, as required, matters likely to affect employees' interests.

Information on matters of concern to employees is provided to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Human rights and modern slavery

The Group has a zero tolerance regarding slavery and human trafficking but are aware that we operate in a sector that is deemed to be 'most at risk'. Therefore, there are rigorous policies and procedures in place to mitigate the risk of slavery and human trafficking occurring within the organisation. Our statement on modern slavery and compliance with the UK Modern Slavery Act 2015 can be found on our website.

DIRECTORS' REPORT (*continued*)

Corporate, social and environmental matters (*continued*)

Community

As a Group we encourage our people to get involved in charitable activities for both local and national causes. The Group supports local charities via various activities across its parks.

Give Us Time

Give Us Time takes commercially let accommodation donated by owners of holiday groups, hotels, holiday homes and timeshares, and matches them with military families in need of rest, rehabilitation, and reconnection with their families, often after long periods of time away on active service. Park Holidays UK started working with the charity in 2017 and has this year pledged to donate 100 short breaks across 9 holiday parks.

Follow That Duck

The Follow That Duck initiative is a live art trail along the streets of Hastings and Rother throughout the summer of 2022. Thirty 5ft ducks will create this creative trail, two of which have been sponsored by Park Holidays UK and hand-painted by local artists. Park Holidays UK has donated £10,000 to the fundraising project. All sponsor money is donated to a local hospice, St Michael's Hospice, to help with the fantastic work they do. Park Holidays UK has been fundraising for St Michael's Hospice through various events and activities for approximately 15 years.

Dom's Food Mission

Following a successful donation to Bexhill Food Bank in December 2020, we announced a similar Christmas collection for a local charity, Dom's Food Mission in 2021. Head office staff contributed a mix of food items and Christmas gifts that were then distributed by DFM to those in need locally. Dom's Food Mission said it was the largest single donation they had ever received, and we are looking to work with them again in the future.

Park fundraising activity

Park Holidays UK encourages all parks to participate in local fundraising events throughout the season. Often working with holiday home owners who favour a particular charity or cause close to their hearts, special events put on by the park, particularly for holiday home owners, create a very fruitful environment for fundraising.

Environment

The Group's holiday parks are all UK based and therefore travelling to one of our holiday parks is likely to have a much lower impact than flying abroad.

We strive to present the majority of our marketing online and only distribute brochures when it is absolutely essential as part of our ongoing commitment to use less paper.

We design our buildings to try and minimise energy use, and local management are financially incentivised to reduce consumption and control waste. We believe in the principle of 'think globally, act locally'. When it comes to accommodation, we also put green principles to the fore as we employ a refurbishment strategy to extend the life and improve quality.

As substantial landowners our environmental responsibilities extend beyond our carbon footprint. We are responsible for many lakes, hundreds of acres of woodland, and lengths of protected coastline, and we will continue to champion environmental causes wherever possible going forward. We are committed to promoting reuse and recycling and ensuring our waste avoids landfill at every opportunity.

The Group are committed to complying with all relevant environmental legislation, including those issued by the relevant local authorities, the Environment Agency and Natural England. We are committed to developing an environmental management system which contains objectives and targets that are monitored and reviewed on an annual basis. Our energy consumption is actively monitored, and we strive to continuously improve energy efficiency where possible. We carefully manage water consumption and investigate ways to reduce water intensity across all our parks. We will work closely with the local authorities and invest in wastewater treatment programs that enable us to exceed compliance with legislative policy for many years to come.

DIRECTORS' REPORT (*continued*)

Suppliers

We work to develop long term partnerships with all our suppliers as we believe that treating our business partners fairly is an investment that protects us and enhances our business. We are committed to supporting local businesses whenever practical when selecting product or service suppliers. We strive to ensure raw materials and food stuffs supplied to us are produced from an ethical and sustainable source and that transportation of these goods have minimal impact on the environment. To ensure safety standards and ethical practices in our supplier and contractor chain, all suppliers and contractors must participate in our Pre-Qualifying Questionnaire Scheme which will be reviewed and updated annually; there is also a requirement to re-submit the relevant signed paperwork each year re-confirming their safety and ethical working practices.

Customers

One of our strategic aims is to deliver the best customer experience and by doing so, meet or exceed customer expectations. To achieve this, we engage with our customers through a variety of channels including emails, social media and webchat. We ask for feedback from customers on all aspects of their journey with us, from the booking process through to their holiday experience and we also have a dedicated holiday home after sales team to ensure our customers are receiving the high standard service that we expect. We believe that by engaging with our customers, we can understand what they value most and ensure that we are tailoring our services to match their expectations.

Streamlined Energy and Carbon Reporting

The Company's greenhouse gas emissions, reportable under SECR for the period 1st January 2021 to 31st December 2021 were 16,952 tonnes CO₂e (2020: 12,515 CO₂e).

These include the emissions associated with UK electricity, natural gas and bulk gas consumption and business travel in company and private vehicles by employees. In accordance with the legislation an intensity ratio has been calculated and for Park Holidays UK Limited this is 71.5 tCO₂e per £m revenue (2020: 83.5 tCO₂e per £m revenue).

Park Holidays UK is committed to reducing the carbon footprint of its operations and has undertaken a number of energy-saving initiatives including:

1. Switched the entire existing estate of parks to 100% green electricity tariff during the year. The parks acquired (Bridge Leisure) during the year will be transferred to green energy tariffs when existing agreements allow.
2. Mattress recycling scheme initiated with just over 500 recycled in the year
3. 100% of parks with bars and restaurants now recycle glass
4. Waste electrical and electronic equipment containers are now available in many parks
5. Significant progress was made in updating our hire fleet vans to be more energy efficient. 100% of our hire fleet caravans were double glazed and centrally heated by the start of the 2022 season in March, including fleet units on parks acquired in the year.
6. All new builds and extensions have been built in accordance with building regulations "Conservation of fuel and power: Approved Document L".
7. We are in talks with an EVC supplier to install charging points across the complete estate for electric vehicles.

DIRECTORS' REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

UK Energy Consumed	2021 kWh	% Share	2020 kWh	% Share
Natural Gas for Heating	1,441,242	2.0	769,874	1.5
Bulk Gas	29,245,753	39.8	21,427,180	41.6
Electricity	40,512,903	55.1	27,363,078	53.1
Transport Fuel	2,317,859	3.2	1,977,651	3.8
Total	73,517,757	100	51,537,783	100%

UK emissions from:	2021 (tCO₂e)	% Share	2020 (tCO₂e)	% Share
Natural gas, bulk gas and company-operated transport	7,401	43.7	5,440	43.5
Electricity	8,602	50.7	6,379	51.0
Grey fleet usage and losses from electricity distribution and transmission	949	5.6	696	5.6
Total	16,952	100	12,515	100

Company's Chosen Intensity Measurement	2021 (tCO₂e)	2020 (tCO₂e)
Total CO ₂ emissions per £million revenue	71.5	83.5

These figures are gross of energy recharged to owners. Based on the income received and cost of supply in the year, the amount recharged to owners is approximately 50% of the total bulk gas, metered gas and electricity supplied to the group. Note that individual gas bottles supplied to owners are not included in the above calculations.

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary.

This approach captures emissions associated with the operation of all buildings such as accommodations and offices plus company-owned and leased transport. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is January 2021 to December 2021, as per the financial accounts.

Future developments

The Group is continually looking for opportunities to expand the business' footprint and increase market share.

Disclosure of information to the auditor

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

DIRECTORS' REPORT (*continued*)

Auditor

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

By order of the Board



C.A Ling
Director
Glovers House
Glovers End
Bexhill-on-Sea
East Sussex
TN39 5ES
06 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the group and parent company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIGER TOPCO 1 LIMITED

Opinion

We have audited the financial statements of Tiger Topco 1 Ltd ("the company") for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Statements of Financial Position, Consolidated Statement of Changes in Equity, Parent Company Statement of Changes in Equity, Consolidated and Parent Company Statements of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIGER TOPCO 1 LIMITED **(continued)**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors, internal audit, in-house legal counsel, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management (including senior, general and sales management) and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and risk over cut off in revenue recognition. With respect to the risk of fraudulent revenue recognition, the presumed fraud risk is rebutted for all the revenue streams except for risk of recognition of revenue from sale of holiday homes in the incorrect accounting period and the risk that Group management may be in a position to make inappropriate accounting entries at the period end as the management bonuses are linked to achievement of performance targets.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those with unusual account pairings.
- Agree the revenue recognized on sale of holiday homes pre and post year end on a sample basis to supporting documentation to conclude if the revenue is recognised in the correct accounting period.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIGER TOPCO 1 LIMITED

(continued)

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 19, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIGER TOPCO 1 LIMITED (continued)

Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Wheeldon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT
06 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	31 December 2021			31 December 2020		
		Trading performance	Non-underlying items	Result for the year	Trading performance	Non-underlying items	Result for the year
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2	236,732	-	236,732	145,416	-	145,416
Cost of sales		(83,064)	-	(83,064)	(60,084)	-	(60,084)
Gross profit		153,668	-	153,668	85,332	-	85,332
Administrative expenses	3, 7	(85,220)	(11,630)	(96,850)	(60,457)	(1,337)	(61,794)
Reversal of previous impairments	7	-	23,618	23,618	-	-	-
Total administrative expenses		(85,220)	11,988	(73,232)	(60,457)	(1,337)	(61,794)
Other operating income	4	3,619	-	3,619	5,877	-	5,877
Operating profit		72,067	11,988	84,055	30,752	(1,337)	29,415
Finance income	8	110	-	110	287	-	287
Finance expense	8	(46,068)	-	(46,068)	(31,203)	-	(31,203)
Profit/(Loss) before taxation		26,109	11,988	38,097	(164)	(1,337)	(1,501)
Tax on profit	9	(4,964)	-	(4,964)	(4,824)	-	(4,824)
Profit/(Loss) for the financial year		21,145	11,988	33,133	(4,988)	(1,337)	(6,325)
Other comprehensive income							
<i>Items that will not be reclassified to profit or loss:</i>							
Revaluation of tangible fixed assets	10	-	259,660	259,660	-	-	-
Impairment of tangible fixed assets	10	-	(7,014)	(7,014)	-	(5,702)	(5,702)
Deferred tax on revaluation	21	-	(81,412)	(81,412)	-	969	969
Other comprehensive income/(loss) for the year, net of income tax		-	171,234	171,234	-	(4,733)	(4,733)
Total comprehensive income/(loss) for the year attributable to equity holders of the parent company		21,145	183,222	204,367	(4,988)	(6,070)	(11,058)

All trade during the year to 31 December 2021 was derived from continuing operations.

The Notes on pages 29 to 66 form part of the financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

at 31 December 2021

	Note	Group 31 Dec 21 £000	Group 31 Dec 20 £000	Company 31 Dec 21 £000	Company 31 Dec 20 £000
Assets					
Non-current assets					
Tangible fixed assets	10	853,010	465,862	-	-
Intangible assets	11	115,714	77,943	-	-
Investments in subsidiaries	12	-	-	3,588	-
Total non-current assets		968,724	543,805	3,588	-
Current assets					
Inventories	14	23,215	14,273	-	-
Trade and other receivables	15	25,486	17,323	8,630	8,211
Current tax asset		4,020	470	-	-
Cash and cash equivalents	16	87,564	42,261	141	-
Total current assets		140,285	74,327	8,771	8,211
Total assets		1,109,009	618,132	12,359	8,211
Current liabilities					
Trade and other payables	17	(131,192)	(75,872)	(3,420)	(3,194)
Current tax liability		-	-	(79)	(75)
Provisions	18	(2,637)	(1,338)	-	-
Total current liabilities		(133,829)	(77,210)	(3,499)	(3,269)
Non-current liabilities					
Other interest-bearing loans and borrowings	19	(672,093)	(534,275)	-	-
Deferred tax	21	(112,949)	(24,455)	-	-
Total non-current liabilities		(785,042)	(558,730)	-	-
Total liabilities		(918,871)	(635,940)	(3,499)	(3,269)
Net assets/(liabilities)		190,138	(17,808)	8,860	4,942
Equity attributable to equity holders of the parent					
Share capital	22	12	12	12	12
Share premium account	22	1,036	1,036	1,036	1,036
Treasury shares	22	(13)	(3)	(13)	(3)
Share based payment reserve		3,589	-	3,589	-
Profit and loss reserve		6,554	(26,579)	4,236	3,897
Revaluation reserve	22	178,960	7,726	-	-
Total equity		190,138	(17,808)	8,860	4,942

These financial statements were approved by the board of directors on 06 June 2022 and were signed on its behalf by:



C A Ling

Director

The Notes on pages 29 to 66 form part of the financial statements.

Company registered number 10500425.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Group	Share Capital £'000	Share premium account £'000	Treasury shares £'000	Share based payment reserve £'000	Revaluation reserve £'000	Profit and loss Reserve £'000	Total Equity £'000
Balance at 1 January 2020	12	1,036	(3)	-	12,459	(20,254)	(6,750)
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	-	-	(6,325)	(6,325)
Impairment of tangible fixed assets	-	-	-	-	(5,702)	-	(5,702)
Deferred tax impact on reserves	-	-	-	-	969	-	969
Total comprehensive loss for the year	-	-	-	-	(4,733)	(6,325)	(11,058)
Balance at 31 December 2020	12	1,036	(3)	-	7,726	(26,579)	(17,808)
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	33,133	33,133
Revaluation of tangible fixed assets	-	-	-	-	259,660	-	259,660
Impairment of tangible fixed assets	-	-	-	-	(7,014)	-	(7,014)
Deferred tax impact on reserves	-	-	-	-	(81,412)	-	(81,412)
Total comprehensive income for the year	-	-	-	-	171,234	33,133	204,367
<i>Transactions with owners, recorded directly in equity</i>							
Equity-settled share based-payments	-	-	-	3,589	-	-	3,589
Purchase of own shares	-	-	(10)	-	-	-	(10)
Transactions with owners, recorded directly in equity	-	-	(10)	3,589	-	-	3,579
Balance at 31 December 2021	12	1,036	(13)	3,589	178,960	6,554	190,138

The Notes on pages 29 to 66 form part of the financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Company	Share Capital	Share premium account	Treasury shares	Share based payment reserve	Profit and loss Reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	12	1,036	(3)	-	3,574	4,619
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	323	323
Deferred tax impact on reserves	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	323	323
Balance at 31 December 2020	12	1,036	(3)	-	3,897	4,942
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	339	339
Total comprehensive income for the year	-	-	-	-	339	339
<i>Transactions with owners, recorded directly in equity</i>						
Equity-settled share based-payments	-	-	-	3,589	-	3,589
Purchase of own shares	-	-	(10)	-	-	(10)
Transactions with owners, recorded directly in equity	-	-	(10)	3,589	-	3,579
Balance at 31 December 2021	12	1,036	(13)	3,589	4,236	8,860

The Notes on pages 29 to 66 form part of the financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2021

	Note	Group Year ended 31 Dec 2021 £000	Group Year ended 31 Dec 2020 £000	Company Year ended 31 Dec 2021 £000	Company Year ended 31 Dec 2020 £000
Cash generated from operations					
(Loss)/profit after income tax		33,133	(6,325)	339	323
Adjustments for:					
Depreciation and amortisation	3,10,11	12,229	10,010	-	-
Revaluation costs taken to profit and loss		(23,618)	-	-	-
Asset disposals		(254)	(169)	-	-
Finance costs – net	8	45,958	30,916	(85)	-
Equity settled share based payment expenses		3,589	-	-	-
Income tax	9	4,964	4,824	79	76
Changes in working capital (excluding the effects of acquisition)					
- Inventories	14	(3,962)	4,822	-	-
- Trade and other receivables	15	(6,864)	4,589	(418)	(1,400)
- Trade and other payables	17	38,364	11,592	226	1,001
- Provisions	18	1,299	1,338	-	-
Cash generated from operations		104,838	61,597	141	-
Cash flows from operating activities					
Interest paid		(14,381)	(15,383)	-	-
Income tax paid		(6,833)	(5,091)	-	-
Net cash generated from operating activities		83,624	41,123	141	-
Cash flows from investing activities					
Interest received	8	10	287	-	-
Proceeds from sales of plant, property and equipment	10	518	304	-	-
Acquisition of subsidiary (net of cash)	13	(11,397)	-	-	-
Purchases of property, plant and equipment	10	(27,210)	(26,231)	-	-
Purchases of software and related assets	11	(288)	(238)	-	-
Purchases of intangible assets (customer lists)	11	-	(155)	-	-
Net cash used in investing activities		(38,367)	(26,033)	-	-
Cash flows from financing activities					
(Repayment)/Proceeds from bank borrowings	19	(68,486)	15,000	-	-
Repayment of bank borrowings	19	-	(15,000)	-	-
Arrangement fees		-	(80)	-	-
Proceeds of PIK loan notes	19	80,000	-	-	-
Proceeds from the issue of PIK notes		-	15,620	-	-
Payment of lease liabilities	19	(11,468)	(1,594)	-	-
Net cash (used in) financing activities		46	13,946	-	-
Net increase/(decrease) in cash and cash equivalents		45,303	29,036	141	-
Cash and cash equivalents at beginning of year		42,261	13,225	-	-
Cash and cash equivalents at end of year	16	87,564	42,261	141	-

The Notes on pages 29 to 66 form part of the financial statements.

NOTES

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation

Tiger Topco 1 Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in the UK. The registered number is 10500425 and the registered address is Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS").

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

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s230 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The preparation of financial statements in conformity with IFRSs requires certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are detailed in Note 28.

1.3 Measurement Convention

The consolidated financial statements have been prepared under the historic cost convention, as modified by the revaluation of land and buildings, available for sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through the profit and loss account.

1.4 Going Concern

The Directors have prepared trading forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of plausible downsides scenarios and their impact operations and financial resources, the Group and Company will have sufficient funds to meet all liabilities as they fall due.

At the 31st December 2021, the Group had total assets less current liabilities of £975m (2020: £541m) and the closing cash balance was £88m (2020: £42m).

In assessing the Group and Company's ability to continue as a going concern, the Directors have prepared forecasts for a period of at least 12 months. Since the balance sheet date, the Tiger Topco 1 Group has been sold to Sun Communities, Inc., a REIT trading on the New York Stock Exchange, for a consideration of £950m. The purchase has resulted in the repayment of the Groups senior debt and all PIK notes post year end, and a new financing structure will soon be in place which will include intercompany balances owed to Sun Communities. The going concern assessment is therefore dependent on the company's parent company, Sun Communities Operating Limited Partnership not seeking repayment of the amounts currently or soon to be due once the final financing structure is in place. Sun Communities Operating Limited Partnership has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have undertaken a rigorous forecasting exercise including specific consideration of the current and likely ongoing impact of the pandemic on the business, as well as the impact of the post year end acquisition of the Group. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES (continued)

1 Accounting policies (continued)

1.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

1.6 Financial instruments

(i) Recognition on initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

NOTES (continued)

1 Accounting policies (continued)

1.6 Financial Instruments (continued)

(a) Classification (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

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

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

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

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

NOTES *(continued)*

1 Accounting policies *(continued)*

1.6 Financial Instruments *(continued)*

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full
- the financial asset is more than 90 days past due

These criteria are based on historic experience of debt default within the business.

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. Trade receivables with significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write Offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.7 Tangible fixed assets

Property, plant and equipment are stated at either fair value or cost less subsequent depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

NOTES (continued)

1 Accounting policies (continued)

1.7 Tangible fixed assets (continued)

The estimated useful lives are as follows:

Freehold property	- 25 to 200 years
Leasehold property	- Straight line over the period of the lease
Plant & machinery	- 10% straight line
Fixtures & fittings	- 10 to 25% straight line
Other fixed assets	- 10 to 25% straight line
IT equipment	- 25% straight line

Motor vehicles and caravan hire fleet are combined under other fixed assets and are respectively depreciated at 25% and 10%. Within hire fleet there are lodges which are depreciated straight line over 15 years.

The estimated useful lives of assets held under finance leases are as follows:

Plant and machinery	- 14% straight line
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Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Land and Buildings comprises holiday home parks, owned or leased, and operated by the Group. The parks are held at market value, being the open market value for each park, separate to the business as a whole, determined periodically (triennially) by external valuers under the RICS Valuation Standards. The valuation approach considers a range of indications of value, including earnings multiples (on a park-by-park basis with an allocation of part of the central overheads), "per pitch" valuations and evidence from recent similar transactions. The valuation is undertaken by a qualified Chartered Surveyor.

The cost of internal labour of those staff who work on capital projects is monitored and where appropriate as per IAS16 is capitalised and depreciated over the life of the asset constructed. The useful economic life of property, plant and equipment is reviewed on an annual basis. The period of actual or economic benefit may vary from the estimated life and residual values.

Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Land and building held under leases are held at their revalued amount under IAS 16. Other leased assets are recognised at an amount equal to present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

1.8 Business combinations

All business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.9 Intangible assets

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets/net liabilities of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the Group's share of the net assets/net liabilities of the acquired entity (i.e. a discount on acquisition) then the difference is credited to the income statement in the period of acquisition. Goodwill is allocated to cash generating units for the purposes of impairment testing and is tested annually for impairment (refer to impairment of assets policy) and carried at cost less accumulated impairment losses. At the acquisition date of a subsidiary, goodwill acquired is recognised as an asset and is allocated to each of the cash-generating units expected to benefit from the business combination's synergies and to the lowest level at which management monitors the goodwill.

Software

Software assets are initially stated at cost less accumulated amortisation and accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Other Intangible assets represents the identified values placed on those assets at the date of acquisition. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is provided so as to write off the cost of the customer relationships and brand over the expected economic lives of the asset in equal annual instalments as follows:

Brand	- 7 Years
Customer Lists	- 6 Years
Software	- 4 years

Amortisation of intangible assets is recognised in administrative expenses.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes the expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

NOTES (continued)

1 Accounting policies (continued)

1.11 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used

At inception or on a reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the bases of their relative stand-alone prices.

(A) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following;

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate; initially measured using the index or rates as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonable certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonable certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'obligations under finance leases' on the statement of financial position.

NOTES (continued)

1 Accounting policies (continued)

1.11 Leases (continued)

(A) As a lessee (continued)

(i) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(B) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'

1.12 Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use. These are defined as CGU's and are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the years during which services are rendered by employees.

NOTES (continued)

1 Accounting policies (continued)

1.13 Employee benefits (continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

No cash-settled share-based payment arrangements were established.

1.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.15 Revenue

Revenue is derived from the sale of holiday homes, rental of pitches to holiday homeowners (site fees) and short-term holiday lettings and represents the invoiced value of these goods and services excluding discounts, incentives and value added tax.

The sale of a holiday home itself is a distinct good when compared to the site fee included at the time of sale so the Group recognises income from caravan sales and site fees separately as each stream of income has different performance obligations. The sale of holiday homes and holiday home bundles are paid up front at the time of the sale.

Once separated from the bundle, the sale of a holiday home only has one performance obligation being the provision of the holiday home to the customer. The transaction price recognised is the amount per the sales contract that is agreed with the customer. Revenue is recognised in full on the date that the customer takes delivery of the holiday home. Customers have 14 days from the date of initial sale to cancel their purchase and receive a full refund.

Some of the holiday homes sold to customers of the Group are in part funded by third party finance companies so the payment terms are in accordance with the finance provider's terms and conditions. However, in the event of a default by a customer, the Group may be required to re-purchase a holiday home from the finance company at a price based on an agreed formula.

The site fee income sold as part of the 'caravan bundle' is recognised straight line over the contract period as the customer consumes the benefit provided by the Group and all performance obligations are met. Existing owners are required to pay site fees each year in exchange for the use of the holiday park and its facilities. The site fee income from these owners is recognised straight line over the contract period. The payment terms for site fees is either payment in full or a monthly direct debit. When payment is received in full, the income is recognised as deferred income and released on a straight-line basis over the year that they relate to, as the customer consumes the benefit provided by the Group. The observable market price of the site fees is deferred, with the caravan sales being the balancing figure.

NOTES *(continued)*

1 Accounting policies *(continued)*

1.15 Revenue *(continued)*

Rental income for pitches and holiday lets is recognised evenly over the rental period as the performance obligation is satisfied as the holiday is taken. Any extras added to the booking such as furniture hire or pet fees are considered to be bundled goods and therefore recognised when the holiday is taken, in line with the rental income. Payment terms are either payment in full up front or payment of a deposit with the balance at a later date. The timing of payment therefore differs to when the performance obligation is met, and therefore a contract liability is recognised.

All other income relating mainly to retail, entertainment and catering is recognised at the point of time that the good/service is supplied to the customer and consideration has been received by the Group. The items sold or provided are separable and the performance obligation is met upon point of sale. No contract assets or liabilities arise due to the timing of payment matching the meeting of performance obligations.

1.16 Government Grants

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the estimated useful economic lives of the assets to which they relate or over the period in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the profit and loss are presented under the heading "Other income".

1.16 Net financing costs

Net financing costs comprise interest on PIK loan notes, ground rent charges and bank interest payable and receivable which is recognised in profit or loss as it accrues, using the effective interest method.

Debt arrangement costs that were capitalised on the acquisition of the Tiger Group are amortised over the period of the associated debt and the unwinding of these costs are also recorded in finance costs.

1.17 Current and deferred taxation

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is classified as a non-current asset or liability dependent on its nature to the extent that it is not yet realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the asset can be utilised.

1.18 Non-underlying items

The financial trading results of the Group are reflected in the 'Trading performance' column on the Statement of Comprehensive Income. To ensure users are provided with a clear and consistent presentation of financial information, the effects of 'non-underlying items' are reported in a separate column. This column exists to clearly separate any one-off items in addition to items that are non-operational in nature.

The Group's Land and Buildings are held at market value, with full valuations carried out triennially. Although these assets are used within the normal course of business, the fair value movements on these assets do not reflect 'normal' trading performance as the full revaluations take place triennially. Therefore, any adjustments relating to revaluations are reported separately in the 'non-underlying items' column.

'Non-underlying items' are those that the Group considers to be not 'operationally driven' and significant in size or nature so should be separately identified as they do not form part of the regular cyclical trade of the business and inclusion of these items

NOTES (continued)

1.18 Non-underlying items (continued)

would distort the Group's underlying trading performance. Non-underlying items include, but are not limited to; transaction and integration costs relating to the acquisition of businesses, material restructuring and professional adviser costs, revaluation costs, costs associated with significant strategic or contract reviews and the tax effects of any of these items.

Additional costs incurred and grant income received due to the coronavirus and associated government schemes has not been included in non-underlying items. Grant income received under the job retention scheme has been disclosed as part of Other Operating Income (Note 4).

1.19 UK-adopted IFRS not yet applied

At the date of approval of these financial statements, the following standards, interpretations, and amendments were issued but not yet mandatory and early adoption has not been applied.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.
- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective date to be confirmed). The adoption of this standard is not currently expected to have a material impact on the Group's financial statements.

2 Revenue from contracts with customers

(i) Disaggregation of revenue

In the following table, revenue is disaggregated by major product lines, all revenue arose within the United Kingdom.

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Sale of holiday homes	120,639	79,358
Income from rental pitches and holiday lets	98,112	57,265
Other income	17,981	8,793
	236,732	145,416

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
<i>Timing of transfer of goods or service</i>		
Products and services transferred at a point in time	168,251	93,935
Products and services transferred over time	68,481	51,481
	236,732	145,416

(ii) Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Receivables (see Note 15, Trade Receivables)	11,032	8,554
Contract assets (within Prepayments and accrued income, Note 15)	1,585	707
Contract liabilities (see Note 17)	(56,440)	(43,617)
	(43,823)	(34,356)

The contract assets primarily relate to the Group's rights to consideration for services provided but not billed at the reporting date for utility billings. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for site fee income and holiday income received in advance.

There was £nil revenue (2020: £nil) recognised in the current year from performance obligations satisfied (or partially satisfied) in previous years as all performance obligations were settled in the year and there were no changes to revenue timing estimations.

During the year £0.7m (2020: £0.4m) related to transfers from contract assets recognised at the beginning of the period to receivables.

The amount of revenue recognised in the current year that was included in the contract liability balance at the beginning of the year was £41,283,000 (2020: £36,118,000).

NOTES (continued)

2 Revenue from contracts with customers (continued)

(iii) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2022 £'000	2023 £'000	2024 onwards £'000
Site fee income	51,751	1,278	855

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

3 Expenses and auditor's remuneration

Included in the profit for the year are the following:

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Depreciation and amortisation	12,229	10,010

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Auditor's remuneration		
- Audit of these financial statements	19	19
Amounts receivable by the auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	211	142
- Audit related assurance services	4	4
- Corporate finance services	282	115

4 Other operating income

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Other income	1,542	3,005
Government grants	2,077	2,872
	3,619	5,877

Other income relates mainly to a business interruption claim received in the year. Government grants in the year relate to the Coronavirus Job Retention Scheme. There are no unfulfilled conditions, or any other contingencies attached to the grants received.

NOTES (continued)

5 Staff numbers and costs

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

	Group Year to 31 Dec 2021 No. of employees	Group Year to 31 Dec 2020 No. of employees
Administration	185	159
Operational	1,733	1,210
Directors	4	5
	1,922	1,374

The aggregate payroll costs of these persons were as follows:

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Wages and salaries	38,564	27,993
Social security costs	3,152	2,199
Other pension costs	453	300
Equity-settled share-based payments	3,589	-
	45,758	30,492

6 Directors remuneration

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Remuneration	2,753	1,103
Amounts paid to third parties in respect of directors' services	172	113
Equity-settled share-based payments	3,589	-
	6,514	1,216

The highest paid director received remuneration of £855,000 during the year (2020: £331,914).

Directors' remuneration for 2021 includes both base salary for the year and a bonus based on the Group's trading performance over the 18 months to 31 December 2021. The year was an exceptional one and despite the challenges of the pandemic, management were able to deliver the Group's largest ever acquisition, Bridge Leisure Group, as well as delivering significant outperformance of budget across the existing estate.

No retirement benefits are accruing to any Directors, but the Group operates a number of defined contribution pension plans. The total expense for directors relating to these plans in the current year was £5,275 (2020: £5,127). The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was Enil (2020: Enil).

Share-based payments

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as an employee cost. The employee cost in each accounting period is based on the accounting period as a proportion of the total vesting period. As at the reporting date the weighted average remaining contractual life was 3 months. The weighted average exercise price is also the weighted average fair value at the measurement date.

NOTES (continued)

7 Non-underlying items

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Refinancing and legal costs	4,947	310
Acquisition expenses	1,941	593
Impairment	307	-
Abortive planning	-	347
Severance costs	921	-
Share-based payment expense	3,588	-
Valuations	181	45
Restructuring costs	153	42
	12,038	1,337
Other acquisition adjustments	(408)	-
Revaluation (reversal of previous impairments)	(23,618)	-
	(24,026)	-
Total non-underlying items	(11,988)	1,337

Government grants in the year are not included in non-underlying items given these acted to offset the increased costs and lost income due to the coronavirus in the year. Government grants received relate to the Job Retention Scheme, under which £2.1m (2020: £2.9m) was received in the year (see Note 4).

Refinancing and legal costs

Costs primarily related to the post year end sale of the group to Sun Communities as stated in note 30.

Acquisition expenses

Acquisition expenses incurred during 2021 related to the acquisition of the Bridge Leisure group and Bay View Holiday Park (2020: Acquisition of Pakefield Holiday Park and Wood Farm Holiday Park).

Abortive planning

During the year costs were incurred for planning applications that were unsuccessful; these are not part of the normal trading operations of the Group.

Severance costs

Severance costs incurred relate to redundant positions on acquisition and Director costs.

Share-based payment expense

The expense reflecting the recognition of the grant-date fair value of an equity-settled share-based payment to employees is presented as an non-underlying employee cost. See note 6.

Valuations

Costs incurred for the valuation of the portfolio.

Restructuring costs

Costs associated with an ongoing project to change the Group structure and eliminate historic subsidiaries.

Contract termination

Relates to the early termination of an operational contract.

Impairment

A desktop valuation at 31 December 2021 resulted an impairment going directly to Other Comprehensive Income.

NOTES (continued)

8 Net finance costs

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
Finance costs		
- Bank borrowings	6,186	8,103
- Finance cost amortisation	10,153	1,406
- PIK loan notes	19,523	12,528
- Ground rent	8,785	8,077
- Finance lease interest	1,421	1,089
Finance costs	46,068	31,203
Finance income		
- Bank interest	(110)	(287)
- Swaps interest	-	-
Finance income	(110)	(287)
Net finance costs	45,958	30,916

9 Taxation

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
UK corporation tax		
Current tax on loss for the year	5,129	3,568
Adjustment in respect of prior periods	(1,750)	(238)
Total current tax	3,379	3,330
Deferred tax (see Note 21)		
Origination and reversal of timing differences	(3,137)	(3,235)
Adjustment in respect of prior periods	5,002	1,743
Effect of increased/decreased tax rate on opening balance	(280)	2,986
Total deferred tax	1,585	1,494
Tax on loss	4,964	4,824

The current tax charge for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19%.

Reconciliation of effective tax rate:

	Group Year to 31 Dec 2021 £'000	Group Year to 31 Dec 2020 £'000
(Loss)/profit before taxation	38,097	(1,501)
Tax calculated at 19% (2019: 19%)	7,238	(285)
Tax effects of:		
- Items not deductible for tax purposes	1,424	297
- Impact of movement in tax rates	(314)	2,986
- Fixed assets adjustment	(5,659)	225
- Movement in deferred tax on chargeable gains on property	(977)	96
- Adjustment in respect of prior periods	3,252	1,505
Tax charge	4,964	4,824

NOTES (continued)

9 Taxation (continued)

Factors that may affect future tax charge:

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021 and received royal assent on 10 June 2021, therefore the deferred tax balances have been remeasured at 25% with an adjustment recognised in the 2021 tax credit for remeasurement of the opening deferred tax balance.

10 Tangible fixed assets – Group (Company – £nil)

	Land and Buildings	Plant, Fixtures & Fittings	Other Assets	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 January 2020	442,835	20,435	25,777	489,047
Additions through business combinations	11,681	95	236	12,012
Additions	13,694	2,126	4,094	19,914
Disposals	-	(1,485)	(3,533)	(5,018)
Balance at 31 December 2020	468,210	21,171	26,574	515,955
Additions through business combinations	78,808	682	2,621	82,111
Additions	20,900	3,261	9,855	34,016
Disposals	-	-	(8,218)	(8,218)
Revaluation	288,306	-	-	288,306
Balance at 31 December 2021	856,224	25,114	30,832	912,170
Depreciation and Impairment				
Balance at 1 January 2020	31,859	5,972	2,210	40,041
Charge for the year	1,310	2,665	3,406	7,381
Impairment	5,702	445	132	6,279
Disposals	-	(1,147)	(2,461)	(3,608)
Balance at 31 December 2020	38,871	7,935	3,287	50,093
Charge for the year	2,163	2,603	3,795	8,561
Depreciation eliminated on revaluation	(2,530)	-	-	(2,530)
Impairment	7,550	-	-	7,550
Disposals	-	-	(4,514)	(4,514)
Balance at 31 December 2021	46,054	10,538	2,568	59,160
Net book value at 1 January 2020	410,976	14,463	23,567	449,006
Net book value at 31 December 2020	429,339	13,236	23,287	465,862
Net book value at 31 December 2021	810,170	14,576	28,264	853,010

Additions in 2021 includes £266,049 for hire fleet caravans that transferred from stock in the year (2020: £175,048). The value of Land and Buildings includes £3.8m of assets under construction (2020: £4.2m).

The gross carrying amount of fully depreciated property plant and equipment which was still in use at 31 December 2021 is £8,708,700 (2020: £8,237,260).

There were no contractual commitments at the balance sheet date.

Leased land and buildings

The Group has a number of sale and leaseback agreements, secured on the land of 25 parks of the total 40 owned (2020: 22 parks of 31 owned). Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period.

NOTES (continued)

10 Tangible fixed assets (continued)

Revaluations

The following information relates to tangible fixed assets carried on a revaluation basis in accordance with IAS 16 Property, Plant and Equipment.

	Land and Buildings 2021 £'000	Land and Buildings 2020 £'000
Fair value at 31 December	856,224	468,210
Aggregate depreciation thereon	(46,054)	(38,871)
Net book value	810,170	429,339
Historical cost of revalued assets at 31 December	507,717	408,009
Aggregate depreciation thereon	(3,322)	(1,967)
Historical cost net book value	504,395	406,042

Full valuations are carried out by external experts triennially with management reviews carried out in non-review years. The Group uses CBRE for these valuations who hold all necessary qualifications to carry out the valuation in accordance with the RICS Valuation Professional Standards.

The technique used by the valuers is a Market Value valuation which is a price between a willing buyer and willing seller at arm's length. The valuation looks at many factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management reviews this valuation against internal benchmarks and factors they deem necessary to value the park at a market rate. The carrying value is adjusted to fair value in the revaluation year based on this review.

In non-revaluation years management review the carrying value and fair value of the parks, aided by desktop reviews by CBRE. To assess fair value, management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage in a full valuation report. This advice is combined with park performance over the last year and management review the same factors that the valuer uses (as noted above) to assess fair value.

A desktop revaluation was last carried out by CBRE on the 31 December 2021. This was carried out in accordance with the techniques explained above and resulted in an impairment which went directly to other comprehensive income.

The best use and high use value of assets are equal in the year (2020: equal).

Impairment loss and subsequent reversal

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset. The ground rent lease obligations are the only lease held by the Group where the payments are linked to an index and are also subject to a minimum of 1% increase each year therefore the lease liability must be re-calculated. Calculation for the ROU asset and lease liability assume a future rate increase of 1%, which meant that at the year-end a revaluation was required. At 31 December 2021 there was £7.2m increase (2020: £nil increase) in the liability with a corresponding entry entered for the right of use asset.

There was a write down of the ROU assets in the year in relation to leasehold parks. The recognition of right of use assets on transition to IFRS 16 in addition to leasehold land and buildings meant that the ROU assets were unsupportable.

As the Group holds non-current assets at fair value, the corresponding entry to increase the asset would lead to an overstatement in the asset value. Therefore, an impairment of £7.2m (2020: £nil) was recognised.

NOTES (continued)

11 Intangible assets – Group (Company - £nil)

	Goodwill	Software	Brand	Customer Lists	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	70,548	935	10,332	6,075	87,890
Additions	-	238	-	-	238
Additions through business combinations	-	-	-	155	155
Balance at 31 December 2020	70,548	1,173	10,332	6,230	88,283
Additions	-	288	-	-	288
Additions through business combinations	32,027	-	1,881	7,243	41,151
Balance at 31 December 2021	102,575	1,461	12,213	13,473	129,722
Amortisation and impairment					
Balance at 1 January 2020	-	549	4,269	2,894	7,712
Amortisation charge for the year	-	159	1,476	993	2,628
Balance at 31 December 2020	-	708	5,745	3,887	10,340
Amortisation charge for the year	-	194	1,710	1,764	3,668
Balance at 31 December 2021	-	902	7,455	5,651	14,008
Net book value at 1 January 2020	70,548	386	6,063	3,181	80,178
Net book value at 31 December 2020	70,548	465	4,587	2,343	77,943
Net book value at 31 December 2021	102,575	559	4,758	7,822	115,714

A customer list was acquired in 2017 upon the acquisition of Park Holidays UK Limited. The carrying amount of this asset at the 31 December 2021 was £1.2m and at that date the remaining amortisation period was 2 years.

A brand was acquired in 2017 upon the acquisition of Park Holidays UK Limited. The carrying amount of this asset at the 31 December 2021 was £3.1m and at that date the remaining amortisation period was 1 years.

A customer list was acquired in the current year upon the acquisition of the Bridge Leisure Group. This customer list had a carrying value at the 31 December 2021 of £6.4m and the remaining amortisation period was 5 years.

A brand was acquired in the current year on acquisition of the Bridge Leisure Group. This brand had a carrying value at the 31 December 2021 of £1.6m and the remaining amortisation period was 4 years.

Impairment testing

The carrying amount of goodwill is reviewed annually to check for indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Management considers goodwill under a model of two CGUs, one for the existing business and one for Bridge Leisure Group which was acquired in the year. This distinction into two CGUs represents the lowest cash generating unit (CGU) that goodwill can be assigned to in a non-arbitrary manner in accordance with IAS 36.81. The current NBV for goodwill and intangibles for Park Holidays CGU and Bridge Group CGU are £75.1m and £39.8m respectively. The headroom on each of these CGUs is £542.2m and £53.6m, respectively. This headroom is also allowing for the inclusion of tangible assets however the headroom is great enough that this covers the goodwill and intangible asset values.

This CGUs were valued using a value in use ('VIU') calculation. The VIU of the CGUs was calculated using the "Traditional Approach to Present Value" technique as described in IAS 36 Appendix A. The valuation workings made use of estimations, averages, and computational shortcuts where appropriate as permitted under IAS 36.23.

These calculations estimated the value in use by taking the earnings before interest, tax, depreciation, amortisation and ground rent ('EBITDAGR') of the CGUs for the year to 31 December 2021, discounted by the Group's pre-tax discount rate of 7% (2020: 7%) and extrapolated for 5 years based on management forecasts, followed by a perpetuity calculation with a terminal growth rate of 2%. The discount rate reflects the funding structure of the group and therefore has not changed since the prior year. This assumption is based on past experience and is consistent with external information regarding the growth of the industry. As the recoverable amount of the CGUs is significantly higher than the cumulative total of allocated goodwill and the carrying value of the CGUs' assets, the allocated goodwill is not deemed to be impaired.

NOTES (continued)

11 Intangible assets – Group (continued)

Impairment testing (continued)

A sensitised scenario has been run to reduce the EBITDAGR growth to a 1% terminal growth rate and increase the discount rate to 8%. This sensitised scenario shows there is still headroom between the carrying value and VIU. Management do not believe this sensitised case to be reflective of the businesses expected performance or underlying metrics but helps to prove that no impairment exists. We do not deem there to be individual assumptions in which a reasonably possible change could occur which could lead to an impairment

12 Investments in subsidiaries

	Company 2021 £	Company 2020 £
Shares in Group undertakings		
At the start of the year	1	1
Additions	3,588,000	-
Balance at 31 December	3,588,001	1

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid. The results from subsidiary undertakings are included within the consolidated results.

The company holds the following direct and indirect investments, all of which are 100% interests in the ordinary share capital and all of which are registered in England and Wales:

Subsidiary undertakings	Registered Address	Principal activity	Direct/Indirect	Registered Number
Tiger Debtco Limited ¹	*	Holding Company	Direct	10163623
Tiger Midco Limited ¹	*	Holding Company	Indirect	10164103
Tiger Bidco Limited ¹	*	Holding Company	Indirect	10164668
Tiger Group Limited ¹	*	Holding Company	Indirect	08474797
CP Equityco Limited ¹	*	Dormant	Indirect	05647316
CP Acquisitionco Limited	*	Micro entity	Indirect	05647328
Park Holidays UK Limited	*	Holiday Park Operator	Indirect	
Martello Beach Limited	*	Non-Trading	Indirect	
The South Devon Holiday Parks Limited ¹	*	Non-Trading	Indirect	03274393
Ladycroft Limited	*	Non-Trading	Indirect	
Hammerton Caravan Group Limited	*	Non-Trading	Indirect	
Hammerton Leisure Limited	*	Non-Trading	Indirect	
Seaview Holiday Park Limited	*	Non-Trading	Indirect	
Golden Sands Limited	*	Dormant	Indirect	
Crumphood Limited	*	Dormant	Indirect	
Coghurst Hall Holiday Village Limited	*	Dormant	Indirect	
Harts Holiday Village Limited	*	Dormant	Indirect	
Marlie Farm Holiday Village Limited	*	Dormant	Indirect	
Cinque Ports Leisure Homes Limited	*	Dormant	Indirect	
Harts Holiday Camps Limited	*	Dormant	Indirect	
Evengain Limited	*	Micro entity	Indirect	
WSG Operating Company Limited	*	Micro entity	Indirect	
Park Holidays UK Finance Limited	*	Micro entity	Indirect	
Bridge Leisure Topco Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Finco Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Midco Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Bidco Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Parks (Holdings) Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Parks (Finance) Limited ^{1,2}	*	Holding Company	Indirect	
Bridge Leisure Management Limited ^{1,2}	*	Management Services Company	Indirect	
Bridge Leisure Management (North) Limited ^{1,2}	*	Management Services Company	Indirect	
Bridge Leisure Parks Limited ^{1,2}	*	Holiday Park Operator	Indirect	

NOTES (continued)

12 Investments in subsidiaries (continued)

Subsidiary undertakings	Registered Address	Principal activity	Direct/Indirect	Registered Number
Silver Sands Leisure Park Limited ^{1,2}	*	Holiday Park Operator	Indirect	
Turnberry Holiday Park Limited ^{1,2}	*	Holiday Park Operator	Indirect	
Seaview Holiday Village Limited ^{1,2}	*	Holiday Park Operator	Indirect	
Trevella Caravan Company Limited ^{1,2}	*	Holiday Park Operator	Indirect	
Sand Le Mere Caravan Park Limited ^{1,2}	*	Holiday Park Operator	Indirect	
Bowland Fell Park Limited ^{1,2}	*	Holiday Park Operator	Indirect	

¹ Exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with Section 479A of the Companies Act 2006, Tiger Topco 1 Limited has provided guarantees over the liabilities of these subsidiaries as disclosed in Note 25.

² If appropriate, these entities may be dissolved or liquidated as part of a rationalisation prior to filing parent company guaranteed statutory accounts.

* All subsidiaries are registered at Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

13 Acquisitions

Acquisitions in the current year (Group)

Bridge Leisure Group

On 18 May 2021 the Group, via its wholly owned subsidiary undertaking Tiger Bidco Limited ("Bidco"), acquired all of the shares in Bridge Leisure Topco Limited ("Bridge", "Bridge Group") for £18,035,000 satisfied in cash. Total funding required for the acquisition amounted to £85,847,000 as shown in the table below.

Funding	
Bank debt	39,472
Shareholder loans	28,340
Total debt funding	67,812
Equity Funding	
Ordinary share capital	18,035
Total equity funding	18,035
Total funding	85,847

All bank debt and shareholder loans were repaid in full on completion of the Bridge acquisition.

As well as owning and operating nine holiday parks across the UK, Bridge managed the running of three other parks on behalf of their owners. The acquisition of the Bridge business provided the Group with an opportunity to greatly expand its park footprint across parts of the UK where a presence was not previously maintained. It also enabled the Group to become one of the largest owners of holiday parks in the leisure sector.

NOTES (continued)

13 Acquisitions (continued)

Bridge Leisure Group (continued)

The following table summarises the consideration paid for the business and the fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration	£'000
Cash on completion	18,035
Total consideration	18,035
Recognised amounts of identifiable assets acquired and liabilities assumed	
Intangible assets	9,124
Property, plant and equipment	80,173
Inventories	1,515
Debtors and prepayments	1,190
Cash	7,803
Corporation tax	217
Trade creditors	(3,377)
Deferred income	(8,341)
Other creditors and accruals	(3,902)
Bank debt	(39,472)
Shareholder loans	(28,341)
Deferred tax	(5,497)
Lease liability	(25,084)
Total identifiable net assets	(13,992)
Goodwill generated on acquisition	32,027
Cash impact of the acquisition	
Cash paid	18,035
Less: cash acquired	(7,803)
Net outflow of cash – investing activities	10,232

The goodwill arising on acquisition is attributable to the assembled workforce of the acquired group, the wider footprint of parks across the UK and the further gaining of critical mass within the holiday park leisure sector. It will not be deductible for tax purposes.

There was no contingent consideration and the business combination was achieved in a single stage.

Subsequent to the acquisition the nine Bridge holiday parks were added as new venues on the Park Holidays UK website. The nine Bridge parks contributed £8,174,000 of earnings before interest, tax, depreciation and amortisation ('EBITDA'). If the Bridge Group had traded for a full year revenue would have been an estimated £31,553,689 and EBITDA would have been an estimated £8,625,401.

The fair value of acquired trade receivables is £651,000. The gross contractual amount for trade receivables due is £847,000, with a loss allowance of £196,000 recognised on acquisition.

Acquisition expenses of £1,183,000 arose as a result of the transaction. These Administrative expenses are one-off costs and identified separately in the Group's financial statements by being presented in columnar format in the Income Statement under Non-underlying items and detailed in Note 7 Non-underlying items.

NOTES (continued)

13 Acquisitions (continued)

Bay View Holiday Park

On 22 February 2021 Park Holidays UK Limited acquired the entire share capital of Bay View Park Limited ("Bay View") for a cash consideration of £1,167,000. Total funding required for the acquisition amounted to £1,840,000, including redemption debt of £673,000, as shown in the table below. Redemption debt is debt specifically agreed to be paid by Park Holidays UK Limited on behalf of Bay View.

Funding	£'000
Redemption debt funding	673
Total redemption debt funding	673
Equity funding	
Ordinary share capital	1,167
Total identifiable net assets	1,167
Total funding	1,840

Bay View's Holiday Park is located in Pevensey Bay, East Sussex, less than a mile from the Pevensey Bay Holiday Park operated by Park Holidays UK Limited. Featuring a 9-hole golf course, the Bay View Holiday Park was seen as an attractive addition to the Park Holidays UK Limited portfolio, in terms of extra capacity, considerable development opportunity and in widening the spectrum of entertainment offerings.

Shortly after acquisition, the assets and liabilities of the Bay View Holiday Park were combined and subsumed into Park Holidays UK Limited's Pevensey Bay Holiday Park along with property simultaneously purchased from the owners of Bay View. Incorporating the newly acquired land and holiday park facilities the enlarged Pevensey Bay Holiday Park is in a strong position to greatly develop its new, much larger footprint and generate long term benefits for the Park Holidays UK portfolio, including more opportunities for caravan sales.

The Bay View Holiday Park contributed a profit of £221,000 to the Group's profit in the period from purchase date to 31 December 2021. This was without generating any caravan sale revenue. If the park had traded for a full year, revenue would have been an estimated £448,000 and earnings before interest, tax, depreciation and amortisation ('EBITDA') would have been an estimated £221,000. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to Park Holidays UK Limited.

NOTES (continued)

13 Acquisitions (continued)

Bay View Holiday Park (continued)

The following table summarises the consideration paid for the business and the fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration	£'000
Cash on completion	1,167
Total consideration	1,167
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	1,937
Inventories	1
Debtors and prepayments	109
Cash	2
Loans and borrowings	(673)
Trade and other creditors	(20)
Accruals and deferred income	(92)
Lease liability	(97)
Total identifiable net assets	1,167
Goodwill generated on acquisition	-

There was no contingent consideration, and the business combination was achieved in a single stage.

Acquisition expenses of £59,000 arose as a result of the transaction. These Administrative expenses are one-off costs and identified separately in the Group's financial statements by being presented in columnar format in the Income Statement under Non-underlying items and detailed in Note 7.

Acquisitions in the prior year (Group)

Wood Farm Holiday Park

On the 27 November 2020 the Group acquired the trade and assets of Wood Farm Holiday Park for £6,080,065, satisfied in cash. The business runs a holiday park in Dorset and was acquired to expand the portfolio of the Group. The park contributed a loss of £23,037 to the Group's profit in the period from purchase to 31 December 2020. If the park had traded for a full year revenue would have been an estimated £3,627,668 and net profit an estimated £1,120,465. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group. There are no measurement period adjustments to be made with respect to this acquisition in the future, the accounting treatment presented here is final.

The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed and at the acquisition date:

Consideration	£'000
Cash on completion	6,080
Total consideration	6,080
Recognised amounts of identifiable assets acquired and liabilities assumed	
Customer Lists	20
Property Plant and Equipment	6,330
Site fee creditors	(216)
Deferred income	(33)
Other creditors and accruals	(21)
Total identifiable net assets	6,080
Goodwill generated on acquisition	-

NOTES (continued)

13 Acquisitions (continued)

Acquisitions in the prior year (Group) (continued)

Pakefield Holiday Park

On the 16 December 2020 the trade and assets of Pakefield Holiday Park for £4,500,000, satisfied in cash. The business runs a holiday park in Suffolk and was acquired to expand the portfolio of the Group. The park contributed a loss of £35,532 to the Group's profit in the period from purchase to 31 December 2020. If the park had traded for a full year revenue would have been an estimated £3,244,907 and net profit would have been an estimated £1,024,328. Site fees for periods post completion but paid by customers pre-completion to the previous owner, were paid over to the Group. There are no measurement period adjustments to be made with respect to this acquisition in the future, the accounting treatment presented here is final. The following table summarises the consideration paid for the business and the fair value of the assets acquired and the liabilities assumed at the acquisition date:

Consideration	£'000
Cash on completion	4,500
Total consideration	4,500
Recognised amounts of identifiable assets acquired and liabilities assumed	
Customer Lists	135
Property Plant and Equipment	5,682
Inventories	24
Debtors and prepayments	23
Cash	2
Site fee creditors	(17)
Deferred income	(31)
Lease liability	(1,318)
Total identifiable net assets	4,500
Goodwill generated on acquisition	-

14 Inventories

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Finished goods	23,215	14,273	-	-

No inventory is expected to be recovered in more than one year. Finished goods recognised as cost of sales in the year amounted to £37,930,663 (2020: £32,080,529). The write-down of inventories to net realisable value amounted to £128,762 (2020: £79,711). There were no reversals of write-downs in the year.

15 Trade and other receivables

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Trade receivables (see Note 23)	11,032	8,554	-	-
Prepayments and accrued income	9,246	4,160	-	-
VAT and corporation tax receivable	4,284	1,000	-	-
Amounts due from Group undertakings	-	-	8,630	8,211
Other receivables	924	3,609	-	-
	25,486	17,323	8,630	8,211

Contract assets of £1,585,000 existed within prepayments and accrued income at the year-end (2020: £707,000).

All trade and other receivables were denominated in Pounds Sterling as at 31 December 2021. For the amounts owed by group undertakings, interest is charged at 5%. As at 31 December 2021 there were £nil trade receivables due after more than one year.

NOTES (continued)

16 Cash and cash equivalents

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Cash at bank and in hand	87,564	42,261	141	-

All cash and cash equivalents are denominated in pounds sterling as at 31 December 2021.

17 Trade and other payables

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Trade payables	24,004	13,669	-	-
Social security and other taxes	1,394	620	-	-
Amounts owed to Group undertakings	-	-	3,420	3,194
Contract liabilities	56,440	43,617	-	-
Accrued expenses	21,067	10,219	-	-
Other liabilities	28,287	7,747	-	-
	131,192	75,872	3,420	3,194

All trade and other payables were denominated in Pounds Sterling as at 31 December 2021. For the amounts owed to group undertakings, interest is charged at 5%.

18 Provisions

	Coronavirus costs £'000	Group Total £'000	Company Total £'000
Balance at 1 January 2021	1,338	1,338	-
Release of prior year provision	-	-	-
Provisions made during the year	1,299	1,299	-
Balance at 31 December 2021	2,637	2,637	-
Current	2,637	2,637	-
Non-current	-	-	-

The coronavirus costs provision relates to additional costs due to the impact of the coronavirus. The costs primarily relate to repossessions which had not yet been actioned by the finance houses at the year end. The timing and amount of outflow of resources are uncertain at the balance sheet date and are therefore based on estimates of the timing and amount of outflow.

19 Other interest-bearing loans and borrowings

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Non-current liabilities				
Bank borrowings	179,630	177,336	-	-
Lease liabilities	256,717	220,054	-	-
Loan notes	231,619	132,758	-	-
Co-investor loan notes	4,127	4,127	-	-
	672,093	534,275	-	-

NOTES (continued)

19 Other interest-bearing loans and borrowings (continued)

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000	Company 31 Dec 2021 £'000	Company 31 Dec 2020 £'000
Current liabilities				
Bank borrowings	-	-	-	-
Lease liabilities	3,387	2,083	-	-
	3,387	2,083	-	-

Term and debt repayment schedule:

	Nominal interest rate	Date of maturity	Face value and Carrying amount 31 Dec 2021 £'000	Face value and Carrying amount 31 Dec 2020 £'000
Term loan B	3.75% above 3m LIBOR	8/2/2024	130,000	130,000
Capex and acquisition facility	3.25% above 3m LIBOR	8/2/2023	10,000	10,000
Accordion facility 1	3.75% above 3m LIBOR	8/2/2024	14,000	14,000
Accordion facility 2	3.75% above 3m LIBOR	8/2/2024	11,000	11,000
Accordion facility 3	3.75% above 3m LIBOR	8/2/2024	15,000	15,000
			180,000	180,000

The bank facilities are held with The Royal Bank of Scotland, Barclays Bank plc, Crédit Agricole, HSBC Bank plc, National Westminster Bank plc, Santander UK plc and Sumitomo Mitsui banking corporation, and are secured by fixed and floating charges over the assets of the Group.

The term loan was taken out in February 2017 on a seven-year term. Accordions 1 and 2 were drawn during 2017 to fund acquisitions. The £10m capex and acquisition facility was drawn down in 2018 and used to part fund the purchase of Martello Beach. The third accordion facility of £15m was arranged for the acquisition of Dovercourt in 2018.

In November 2021, the Group cancelled its Super Senior Revolving Credit Facility of £15m which had remained undrawn through the year.

In addition to the above, Lombard North Central plc, who supply caravans to the Group, hold a fixed and floating charge over the assets of the Group in respect of monies due to them from time to time, ranking below the banks. At the year-end £1,900,553 was owed to Lombard (2020: £1,658,125).

Loan notes

Loan notes of £80,000,000 with a coupon rate of 10% were issued to ICG in the year. At 31 December 2021 the investor loan notes net of £nil (2020: £nil) capitalised fees, had a balance of £231.6m with a total of £18.9m interest. The co-investor loan notes had a balance of £4.1m with a total of £0.6m accrued interest, accrued for in the current year recognised in trade and other payables and interest accrues at 10%.

Borrowing costs

Debt arrangement costs of £5.3m incurred during the acquisition of the Tiger Group in 2017 have been capitalised and are being amortised over the 7-year term of the loan.

NOTES (continued)

20 Changes in liabilities from financing activities

	31 Dec 2021			31 Dec 2020		
	Loans and borrowings	PIK and co-investor loan notes	Lease liabilities	Loans and borrowings	PIK and co-investor loan notes	Lease liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January	177,336	136,885	222,137	176,554	108,705	217,055
Changes arising from obtaining or losing control of subsidiaries or other businesses	68,485	-	-	-	-	-
Changes from financing cash flows						
Proceeds from loans and borrowings	-	80,000	-	15,000	15,620	-
Repayment of loans and borrowings	(68,485)	-	-	(15,000)	-	-
Payment of lease liabilities	-	-	(11,468)	-	-	(9,007)
Transaction costs related to loans and borrowings	-	-	-	-	-	-
Repayment of loan notes	-	-	-	-	-	-
Total changes from financing cash flows	(68,484)	80,000	(11,468)	-	15,620	(9,007)
Other changes						
New leases	-	-	6,806	-	-	5,708
Leases acquired on acquisitions	-	-	25,180	-	-	-
Arrangement fees paid	2,294	-	-	782	544	-
Interest expense	6,186	18,861	10,206	8,103	12,016	9,059
Interest paid	(6,186)	-	-	(8,103)	-	-
Remeasurement of lease liability	-	-	7,243	-	-	-
Disposal	-	-	-	-	-	(678)
Total other changes	2,294	18,861	49,435	782	12,560	14,089
Balance at 31 December	179,630	235,746	260,104	177,336	136,885	222,137

21 Deferred taxation (Group)

Recognised deferred tax liabilities

Deferred tax attributable to:

	Assets		Liabilities		Net	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	£000	£000	£000	£000	£000	£000
Freehold and leasehold property	-	-	121,501	33,365	121,501	33,365
Intangible assets	-	-	2,356	1,269	2,356	1,269
Corporate interest restriction	(10,908)	(10,179)	-	-	(10,908)	(10,179)
Total deferred tax	(10,908)	(10,179)	123,857	34,634	112,949	24,455

Movement in deferred tax assets during the year:

	1 Jan 2021	Acquisition of subsidiary	Recognised in P&L	Recognised in OCI	31 Dec 2021
	£000	£000	£000	£000	£000
Corporate interest restriction	(10,179)	-	(729)	-	(10,908)
Total deferred tax assets	(10,179)	-	(729)	-	(10,908)

Movement in deferred tax assets during the prior year:

	1 Jan 2020	Acquisition of subsidiary	Recognised in P&L	Recognised in OCI	31 Dec 2020
	£000	£000	£000	£000	£000
Corporate interest restriction	(6,112)	-	(4,067)	-	(10,179)
Total deferred tax assets	(6,112)	-	(4,067)	-	(10,179)

NOTES (continued)

21 Deferred taxation (Group) (continued)

Movement in deferred tax liabilities during the year:

	1 Jan 2021 £000	Acquisition of subsidiary £000	Recognised in P&L £000	Recognised in OCI £000	31 Dec 2021 £000
Freehold and leasehold property	33,365	5,497	1,227	81,412	121,501
Intangible assets	1,269	-	1,087	-	2,356
Total deferred tax liabilities	34,634	5,497	2,314	81,412	123,857

Movement in deferred tax liabilities during the prior year:

	1 Jan 2020 £000	Acquisition of subsidiary £000	Recognised in P&L £000	Recognised in OCI £000	31 Dec 2020 £000
Freehold and leasehold property	28,396	-	5,938	(969)	33,365
Intangible assets	1,645	-	(376)	-	1,269
Total deferred tax liabilities	30,041	-	5,562	(969)	34,634

There was no deferred tax arising in the Company.

22 Share Capital and Reserves

Group & Company	Ordinary Share capital		Preference shares		Share premium	
	Number	£	Number	£	Number	£
In issue at 1 January 2020	1,006,563	11,720	-	-	1,006,563	1,035,921
In issue at 31 December 2020	1,006,563	11,720	-	-	1,006,563	1,035,921
In issue at 1 January 2021	1,006,563	11,720	-	-	1,006,563	1,035,921
Shares issued	-	-	100,000	1	-	-
In issue at 31 December 2021	1,006,563	11,720	100,000	1	1,006,563	1,035,921

Share class	Number of shares	Nominal value	Aggregate nominal	Price per share	Aggregate price
Ordinary	1	£1.00	£1	£1.00	£1
A1 Ordinary (78.8% of voting rights)	788,389	£0.01	£7,884	£0.99	£780,504
A2 Ordinary (3.7% of voting rights)	36,610	£0.01	£366	£0.99	£36,244
B1 Ordinary	117,249	£0.01	£1,173	£1.13	£132,799
B2 Ordinary (17.5% of voting rights)	55,125	£0.04	£2,204	£1.10	£60,795
B3 Ordinary	6,563	£0.01	£66	£3.44	£22,576
B1 Ordinary Treasury Shares	2,626	£0.01	£26	£1.14	£3,001
At 31 December 2021	1,006,563		£11,720		£1,035,920

The holders of all ordinary shares are entitled to one vote per share at meetings of the Group and have the right to receive dividends after preference shares as declared from time to time. The ordinary shares are not redeemable. No dividend payments were made during the year (2020: *Nil*).

The Ordinary Treasury Shares retain a beneficial interest jointly held by the Park Holidays Employee Benefit Trust and two senior employees. The Park Holidays Employee Benefit Trust as part of the created as part of the Group's management incentive scheme to enable it to attract, retain and motivate certain key employees and executive directors.

Revaluation reserve

Where property, plant and equipment is revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve. A valuation was carried out by external valuers in December 2019 which resulted in an impairment which went to the profit and loss reserve. In 2021, this impairment has been full reversed in the profit and loss reserve, with the additional uplift included in the revaluation reserve.

Under IFRS 16, when future lease payments are linked to the change in an index or rate, the lease liability must be remeasured at each reporting date. Any increase in the lease liability must be reflected, with a corresponding entry on the right of use asset.

NOTES (continued)

22 Share Capital and Reserves

Share-based payment reserve

The share-based payments reserve is used to recognise the grant date fair value of joint beneficial interests in shares issued to senior employees via the Employee Benefit Trust.

23 Financial instruments

(a) Fair value of financial instruments

Fair Value

There is no significant difference between the carrying amounts shown in the balance sheet and the fair values of the Group and Company's financial instruments. For current trade and other receivables/payables with a remaining life of less than one year, the amortised cost is deemed to reflect the fair value.

The fair value of all financial assets and liabilities by class shown in the balance sheet, together with their carrying amounts, are detailed below. There have not been any transfers within the hierarchy during the year. The Group holds no Level 1 or 3 assets as all financial instruments are held at amortised cost.

	Carrying Amount 31 Dec 2021 £'000	Fair Value 31 Dec 2021 £'000	Carrying Amount 31 Dec 2020 £'000	Fair Value 31 Dec 2020 £'000
Financial Assets				
<i>Financial assets measured at amortised cost</i>				
<i>Loans and receivables</i>				
Trade receivables (Note 15)	11,032	11,032	8,554	8,554
Cash and cash equivalents (Note 16)	87,564	87,564	42,261	42,261
Total financial assets	98,596	98,596	50,815	50,815
Financial Liabilities				
<i>Financial liabilities measured at amortised cost</i>				
Trade payables (Note 17)	(24,004)	(24,004)	(13,669)	(13,669)
Borrowings (Note 19)	(179,630)	(179,630)	(177,336)	(177,336)
Loan notes (Note 19)	(235,746)	(235,746)	(136,885)	(136,885)
Lease liabilities (Note 24)	(260,104)	(260,104)	(222,137)	(222,137)
Total financial liabilities	(699,484)	(699,484)	(550,027)	(550,027)
Total net financial instruments	(600,888)	(600,888)	(499,212)	(499,212)

(b) Credit risk

Financial Risk Management

The use of financial instruments is managed under policies and procedures approved by the Board. These are designed to reduce the financial risks faced by the Group and Company, which primarily relate to credit, interest rate and liquidity risks, which arise in the normal course of the Company's and Group's business.

(c) Capital Management

The objective of capital management is to ensure that the Group is to be able to continue as a going concern whilst delivering shareholder expectations and returning benefits to other stakeholders.

The capital structure of the Tiger Topco 1 Group consists of bank debt, PIK notes, lease liabilities, cash and cash equivalents and share capital. Details of the share capital are shown in note 22.

We regularly review and maintain or adjust the capital structure as appropriate to achieve these objectives and this is consistent with the management of capital for previous years. The Group has banking facilities available (see Note 19) that contain certain external capital requirements ('covenants') that are considered normal for these types of arrangements. The Group remains comfortably within all such covenants.

NOTES (continued)

23 Financial instruments (continued)

(c) Capital Management (continued)

The total funding requirement is identified via a detailed balance sheet and cash flow forecasting process which is updated and reviewed by the board on a monthly basis. There have been no changes in what the Group manages as capital in the year.

The Tiger Topco 1 Limited Group's objectives for managing capital include:

- ensuring availability of working capital;
- ensuring sufficient funds for business development; and
- maximise the return to shareholders from business value growth.

Exposure to credit risk

Credit risk is managed on a Group basis and arises from cash and cash equivalents, financial instruments and trade receivables. The Group provides credit to customers in the normal course of business. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Management considers the covid-19 pandemic to have had little impact of the credit risk of the Group as a whole, credit can be recovered via the repossession of caravans and as such, expected credit losses (ECL) based on historic recovery rates have been shown to be very small resulting in the group not requiring an ECL provision.

The carrying amount of trade receivables represents the maximum credit exposure for the Group. All material trade receivable balances relate to sales transactions with the Group's client base. At the balance sheet date, there were no significant concentrations of credit risk, with total trade receivables of £11,032,000 (2020: £8,554,000). There were no expected credit losses or impairments as at 31 December 2021.

The trade receivables as at 31 December are aged as follows:

	31 Dec 2021	31 Dec 2020
	£'000	£'000
Not due	9,916	8,168
Not more than three months past due	598	148
More than three months but not more than six months past due	518	238
Trade receivables (see Note 15)	11,032	8,554

(d) Liquidity risk

The Group holds a financing facility with various banks (see Note 19) and its interest and liquidity risks are associated with the maturity of its loans against cash inflows from around the Group. As at 31 December 2021, the Group owed £180m (2019: £180m) under the facility. The repayment profile for this debt, and interest rates are set out in Note 19.

NOTES (continued)

23 Financial instruments (continued)

The amounts below are gross and undiscounted, and include estimated contractual interest payments and exclude the effect of netting agreements:

		2021			
	Carrying amount £'000	Contractual cash flows £'000	1 year or less £'000	Between 1 and 5 years £'000	5 years and over £'000
<i>Non-derivative financial liabilities</i>					
Secured bank loans	179,630	187,347	5,942	181,405	-
PIK loan notes	235,746	238,004	-	238,004	-
Lease liabilities	260,104	1,212,521	12,131	43,708	1,156,682
Trade and other payables	24,004	24,004	24,004	-	-
		1,661,876	42,077	463,117	1,156,682
		2020			
	Carrying amount £'000	Contractual cash flows £'000	1 year or less £'000	Between 1 and 5 years £'000	5 years and over £'000
<i>Non-derivative financial liabilities</i>					
Secured bank loans	177,336	188,531	6,098	182,433	-
PIK loan notes	136,885	138,546	-	138,546	-
Lease liabilities	222,137	1,088,535	9,604	36,258	1,042,673
Trade and other payables	13,670	13,670	13,670	-	-
		1,429,282	29,372	357,237	1,042,673

(e) Market risk

Foreign currency risk

The Group does not operate internationally and is therefore not exposed to foreign currency risk.

Interest rate risk

Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

The Group's financial liabilities are disclosed in Note 19, which are variable rate instruments totalling £180.0m (2020: £180.0m). The group has no fixed rate instruments.

24 Leases

(A) Leases as a lessee

The Group leases many assets including land and buildings and equipment. Information about leases for which the Group is a lessee is presented below.

Right of use assets

	Land and Buildings £'000	Plant and Machinery £'000	Hire Fleet £'000	Total £'000
Balance at 31 December 2020	347,091	3,197	4,367	354,655
Additions to right-of-use assets	19,710	345	6,587	26,642
Acquired through business combinations	47,978	-	57	48,035
Depreciation charge for the year	(1,675)	(466)	(1,019)	(3,160)
Revaluation	214,199	-	-	214,199
Increases due to lease liability remeasurement	7,243	-	-	7,243
Impairment	(7,550)	-	-	(7,550)
Balance at 31 December 2021	626,996	3,076	9,992	640,064

NOTES (continued)

24 Leases (continued)

Amounts recognised in profit or loss:

The following amounts have been recognised in profit or loss for which the Group is a lessee:

	2021	2020
	£'000	£'000
Leases under IFRS 16		
Interest on lease liabilities	10,206	9,166
Expenses related to short-term leases	228	59
Expenses related to leases of low-value assets accounted; excluding short-term leases of low value assets	44	145
	44	145
	2021	2020
	£'000	£'000
Amounts recognised in statement of cash flows		
Total cash outflow for leases	11,468	2,629

(i) Property leases

The Group leases land and buildings for office space and storage facilities. At the point of transition, the periods on these leases range from two to eighty years.

(ii) Extension options

One of the leases was for a term of fifteen years with a break clause after ten years. However, the Group are reasonably certain that the break clause will not be exercised and therefore the lease liability is based on a term of fifteen years instead of ten.

(iii) Other leases

The Group leases vehicles and equipment, with lease terms of three to seven years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group monitors the use of these vehicles and equipment and reassess the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets.

The Group also leases IT equipment with contract terms of three to five years. These leases are short term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(iv) Sale-and-leaseback

In 2017, the Group entered into a series of sale and leaseback agreements, secured on the land of 16 parks, and in 2018 entered into another series of sale and leaseback agreements, secured on the land of 6 further parks. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") for a term of 100 years, with the option to repurchase the land for £1 per park at the end of this period. This sale-and-leaseback transaction enabled the Group to access more capital while continuing to use the land where the parks are based. The rent is adjusted each year in line with RPI but subject to a cap and collar of 4% and 1% respectively.

On acquisition of the Bridge Leisure Group in 2021, the Group acquired a further 3 parks on which ground rent transactions had been completed previously. The Group now has 25 parks under ground rent agreements of the 40 parks owned.

Lease liabilities	2021	2020
	£'000	£'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	12,131	9,604
One to five years	43,708	36,258
More than five years	1,156,682	1,042,673
Total undiscounted lease liabilities at 31 December	1,212,521	1,088,535
Lease liabilities included in the statement of financial position at 31 December	260,104	222,137
Current	3,386	2,083
Non-current	256,717	220,054

NOTES (continued)

24 Leases (continued)

(B) Leases as a lessor

The Group leases out the use of the lake at one of its parks which, at the point of transition, had a remaining lease term of 26 years and the use of retail and café premises at another park which both have a remaining lease term of less than 3 years.

All leases are classified as operating leases because none of them transfer substantially all of the risks and rewards incidental to ownership of the assets to the lessees.

Lease income from lease contracts in which the Group acts as a lessor is as below.

	2021 £'000	2020 £'000
Operating lease		
Lease income	41	22

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 £'000	2020 £'000
Less than one year	15	36
One to two years	13	15
Two to three years	13	13
Three to four years	13	13
Four to five years	13	13
More than five years	231	244
Total undiscounted lease payments	298	334

25 Contingencies

In order for the subsidiary companies, Tiger Debtco, Tiger Midco, Tiger Bidco, Tiger Group Limited, CPE Limited and the South Devon Holiday Parks Limited to take the exemption under section 479A of the Companies Act 2006, the Group has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2021 until those liabilities are satisfied in full.

Some of the holiday homes sold to customers are part funded by third party finance companies. In the event of a default by a customer, the Group may be required to re-purchase a holiday home from the third-party finance company at a price based on an agreed formula. In due course the holiday homes re-purchased under these arrangements are resold in the normal course of business. There have not been any material negative impacts from these re-purchases or subsequent sales in this or recent years.

The Group has a corporate credit card facility with Natwest bank with a credit limit of £200,000.

26 Employee Benefits

a) Description of share-based payment arrangements

In April 2021 the Park Holidays Employee Benefit Trust (the "Trust") was created as part of the Group's management incentive scheme to enable it to attract, retain and motivate certain key employees and executive directors. Initially, two employees were invited to participate in the incentive scheme. Via the Trust, and with the use of funds from employee loans, they each purchased joint beneficial interests in a number of shares in Tiger Topco 1 Limited ("Topco") at a discount to full unrestricted market value.

The approach to valuing joint beneficial interests in the Topco shares ignored the impact of any potential acquisition (eg Bridge Group) as there was no certainty of such acquisition at the time of valuation. It also ignored the impact of any personal restrictions, such as forfeiture and transfer provisions, which attach to the individuals.

The share-based payment arrangements will most likely end on the 'Exit Date', the date of the sale, transfer or other disposition of all of the Topco shares to a third-party purchaser.

NOTES (continued)

26 Employee Benefits (continued)

b) Measurement of share-based payment arrangements

The employees are not obligated to repay the loans taken to enable the purchase of their joint interests in the Topco shares unless the consideration for the sale of the shares is greater than their purchase cost. This means that they are protected from any decline in value of the shares. The share-based payment arrangements are therefore not the purchase of shares but instead are the granting of share options under IFRS 2. The exercise price of the share options is the amount paid on grant date (date of purchase). These equity-settled share-based payments were granted in April 2021 and their grant date fair values were calculated using the Sun Corporation valuation for acquiring Tiger Topco and working that valuation back to the grant date as a reasonable proxy for their unrestricted market values ("UMVs") at the grant date. The vesting period is from grant date to the exit date. As at the reporting date the weighted average remaining contractual life was 3 months. The weighted average exercise price is also the weighted average fair value at the measurement date.

The number and weighted-average exercise prices of share options awarded were as follows.

	Number of options	Weighted average exercise price
Outstanding at 1 January	-	-
Granted during the year	11,201	£320.42
Outstanding at 31 December	11,201	£320.42

As at the reporting date the weighted average remaining contractual life was 3 months.

c) Recognition of expense

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000
Equity-settled share-based payments	3,589	-

27 Related parties

Group

Directors of the Group control 15% of the voting shares of the parent company, Tiger Topco 1 Limited. Directors' remuneration is disclosed in Note 6. This includes equity-settled share-based payments of £3,589,000.

During the year a member of the key management personnel charged fees to Park Holidays UK for their services as a director through another company, amounting to £0.08m (2020: £0.08m).

During the year the following transactions took place between the Group and its shareholders:

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000
Share repurchase	(10)	-
Trading / other related parties	154	-

In April 2021 the Park Holidays Employee Benefit Trust (the "Trust") was created as part of the Group's management incentive scheme to enable it to attract, retain and motivate certain key employees and executive directors. Initially, two employees were invited to participate in the incentive scheme. Via the Trust, and with the use of funds from employee loans, they each purchased joint beneficial interests in a number of shares in Tiger Topco 1 Limited ("Topco") at a discount to full market value.

NOTES (continued)

27 Related parties (continued)

Loans to key management personnel

	Group 31 Dec 2021 £'000	Group 31 Dec 2020 £'000
Balance at 1 January	-	-
Loans advanced	138	-
Loan repayments received	(19)	-
Interest charged	2	-
Balance at 31 December	121	-

The loans advanced to key management personnel were to facilitate the purchase of joint beneficial interests in a number of shares in Tiger Topco 1 Limited. The employee loans were repayable in full upon a sale, transfer or other disposition of all the shares to a third-party purchaser but only if the consideration received by the borrower for the shares was equal to or higher than the purchase price paid for the joint beneficial interest in them.

In the event that the borrower breached any of his obligations under the loan agreement, the lender's sole recourse would be against the shares. Interest on the loans accrued at 2.5% per annum.

Company

The Company undertakes transactions with related parties in the normal course of business and all transactions with related parties are made on normal commercial terms. At 31 December 2021 the Company held inter-company balances with four of its subsidiary undertakings (Tiger Debtco Limited, Tiger Bidco Limited, Tiger Group Limited and Park Holidays UK Limited), as detailed in Notes 15 and 17.

The balance with Tiger Debtco relates to the purchase of the Group; the funding received for the acquisition of Tiger Group Limited was flowed down the company structure in the form of intercompany loans.

28 Ultimate parent company and ultimate controlling party

The immediate parent of the company is SCI Bidco Limited, a company registered in Jersey. The ultimate parent company is Sun Communities, Inc. a company listed on the New York Stock Exchange. No other group accounts include the results of the company.

29 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group believes the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

Revenue (Note 2)

Bundled services are accounted for under IFRS 15 by allocating the observable price to service elements of the bundle and allocating the remaining balance to the caravan sale. Judgement is used in deferring service revenue to future periods to when performance obligations will be met, and in determining the observable price of the services. The deferral calculation is driven by historic data pertaining to customers' utilisation of the services.

NOTES *(continued)*

29 Accounting estimates and judgements *(continued)*

Land and Buildings

Freehold and Leasehold Land and Buildings are held at a re-valued amount. Revaluations are carried out triennially by an external valuation specialist. The review is carried out to industry required standards looking at all aspects that make up the park including on site drivers (park quality, location, infrastructure) and financial performance. Management make use of the report prepared by the property valuation company and their judgement when revaluing Group assets.

Goodwill

Management review goodwill on an annual basis for any impairment. The recoverable amount of the goodwill is based on the higher of value in use or fair values less costs to sell. The recoverable amount of the cash generating unit (CGU) upon which the goodwill is based on is determined based on value in use ('VIU') calculations as disclosed in Note 11. An impairment review of goodwill was carried out in the year; no signs of impairment were identified during the review.

Intangibles

Intangibles are valued at the identified values placed on those assets at the date of acquisition. Management have used the report prepared by the valuation company when estimating and assigning values to intangible assets at the acquisition date.

Management have based their judgment on the useful economic life of the intangibles with reference to current market conditions including access to the market for new participants and churn rates of customers.

Deferred tax

Deferred tax is recognised by the Group when a difference between the Group's assets and/or liabilities accounting value differs to the asset/liabilities tax base. The majority of the deferred tax liability in the financial statements arises from the differences on Freehold and Leasehold Land and Buildings. Management uses professional advice to ascertain the potential tax liability on any future sale of these properties.

Inventory valuation (Note 14)

Inventories are stated at the lower of cost and net realisable value with provision being made for obsolete and slow-moving items. Management have based their judgements on the classification of inventory and the item's demand.

Capitalisation of labour costs

Certain staff will spend a percentage of their time working on capital projects. Management use their judgement to allocate the cost of internal labour between capital and expense.

Business combinations

The Group identifies separate assets and liabilities upon acquisition and recognises those assets at their fair value. The assessment of fair value for tangible items is undertaken with reference to active market conditions where possible. Separable intangibles recognised in business combinations are valued based on an income-based approach.

Leases (Note 24)

Three discount rates for three different lease periods have been calculated. These discount rates take into consideration the value of the leased asset, the interest rates on the Group's existing borrowings and market data. Management deem the discount rates calculated to be reasonable and accurate.

Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES *(continued)*

30 Subsequent Events

On 8 April 2022, Sun Communities, Inc., a company trading on the New York Stock Exchange, has completed the purchase of Tiger Topco 1 Group for a consideration of £950m. The purchase has resulted in the repayment of the groups senior debt and PIK notes and a new financing structure will soon be in place.

On 14 April 2022 the Group completed the acquisition of two parks from the Christies Parks Group, Burghead Beach and Lossiemouth Bay park. Provisional figures are as follows: consideration for the shares in the business was £7.75m and the business had net assets of approximately £3.5m including £0.4m of land. Each of the two parks is located within nine miles of Elgin in Scotland. The acquisition of the Bridge Leisure group in 2021, which included two parks in Scotland, has unlocked this geographic area of the UK and will act as a platform for further growth in the area.

On 28 April 2022, the Group purchased Waterside Park in Bodmin, Cornwall as a trade and assets purchase for a consideration of £10.1m. Waterside Holiday Park occupies a prime inland location less than one mile from the A30 to the southwest of Bodmin and six miles from Padstow. Provisional figures are as follows: the assets include £9.5m of freehold and leasehold land and buildings.