Tiger Topco 1 Limited

Annual report and financial statements

Registered number 10500425

Period ended 31 December 2017

Contents

Directors and Advisers

Directors

A J Fawcett	(appointed on 8 February 2017)
J A Sills	(appointed on 8 February 2017)
A N Clish	(appointed on 8 February 2017)
A B Loch	(appointed on 8 February 2017)
G J Knight	(appointed on 28 November 2016)
S J E Roddis	(appointed on 28 November 2016)

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

Solicitors to the Company
Proskauer Rose LLP
110 Bishopsgate
London
EC2N 4AY

Independent Auditor
KPMG LLP, Statutory Auditor
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Directors' report

The directors present their directors' report and the audited financial statements for the 13 month period ended 31 December 2017.

Principal activities

The company was incorporated on 28 November 2016 and remained dormant until 8 February 2017 when Tiger Group Limited was purchased, at which time the principal activity of the Group became the operation of holiday home parks.

The audited financial statements are for the 13 months from 28 November 2016 to 31 December 2017.

Dividends

No dividend payments were made during the period.

Directors

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

A J Fawcett	(appointed on 8 February 2017)
J A Sills	(appointed on 8 February 2017)
A N Clish	(appointed on 8 February 2017)
A B Loch	(appointed on 8 February 2017)
G J Knight	(appointed on 28 November 2016)
S J E Roddis	(appointed on 28 November 2016)

Directors' beneficial shareholdings as at 31 December 2017 were as follows:

Director	Company	Class of share or loan note	Interest at end of the period	Interest at incorporation
J A Sills	Tiger Topco 1 Limited	A2 Ordinary Shares	11,986	-
		B1 Ordinary Shares	32,375	-
		B2 Ordinary Shares	18,375	-
		Preference Shares	193,667	-
A N Clish	Tiger Topco 1 Limited	A2 Ordinary Shares	5,640	-
		B2 Ordinary Shares	18,375	-
		Preference Shares	91,123	-
A B Loch	Tiger Topco 1 Limited	A2 Ordinary Shares	5,640	-
		B1 Ordinary Shares	6,125	-
		B2 Ordinary Shares	18,375	-
		Preference Shares	91,123	-
A J Fawcett	Tiger Topco 1 Limited	A2 Ordinary Shares	2,557	-
		B1 Ordinary Shares	15,750	-
		Preference Shares	41,312	-

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

Directors' report (continued)

Research and Development

The Company undertook no research during the year but there has been ongoing development on company specific software.

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 22 to the financial statements.

Employees

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 those employees directly involved with the implementation of the policy. The directors continue to prioritise health and safety issues across all areas of the Group's activities.

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.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the strategic report on pages 4-6.

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 Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

A B Loch
Director
Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

30 April 2018

Strategic report

Business review

After three years of ownership, and having witnessed continued growth throughout their tenure, the ultimate parent company of the group, Caledonia Investments plc, sold their majority shareholding in Tiger Group Limited (formerly Caledonia Lion Limited) to Intermediate Capital Group PLC ('ICG') with the transaction completing on the 8 February 2017.

As a result of the sale a new company structure was formed with a new parent company, Tiger Topco 1 Limited, incorporated in England and Wales. Tiger Topco 1 Limited is the largest and smallest group in which results of the company are consolidated.

The Group currently runs 28 holiday parks that are located in coastal locations in the south of England with the majority of the parks being within a two hour drive time of London.

The major revenue streams of the business are derived from the sale of holiday homes, rental of pitches to holiday home owners and short term holiday lettings. Revenue is also derived from on-site bars and restaurants. The business is focused on improving revenue streams by expanding the range and improving the quality of the products offered to potential customers and by growing the business through an expansion strategy of new park acquisitions, land additions adjacent to current parks and the redevelopment of current park facilities and layouts.

The purchase of a holiday home represents a reasonably long term commitment from our customers who are generally given a licence to occupy their selected holiday home pitch until their holiday home is twenty years old and as such, certain aspects of the revenue streams are fairly stable. The sale of holiday homes however can be influenced by economic factors and can also be impacted by adverse weather conditions, which may also influence the short term holiday lettings business.

Despite the ongoing uncertainty surrounding the impact of Brexit, during the period to 31 December 2017, the UK economy was relatively stable with continuing low interest rates and growth in residential property values. Holiday home ownership for UK residents has shown steady increases in recent years and this trend continued during 2017 with an increasing movement towards lodge units and larger, higher specification, caravans. Lodge and larger caravan sales have increased in 2017 for the fifth year in succession with all parks now including these products in their sales mix, usually located on premium plots within parks.

The holiday fleet has seen investment over the last year which has further improved the quality of units available for holiday lettings. This has driven a strong increase in repeat bookings and an improvement in online review feedback and ratings. A new website is being launched in 2018 which is expected to further enhance the holiday booking experience. The Group will also be offering lodge units for rental at various parks in 2018.

Two new parks were acquired during the period; Carlton Meres Holiday Park in Suffolk and Pevensey Bay Holiday Park in East Sussex, increasing the business's market share and expanding the businesses footprint. Both parks have benefitted from immediate investment and offer great future revenue potential.

The Group has entered into a series of sale and leaseback agreements secured on the freehold element of 16 of its Holiday Parks, only transacting on the freehold element of the land. Under the terms of these agreements the parks are subject to ongoing rental obligations ("ground rent") over the next 100 years for the use of the land, with the option to repurchase the freehold for £1 each at the end of this period. Although the parks are now leasehold the Group retains full operational control of the assets.

Strategic report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risks
Key areas of risk facing the business relate to general economic conditions, credit and interest rates. The Group continues to monitor and reduce exposure as follows:

Economic Conditions
Management recognise that a sustained downturn in general economic conditions could adversely affect its customers' spending power. In order to mitigate against the impact of this, management regularly review key economic indicators and consider alternate options in relation to any areas that are identified as at risk of underperforming. Management are particularly aware of the economic uncertainty created by Brexit and are specifically monitoring the impact of this and assessing how best this can be managed as the impact of Brexit becomes more clear.

Credit Risk
Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date there were no significant areas of credit risk not covered.

Interest Rate Risk
The Group monitors closely all loans outstanding which currently incur interest at fixed and floating rates. At the moment the Group is comfortable with the interest rate, level of exposure and hedging instruments in place in respect of the majority of its debt.

FINANCIAL KEY PERFORMANCE INDICATORS
The key performance measurement tools of the Group remain the same as those used under previous ownership, namely:

- Turnover year on year increase.
- Gross Margin (Gross Profit as a percentage of Turnover) year on year increase.
- Operating Profit year on year increase.

Comparing the results for Park Holidays UK Limited for the period to 31 December 2017 with the previous 12 months (notwithstanding the change of ownership), turnover grew by 13.8%, gross margin increased by 0.3% and operating profit increased by 16.2%.

A summary of results for the Group for the 13 month period to 31 December 2017 can be found per the table below:

	Period ended 31 December 2017 £'000
Revenue	**142,154**
EBITDA	**42,795**
Operating profit (pre non-trading items)	**35,043**
Loss before tax	**(79)**
Loss for the period	**(3,177)**

At the period end, debt comprised bank borrowings of £150m net of fees and shareholder debt of £127m (comprising shareholder loan notes and preference shares including accrued interest). At the end of the period the Group was in compliance with all of its banking covenants.

Strategic report (continued)

Future Developments

The Group has continued to trade well since the start of the new financial year and the business is expected to grow both organically and through acquisitions over the coming years.

By order of the Board

A B Loch
Director
Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

30 April 2018

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare 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 Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 their 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 IFRSs as adopted by the EU;
- 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.

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

Independent auditor's report to the members of Tiger Topco 1 Limited

Opinion

We have audited the financial statements of Tiger Topco 1 Limited ("the company") for the period ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the 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 2017 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 period 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.

Independent auditor's report to the members of Tiger Topco 1 Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 7, 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.

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

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

30 April 2018

Consolidated Statement of Comprehensive Income
for the 13 months ended 31 December 2017

	Note	**Period ended 31 December 2017 £'000**
Revenue	*3*	**142,154**
Cost of sales		**(57,958)**
Gross profit		**84,196**
Administrative expenses before non-trading items	*4*	**(49,546)**
Non-trading items	*7*	**(7,730)**
Total administrative expenses		**(57,276)**
Other operating income		**393**
Operating profit		**27,313**
Finance income	*8*	**59**
Finance expense	*8*	**(27,451)**
Loss before taxation		**(79)**
Tax on profit	*9*	**(3,098)**
Loss for the financial period		**(3,177)**
Total comprehensive loss for the period attributable to equity holders of the parent company		**(3,177)**

All trade during the period to 31 December 2017 was derived from continuing operations.

The Notes on pages 14 to 35 form part of the financial statements.

Consolidated and Parent Company Statements of Financial Position

at 31 December 2017

	Note	Group 31 Dec 17 £'000	Company 31 Dec 17 £'000
Assets			
Non-current assets			
Property, plant and equipment	*10*	369,742	-
Intangible assets	*11*	84,800	-
Investments in subsidiaries	*12*	-	-
Total non-current assets		**454,542**	**-**
Current assets			
Inventories	*14*	17,242	-
Trade and other receivables	*15*	22,417	129,768
Cash and cash equivalents	*16*	47,552	-
Total current assets		**87,211**	**129,768**
Total assets		**541,753**	**129,768**
Equity and liabilities			
Current liabilities			
Trade and other payables	*17*	(87,485)	(113,806)
Current tax liability		(1,498)	(2,117)
Total current liabilities		**(88,983)**	**(115,923)**
Non-current liabilities			
Obligations under finance leases	*18*	(150,874)	-
Borrowings	*19*	(264,609)	-
Deferred tax	*20*	(26,652)	-
Total non-current liabilities		**(442,135)**	**-**
Total liabilities		**(531,118)**	**(115,923)**
Net assets		**10,635**	**13,845**
Equity attributable to equity holders of the parent			
Share capital	*21*	12	12
Share premium account	*21*	1,013	1,013
Profit and loss reserve	*21*	(3,177)	33
Preference shares	*21*	12,787	12,787
Total equity		**10,635**	**13,845**

These financial statements were approved by the board of directors on 30 April 2018 and were signed on its behalf by:

J A Sills
Director

The Notes on pages 14 to 35 form part of the financial statements.

Consolidated and Parent Company Statements of Changes in Equity

for period ended 31 December 2017

Group	Share Capital	Share premium account	Preference shares	Profit and loss reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000
At incorporation	-	-	-	-	-
Total comprehensive loss for the period					
Loss for the financial period	-	-	-	(3,177)	(3,177)
Total comprehensive loss for the period	-	-	-	(3,177)	(3,177)
Transactions with owners, recorded directly in equity					
Share issue	12	1,013	117,745	-	118,770
Repayment of preference shares	-	-	(104,958)	-	(104,958)
Transactions with owners, recorded directly in equity	12	1,013	12,787	-	13,812
At 31 December 2017	12	1,013	12,787	(3,177)	10,635

Company	Share Capital	Share premium account	Preference shares	Profit and loss reserve	Total Equity
	£000	£000	£000	£000	£000
At incorporation	-	-	-	-	-
Total comprehensive income for the period					
Profit for the financial period	-	-	-	33	33
Total comprehensive income for the period	-	-	-	33	33
Transactions with owners, recorded directly in equity					
Share issue	12	1,013	117,745	-	118,770
Repayment of preference shares	-	-	(104,958)	-	(104,958)
Transactions with owners, recorded directly in equity	12	1,013	12,787	-	13,812
At 31 December 2017	12	1,013	12,787	33	13,845

The Notes on pages 14 to 35 form part of the financial statements.

Consolidated and Parent Company Statements of Cash Flows

for period ended 31 December 2017

	Note	Group Period ended 31 Dec 2017 £'000	Company Period ended 31 Dec 2017 £'000
Cash generated from operations			
(Loss) / profit after income tax		(3,177)	33
Adjustments for:			
Depreciation and amortisation	*4,10,11*	7,752	-
Asset disposals		(120)	-
Finance costs – net	*8*	27,392	(2,149)
Income tax	*9*	3,098	2,117
Changes in working capital (excluding the effects of acquisition)			
- Inventories		(2,583)	-
- Trade and other receivables		(13,129)	(118,770)
- Trade and other payables		34,538	113,603
Cash generated from / (used in) operations		53,771	(5,166)
Cash flows from operating activities		53,771	(5,166)
Interest paid		(17,245)	(8,646)
Income tax paid		(2,554)	-
Net cash generated / (used in) operating activities		33,972	(13,812)
Cash flows from investing activities			
Interest received	*8*	59	-
Proceeds from sales of plant, property and equipment	*10*	481	-
Acquisition of subsidiary (net of cash)	*2,13*	(248,282)	-
Purchases of property, plant and equipment	*10*	(23,807)	-
Purchases of software and related assets	*11*	(189)	-
Labour capitalised	*10*	(902)	-
Payment of finance lease liabilities	*18*	(246)	-
Net cash used in investing activities		(272,886)	-
Cash flows from financing activities			
Proceeds from issue of ordinary shares	*21*	1,025	1,025
Proceeds from issue of preference shares	*21*	117,745	117,745
Proceeds from bank borrowings	*19*	174,677	-
Proceeds from Payment in Kind ('PIK') loan notes	*19*	105,000	-
Proceeds received from Finance leases	*18*	929	-
Proceeds from sale and leaseback transaction	*10,18*	148,957	-
Repayments of bank borrowings	*19*	(156,909)	-
Repayments of preference shares	*21*	(104,958)	(104,958)
Net cash generated from financing activities		286,466	13,812
Net increase in cash and cash equivalents		47,552	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	*16*	47,552	-

The Notes on pages 14 to 35 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation

Tiger Topco 1 Ltd (the "Company") is a private limited company 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 Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The financial statements have been prepared for a period longer than one year because the Company had no trading activity outside the period of February to December 2017 therefore it was considered more appropriate to prepare the accounts over the period 28 November 2016 to 31 December 2017.

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

The following standards, amendments and interpretations have been adopted for the first time in these financial statements, none of which had an impact on the consolidated financial statements:

- Amendments to IAS 7: Disclosure Initiative
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

Both the parent company and consolidated financial statements of Tiger Topco 1 Limited have been prepared in accordance with international accounting standards (EU-adopted International Financial Reporting Standards) and the Companies Act 2006 applicable to companies reporting under IFRS. 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.

1.2 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.

1.3 Going Concern

Management have prepared cash flow forecasts and projections for the Group, taking account of reasonably possible changes in trading performance that show that the Group should be able to operate within the level of its current facilities, with all covenant tests being met. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Information on the Group's borrowings is given in note 19.

As part of the purchase of Tiger Group Limited, a full review of the company performance and future expected performance was carried out as part of the due diligence process. New banking facilities were obtained as part of the new deal structure. This review, new banking facilities and the sale of the business itself further supports the directors' view that the business is a going concern.

1.4 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Classification of financial instruments issued by the Company

Under IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Investments

Investments in subsidiaries are held in the company balance sheet at historic cost net of any impairment.

Other investments in debt and equity securities held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at cost less any impairment losses. No provision for bad debts is held at the period end as no debt is considered unrecoverable. More detail on ageing profile is contained within note 22.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

Trade and other payables

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

Borrowings

Bank borrowings are recognised at fair value, net of transaction costs incurred. Fees paid on the establishment of the loan, which was used to facilitate the acquisition, have been capitalised within the investment and are amortised under the effective interest rate method. Interest on the borrowing facility has been recognised under finance expense in the income statement.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 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

1.8 Property, plant and equipment

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.

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

Motor vehicles and caravan hire fleet are combined under other fixed assets and are respectively depreciated at 25% and 10%.

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.

A valuation was carried out by CBRE on the 16 August 2017. This was carried out in accordance with the techniques explained above and resulted in no change in asset values for the period ended 31 December 2017. No depreciation is provided on freehold land.

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.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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. Land is not depreciated.

The estimated useful lives for leased assets are as follows:

Plant & machinery - 14% straight line

1.9 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.

When the excess is negative, a bargain purchase gain is recognised immediately 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 Business combinations *(continued)*

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.

1.10 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 Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company 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.

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

1.11 Inventories

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

1.12 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Impairment of non-financial assets *(continued)*

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.13 Employee benefits

A defined contribution plan is a post-employment benefit plan under which the company 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.

1.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products and/or services delivered in the normal course of business, excluding discounts, incentives and value added tax.

Revenue from the sale of holiday homes is recognised on the date the customer takes delivery of the home; rental income for pitches and holiday lets is recognised evenly over the rental period; other goods and services are recognised as delivered. Holiday homes and other goods are deemed to have been delivered to customers when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

The directors have assessed the impact of IFRS 15 and do not expect that adoption of the standard will have a significant impact on the financial statements.

1.15 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Non-trading items

Non-trading items are those items which comprise of one off costs that should be separately identified as they do not form part of the regular cyclical trade of the business and will not be repeated.

Net financing costs

Net financing costs comprise interest on preference shares, 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.

1.16 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.16 Current and deferred taxation *(continued)*

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.

1.17 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. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments (effective date 1 January 2018). *
- IFRS 15 Revenue from Contract with Customers (effective date 1 January 2018). **
- Clarifications to IFRS 15 Revenue from Contract with Customers (effective date 1 January 2018). **
- IFRS 16 Leases (effective date 1 January 2019). ***
- Annual Improvements to IFRS Standards 2014-2016 Cycle (effective date 1 January 2018).
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective date 1 January 2018).

* IFRS 9 sets out comprehensive requirements relating to the classification and measurement of financial instruments. The directors have assessed the impact of IFRS 9 and do not expect that adoption of the standard will have a significant impact on the financial statements.

** IFRS 15 brings changes to revenue accounting for contracts with customers, primarily impacting revenue recognition and the timing/profile of revenue depending on recognition criteria. The directors have assessed the impact of IFRS 15 and do not expect that adoption of the standard will have a significant impact on the financial statements.

*** IFRS 16 brings changes to lease accounting rules that will bring most leases on to the balance sheet from 2019. This will impact the Group as it holds operating leases (note 23). The change will see an increase in the Group's reported assets and liabilities as these will be included on the balance sheet. The Group will recognise a lease asset and lease liability at the lower for fair value and present value of minimum lease payments, which will increase both total assets and total liabilities of the Group. The change is expected to increase EBITDA as lease payments under operating leases are replaced with a depreciation and finance charge. The Group does not expect the change to materially impact key performance ratios.

2 Acquisitions of subsidiaries

Acquisitions in the current period

On 8 February 2017, the Group acquired the entire share capital in Tiger Group Limited for £237,012,000 satisfied in cash. The main trading company within the Tiger Group is Park Holidays UK Ltd, one of the UK's largest holiday park operators. The business was acquired as the shareholders believe it is well positioned for future earnings growth.

In the 11 months to 31 December 2017 the subsidiary contributed EBITDA of £42,753,800 to the consolidated net profit for the year. If the acquisition had occurred on 1 January 2017, Group revenue would have been an estimated £149,318,000 and EBITDA would have been an estimated £43,654,300.

In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 31 January 2017.

Notes *(continued)*

2 Acquisition of subsidiaries *(continued)*

Effect of acquisition
The acquisition had the following effect on the Group's assets and liabilities.

Acquiree's net assets at the acquisition date:	£'000
Property, plant and equipment	326,373
Intangibles - Software	345
Intangibles - Brand	10,332
Intangibles - Customer List	5,947
Inventories	14,039
Receivables	9,055
Cash	11,973
Creditors	(50,233)
Loans and interest	(133,156)
Deferred tax liabilities	(28,023)
Total identifiable net assets	**166,652**
Consideration paid:	
Initial cash price paid	237,012
Goodwill generated on acquisition	**70,360**

Goodwill has arisen on the acquisition of the Tiger Group due to the presence of intangible assets that do not qualify for separate recognition, such as, expected synergies, management's experience and strategies for future growth, plus the result of opportunities to expand the Group and optimise performance in future years.

Acquisition related costs
The costs of £2,934,000 relating to the acquisition have been charged to administrative expenses in the consolidated statement of comprehensive income for the period ending 31 December 2017. A further £5,323,000 of debt arrangement costs were incurred and have been capitalised as disclosed in note 19.

Acquired receivables
The fair value of acquired receivables was £9,055,000. The gross contractual amounts receivable are £9,055,000 and, at the acquisition date, £nil of contractual cash flows were not expected to be received.

3 Revenue by income stream

	Group Period to 31 Dec 2017 £'000
Sale of holiday homes	81,791
Rental income for pitches and holiday lets	47,638
Other income	12,725
	142,154

4 Expenses and auditor's remuneration

Included in the loss for the period are the following:

	Group Period to 31 Dec 2017 £'000
Hire of property – operating leases	1,019
Depreciation and amortisation	7,752

Notes *(continued)*

4 Expenses and auditor's remuneration *(continued)*

	Group Period to 31 Dec 2017 £'000
Auditor's remuneration	
- Audit of these financial statements	14
Amounts receivable by the auditors and their associates in respect of:	
- Audit of financial statements of subsidiaries pursuant to legislation	150
- Corporate finance services	25

5 Staff numbers and costs

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

	Group Period to 31 Dec 2017 No. of employees
Administration	138
Operational	875
Directors	4
	1,017

The aggregate payroll costs of these persons were as follows:

	Group Period to 31 Dec 2017 £'000
Wages and salaries	21,661
Social security costs	2,217
Other pension costs	127
	24,005

6 Directors remuneration

	Group Period to 31 Dec 2017 £'000
Remuneration	1,493
Amounts paid to third parties in respect of directors' services	203
	1,696

The highest paid director received remuneration of £540,467 in the period and did not exercise any share options during the period.

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 £1,097. The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was £nil.

Notes *(continued)*

7 Non-trading items

	Group Period to 31 Dec 2017 £'000
Refinancing	1,447
Acquisition expenses	3,098
Transaction fees	3,185
	7,730

8 Net finance costs

	Group Period to 31 Dec 2017 £'000
Finance costs	
- Bank borrowings	6,307
- Finance cost amortisation	1,849
- PIK loan notes	9,692
- Ground rent	754
- Preference shares	8,849
Finance costs	27,451
Finance income	
- Bank interest	(59)
Net finance costs	27,392

9 Taxation

	Group Period to 31 Dec 2017 £'000
Current tax	
Current tax on profits for the period	4,469
Total current tax	4,469
Deferred tax	
Origination and reversal of timing differences	(1,404)
Deferred tax on changes in tax rate	33
Total deferred tax	(1,371)
Total tax expense	3,098

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 19%.

Notes *(continued)*

9 Taxation *(continued)*

	Group Period to 31 Dec 2017 £'000
Loss before taxation	**(79)**
Tax calculated at 19.25%	**(15)**
Tax effects of:	
- Expenses not deductible for tax purposes	**3,982**
- Impact of movement in tax rates	**(2)**
- Fixed assets adjustment	**118**
- Movement in deferred tax on chargeable gains on property	**(985)**
Tax charge	**3,098**

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

10 Property, plant and equipment – Group (Company - £nil)

	Land and Buildings £'000	Plant, Fixtures & Fittings £'000	Other Assets £'000	Total £'000
Cost				
Balance at incorporation	-	-	-	-
Acquisition of subsidiary	331,924	8,317	10,532	350,773
Additions	16,506	3,789	4,414	24,709
Disposals	-	-	(2,157)	(2,157)
Balance at 31 December 2017	**348,430**	**12,106**	**12,789**	**373,325**
Depreciation and Impairment				
Balance at incorporation	-	-	-	-
Charge for the period	1,272	1,486	2,621	5,379
Disposals	-	-	(1,796)	(1,796)
Balance at 31 December 2017	**1,272**	**1,486**	**825**	**3,583**
Net book value at 31 December 2017	**347,158**	**10,620**	**11,964**	**369,742**

Additions in 2017 includes £233,404 for hire fleet caravans that transferred from stock in the year.

There were no contractual commitments at the balance sheet date.

Notes *(continued)*

Revaluation

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

	Land and Buildings 2017 £'000
Fair value at 31 December	348,430
Aggregate depreciation thereon	(1,272)
Net book value	**347,158**
Historical cost of revalued assets at 31 December	331,924
Aggregate depreciation thereon	(1,272)
Historical cost net book value	**330,652**

Sale and Leaseback

The Group has entered into a series of sale and leaseback agreements, secured on the land of 16 of the 26 owned parks. Under the terms of these agreements, the parks are subject to ongoing rental obligations ("ground rent") over the next 100 years, with the option to repurchase the land for £1 at the end of this period. The parks continue to be held within tangible fixed assets with a corresponding finance lease obligation recognised within finance lease liabilities. The total net book value of assets (including land and buildings) held under finance leases is £262.4m.

Full valuations are carried out by external experts triennially with management reviews carried out in non-review years. The company uses CBRE Ltd 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 a multitude of factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review 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-valuation years management review the carrying value and fair value of the parks. 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 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 valuation was carried out by CBRE on the 16 August 2017. This was carried out in accordance with the techniques explained above and resulted in no change in asset values for the year ended 31 December 2017.

The best use and high use value of assets are equal in the year.

Notes *(continued)*

11 Intangible assets – Group (Company - £nil)

	Goodwill £'000	Software £'000	Brand £'000	Customer List £'000	Total £'000
Cost					
At incorporation	-	-	-	-	-
Acquisition of subsidiary (see note 2)	70,360	345	10,332	5,947	86,984
Additions	-	189	-	-	189
Balance at 31 December 2017	**70,360**	**534**	**10,332**	**5,947**	**87,173**
Amortisation and impairment					
Balance at incorporation	-	-	-	-	-
Amortisation charge for the period	-	169	1,318	886	2,373
Balance at 31 December 2017	**-**	**169**	**1,318**	**886**	**2,373**
Net book value at 31 December 2017	**70,360**	**365**	**9,014**	**5,061**	**84,800**

An impairment review of goodwill was carried out in the period; no signs of impairment were identified during the review.

12 Investments in subsidiaries

Shares in Group undertakings	**Company 31 Dec 2017 £**
At incorporation	-
Additions	1
Balance at 31 December	**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
Tiger Debtco	*	Holding Company	Direct
Tiger Midco Limited	*	Holding Company	Indirect
Tiger Bidco Limited	*	Holding Company	Indirect
Tiger Group Limited	*	Holding Company	Indirect
CP Equityco Ltd	*	Dormant	Indirect
CP Aquisitionco Ltd	*	Micro entity	Indirect
Park Holidays UK Ltd	*	Holiday Park Operator	Indirect
Carlton Meres Country Parks Limited	*	Non-Trading	Indirect
Martello Beach Limited	*	Non-Trading	Indirect
The South Devon Holiday Parks Ltd	*	Non-Trading	Indirect
Ladycroft Ltd	*	Non-Trading	Indirect
Golden Sands Ltd	*	Non-Trading	Indirect
Crumpwood Ltd	*	Non-Trading	Indirect
Coghurst Hall Holiday Village Ltd	*	Dormant	Indirect
Harts Holiday Village Ltd	*	Dormant	Indirect
Marlie Farm Holiday Village Ltd	*	Dormant	Indirect
Cinque Ports Leisure Homes Ltd	*	Dormant	Indirect
Harts Holiday Camps Ltd	*	Dormant	Indirect
Evengain Ltd	*	Micro entity	Indirect
WSG Operating Company Ltd	*	Micro entity	Indirect
Park Holidays UK Finance Ltd	*	Micro entity	Indirect

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

Notes *(continued)*

13 Acquisitions (Group)

Carlton Meres Country Park

On the 31 May 2017 the Group acquired all of the shares in Carlton Meres Country Park Limited for £13,259,000, satisfied in cash. The business runs a holiday park near Saxmundham in Suffolk and was acquired to expand the portfolio of parks in the Group. This park contributed a profit of £556,000 in the period from purchase to 31 December 2017 despite missing the first half of the season. If the park had traded for a full year revenue would have been an estimated £3,350,000 and EBITDA would have been an estimated £1,190,000. Site fees for periods post completion, but paid by customers pre completion to the previous owner, were paid over to the Group.

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	**13,259**
Total consideration	**13,259**

Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	**13,400**
Inventories	**320**
Cash and recharges	**20**
Site fee creditors	**(400)**
Other creditors and accruals	**(81)**
Total identifiable net assets	**13,259**
Goodwill generated on acquisition	**-**

Martello Beach Limited

On the 31 July 2017 the Group acquired all of the shares in Martello Beach Limited for £8,121,000. At the same time an outstanding bank loan of £3,152,000 was repaid, giving an overall cash investment of £11,273,000. The business runs a holiday park near Eastbourne in East Sussex and was acquired to expand the portfolio of parks in the Group. This park contributed a profit of £648,000 in the period from purchase to 31 December 2017 despite only operating for a few months of the season. If the park had traded for a full year revenue would have been an estimated £3,600,000 and EBITDA would have been an estimated £1,380,000. Site fees for periods post completion, but paid by customers pre completion to the previous owner, were paid over to the Group.

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	**8,121**
Total consideration	**8,121**

Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	**11,000**
Inventories	**300**
Debtors	**233**
Cash	**1,269**
Bank loan	**(3,152)**
Creditors and accruals	**(1,529)**
Total identifiable net assets	**8,121**
Goodwill generated on acquisition	**-**

Notes *(continued)*

14 Inventories

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Finished goods	17,242	-

No inventory is expected to be recovered in more than one year. Finished goods recognised as cost of sales in the year amounted to £32,208,170. The write-down of inventories to net realisable value amounted to £181,594. There were no reversals of write-downs in the year.

15 Trade and other receivables

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Trade receivables (see note 22)	10,996	-
Prepayments	6,844	-
Amounts due from Group undertakings	-	129,768
Other receivables	4,577	-
	22,417	129,768

All trade and other receivables were denominated in Pounds Sterling as at 31 December 2017. For the amounts owed by group undertakings, interest is charged at 10%. As at 31 December 2017 there was £nil trade receivables due after more than one year.

16 Cash and cash equivalents

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Cash at bank and in hand	47,552	-

All cash and cash equivalents are denominated in Pounds Sterling as at 31 December 2017.

17 Trade and other payables

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Trade payables	14,662	-
Social security and other taxes	31,092	-
Amounts owed to Group undertakings	-	113,603
Deferred income	28,685	-
Accrued expenses	8,472	203
Other liabilities	4,574	-
	87,485	113,806

All trade and other payables were denominated in Pounds Sterling as at 31 December 2017. For the amounts owed to group undertakings, interest is charged at 10%.

Notes *(continued)*

18 Obligations under finance leases

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Current liabilities		
Obligations under finance leases	274	-
Non-current liabilities		
Obligations under finance leases	150,874	-
	151,148	-

Finance lease liabilities are payable as follows (shown for the Group only as nil for the Company):

	Minimum lease payments 31 Dec 2017 £'000	Interest 31 Dec 2017 £'000	Principal 31 Dec 2017 £'000
Less than one year	5,077	(4,803)	274
Between one and five years	20,307	(18,985)	1,322
More than five years	442,294	(292,742)	149,552
	467,678	(316,530)	151,148

The Group has entered into a series of sale and leaseback agreements, secured on the land of 16 of the 26 parks. Under the terms of these agreements, the parks are subject to ongoing rental obligations of £4.6m per annum ("ground rent") over the next 100 years, with the option to repurchase the parks for £1 each at the end of this period.

19 Borrowings

	Group 31 Dec 2017 £'000	Company 31 Dec 2017 £'000
Non-current		
Bank borrowings	150,327	-
ICG PIK loan notes	109,844	-
Co-investor loan notes	4,438	-
Total borrowings	264,609	-
Analysis of Group debt:		
Debt can be analysed as falling due:		
- In one year or less, or on demand	-	-
- Between one and two years	-	-
- Between two and five years	-	-
- In five years or more	269,282	-
	269,282	-
- Less finance issue costs	(5,323)	-
- Amortisation of finance issue costs	650	-
	264,609	-

Notes *(continued)*

19 Borrowings *(continued)*

Bank borrowings

The bank facilities are held with The Royal Bank of Scotland (lead arranger), Barclays Bank plc, Crédit Agricole, HSBC Bank plc, National Westminster Bank plc, Santander UK plc and Sumitomo Mistsui banking corporation, and are secured by fixed and floating charges over the assets of the Group. The facilities were arranged in December 2016 as part of the company restructure in February 2017.

The facilities are made up of a 7 year, £130m interest only term loan whereby interest is paid on a quarterly basis. Additionally there is an undrawn £10m capex and acquisition facility and two accordion facilities of £14m and £11m on the same terms as the term loan. These accordion facilities were taken out to fund the acquisitions of two parks during the period.

The interest rate on all of the facilities is 3.75% above Libor. In addition there were two interest rate swaps of £60m and £40m, both at 0.5895% less 3 month Libor to hedge against interest rate rises with an expiry date of 31 December 2019. There are also two interest rate caps of £41.51m each, capped at 1.9% which are due to expire on 31 December 2018. The fair value of these swaps and caps is negligible.

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 company in respect of monies due to them from time to time, ranking below the banks. At the period end £2,379,649 was owed to Lombard.

PIK loan notes

As part of the restructure, PIK loan notes of £105.0m with a coupon rate of 10% were issued to ICG and co-investors. At 31 December 2017 the ICG PIK loan notes had a balance of £109.8m including £9.3m interest, the co-investor loan notes had a balance of £4.4m with £0.4m interest accrued in other creditors.

Borrowing costs

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

Changes in liabilities from financing activities

	Loans and borrowings £'000	PIK loan notes £'000	Finance lease liabilities £'000
Balance at 1 January 2017	-	-	-
Changes arising from obtaining or losing control of subsidiaries or other businesses	131,909	-	1,238
Changes from financing cash flows			
Proceeds from loans and borrowings	174,677	-	-
Proceeds from issue of loan notes	-	105,000	-
Repayment of borrowings	(156,909)	-	-
Payment of finance lease liabilities	-	-	(246)
Transaction costs related to loans and borrowings	(5,323)	-	-
Total changes from financing cash flows	**12,445**	**105,000**	**(246)**
Other changes			
New finance leases	-	-	149,886
Capitalised borrowing costs	5,323	-	-
Interest expense	6,173	9,282	888
Interest paid	(5,523)	-	(618)
Total other changes	**5,973**	**9,282**	**150,156**
Balance at 31 December 2017	**150,327**	**114,282**	**151,148**

Notes *(continued)*

20 Deferred taxation – Group

Deferred tax attributable to:	Assets 31 Dec 2017 £'000	Liabilities 31 Dec 2017 £'000	Net 31 Dec 2017 £'000
Freehold and leasehold property	-	24,119	**24,119**
Intangible assets	-	2,533	**2,533**
Total deferred tax	**-**	**26,652**	**26,652**

Group	At incorporation £'000	Acquisition of subsidiary £'000	Recognised in P&L £'000	Recognised in OCI £'000	31 Dec 2017 £'000
Freehold and leasehold property	-	25,093	(974)	-	**24,119**
Intangible assets	-	2,930	(397)	-	**2,533**
Total deferred tax	**-**	**28,023**	**(1,371)**	**-**	**26,652**

There was no deferred tax arising in the Company.

21 Share Capital and reserves

Group	Share Capital £'000	Share premium account £'000	Preference shares £'000	Profit and loss reserve £000
At incorporation	-	-	-	-
Share issue	12	1,013	117,745	-
Loss for the period	-	-	-	(3,177)
Repayment of preference shares	-	-	(104,958)	-
At 31 December 2017	**12**	**1,013**	**12,787**	**(3,177)**

Company	Share Capital £'000	Share premium account £'000	Preference shares £'000	Profit and loss reserve £000
At incorporation	-	-	-	-
Share issue	12	1,013	117,745	-
Loss for the period	-	-	-	33
Repayment of preference shares	-	-	(104,958)	-
At 31 December 2017	**12**	**1,013**	**12,787**	**33**

Notes *(continued)*

21 Share capital and reserves *(continued)*

Share class	Number of shares	Nominal value	Aggregate nominal	Price per share	Aggregate price
Ordinary (0.01% of voting rights)	1	£1.00	£1	£1.00	£1
A1 Ordinary (68% of voting rights)	788,390	£0.01	£7,884	£0.99	£780,506
A2 Ordinary (3% of voting rights)	36,610	£0.01	£366	£0.99	£36,244
B1 Ordinary (10% of voting rights)	119,875	£0.01	£1,199	£1.14	£136,658
B2 Ordinary (19% of voting rights)	55,125	£0.04	£2,205	£1.14	£62,843
Preference shares (non-voting)	12,787,191	£0.0000001	£1	£0.9999999	£12,787,190
At 31 December 2017	**13,787,192**		**£11,656**		**£13,803,441**

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.

During the year the Group issued 117,745,441 £1 preference shares with 10% interest accruing annually. There is no defined redemption date for the preference shares and the decision lies with the company as to when redemption will occur. There is no premium on redemption, instead, the preference shareholder will be entitled to an amount equal to the subscription price of each preference share together with any accrued interest. The holders of preference shares have the right to receive dividends as declared from time to time but are not entitled to vote at meetings of the Company. In November 2017 104,958,250 £1 preference shares with associated interest of £8,645,419 were repaid.

22 Financial instruments

(a) Fair value of financial instruments

Fair values

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.

Level 2 Assets

Level 2 assets are comprised of Non-Current Assets held by the Group.

Full valuations are carried out by external experts triennially (last review August 2017) with management reviews carried out in non-review periods.

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 a multitude of factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review 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 based on this review.

In non-valuation periods management review the carrying value and fair value of the parks. 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 a full valuation report. This advice is combined with park performance over the last period and management review the same factors that the valuer uses (as noted above) to assess fair value.

A valuation was carried out as described above in August 2017 by external valuers. Management performed an assessment from the time of valuation to the yearend and did not assess the carrying amount to be materially different than the fair value of the assets.

The best use and high use value of assets are equal in the period.

Notes *(continued)*

22 Financial instruments *(continued)*

(a) Fair value of financial instruments *(continued)*

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 has been no transfers within the hierarchy during the period. The company holds no Level 1 or 3 assets.

		Carrying Amount	Fair Value
	Level	31 Dec 2017	31 Dec 2017
Financial Assets		£'000	£'000
Available for sale assets			
Total Non-Current Assets	*Level 2*	369,742	369,742
Loans and receivables			
Trade receivables		10,996	10,996
Cash and cash equivalents		47,552	47,552
Total financial assets		428,290	428,290
Financial Liabilities			
Financial liabilities measured at amortised cost			
Trade payables		(14,662)	(14,662)
Borrowings		(150,327)	(150,327)
PIK loan notes		(114,282)	(114,282)
Finance lease liabilities		(151,148)	(151,148)
Total financial liabilities		(430,419)	(430,419)
Total net financial instruments		(2,129)	(2,129)

(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.

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.

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 £10,996,000.

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

	31 Dec 2017
	£'000
Not due	10,607
Not more than three months past due	134
More than three months but not more than six months past due	255
Trade receivables (see note 15)	10,996

Notes *(continued)*

22 Financial instruments *(continued)*

(c) Liquidity risk

The Group holds a financing facility with The Royal Bank of Scotland and others (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 2017, the Group owed £155m under the facility. The repayment profile for this debt, and interest rates are set out in note 19.

To minimise any exposure to interest risk, the Group has entered into various interest rate hedges in relation to the borrowings it has from its bankers (see note 19 for further details).

		2017			
	Carrying amount £'000	**Contractual cash flows £'000**	**1 year or less £'000**	**Between 1 and 5 years £'000**	**5 years and over £'000**
Non-derivative financial liabilities					
Secured bank loans	**150,327**	**195,827**	**6,620**	**19,878**	**169,329**
PIK loan notes	**114,282**	**148,364**	**-**	**148,364**	**-**
Finance lease liabilities	**150,885**	**467,678**	**5,077**	**20,307**	**442,294**
Trade and other payables	**14,662**	**14,662**	**14,662**	**-**	**-**
		826,531	**26,359**	**188,549**	**611,623**

(d) 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 31 December 2017 the Group had two interest rate swaps in place, one of £40m and one of £60m. Each are at 0.5895% less 3 month Libor with both swaps maturing in December 2019. There was no significant fair value profit or loss on this instrument in the period to 31 December 2017.

Sensitivity analysis

A change of 50 basis points in interest rates at the balance sheet date would not have increased or decreased equity and profit or loss. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps.

Notes *(continued)*

22 Financial instruments *(continued)*

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders, benefits to stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

We regularly review and maintain or adjust the capital structure as appropriate in order to achieve these objectives and this is consistent with the management of capital for previous periods.

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.

Identification of the total funding requirement is achieved via a detailed cash flow forecast which is reviewed and updated on a monthly basis.

23 Operating lease commitments

Non-cancellable operating lease rentals are payable over the life of the lease. Payments over the life of each lease are categorised as follows:

	Group 31 Dec 2017 £'000
Less than one year	**840**
Later than one year and no later than five years	**3,359**
After more than five years	**16,566**
	20,765

24 Contingencies

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 company 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.

25 Related parties

Transactions with key management personnel

During the period to 31 December 2017 the Company issued A and B ordinary shares and preference shares and Tiger Debtco issued loan notes, to the shareholders, executive directors and senior management of the Company as part of the acquisition by Tiger Bidco Limited of Tiger Group Limited.

The aggregate payroll costs of these persons are disclosed in note 6 and their shareholdings are shown in the Directors' report on page 2.

Group
Directors of the Group control 14% of the voting shares of the parent company, Tiger Topco 1 Limited.

Company
The Company undertakes transactions with related parties in the normal course of business and all transactions with related parties are made on normal, arm's length, commercial terms. At 31 December 2017 the Company held inter-company balances with two of its subsidiary undertakings (Tiger Debtco Ltd and Park Holidays UK Ltd), 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. The balance with Park Holidays UK Ltd relates to the purchase of the Group through the funding flowed down the company structure; Park Holidays UK Ltd settled £113m of the preference shares.

Notes *(continued)*

26 Ultimate parent company and ultimate controlling party

The ultimate parent company and controlling party is Intermediate Capital Group Plc, incorporated in England and Wales and whose registered office is Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU. The consolidated accounts of this company are available to the public and may be obtained from Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU. No other Group accounts include the results of the company.

27 Subsequent events

On 24 April 2018 the Group exchanged contracts on the purchase of Martello Beach Caravan Park, Clacton, Essex which was acquired as the shareholders believe it is well positioned for future earnings growth. The Group is also purchasing land adjacent to existing holiday park 'Harts' on the Isle of Sheppey, to further expand the park, contracts were exchanged on 26 April 2018.

28 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:

• **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 company 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. An impairment review of goodwill was carried out in the period; 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.