Richmond UK Holdco Limited

Annual report and financial statements

Registered number 10537415

31 December 2020

Company information

Directors	Chrisanth Gradischnig Ian Kellett (Chief Financial Officer) Robert Le Blanc Simon Perry Steve Richards (Chief Executive Officer) Martin Robinson (Chairman)
Company Secretary	Judith Archibold
Registered number	10537415
Registered office	2nd Floor, One Gosforth Park Way Gosforth Business Park Newcastle upon Tyne NE12 8ET
Auditor	KPMG LLP Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX

Contents

Strategic report

The directors present their strategic report for Richmond UK Holdco Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020.

About us

Richmond UK Holdco Limited is the UK parent undertaking of the Group which trades as Parkdean Resorts, a leading operator of holiday parks in the UK. The principal activity of the Company is that of a holding company. The Group owns and operates 67 award winning holiday parks in coastal locations and areas of natural beauty across the UK with a wide range of accommodation options including static caravans, lodges and glamping as well as touring and camping pitches. The Group is the largest operator by number of holiday parks within the caravan and lodge holiday market in the UK.

Business model

The Group operates holiday parks providing a wide range of accommodation, together with on-park facilities including bars, restaurants, activities, amusement arcades and indoor and outdoor swimming pools for use by both holiday guests and holiday home owners.

The Group has over 31,000 pitches across its parks with a mix of Group-owned hire fleet, touring and camping pitches, other accommodation and owner-occupied pitches. The Group's portfolio is diverse; the smallest park has 129 pitches and the largest park 1,934. The Group has four complementary revenue streams: holiday sales; holiday home sales; owner income and on-park spend, which are explained below. The business strategy is for our parks to become the park of choice for a UK staycation by creating a safe environment for our employees and customers that delivers a customer experience which creates amazing memories. Financially our aim is to deliver an appropriate balance of revenue streams for each park, reflecting the scale of the park with the objective of maximising yield. The parks have varied operating seasons with some being open all year round with our peak season running across July and August.

Holiday sales
Sales of holidays and short breaks in the Group-owned hire fleet consisting of caravans, lodges, apartments, cottages and chalets; sub-hiring of privately owned holiday homes; glamping in safari tents and camping pods; touring and camping revenue together with ancillary revenue from sales of cancellation cover. Two of the holiday parks also offer hotel accommodation. Growth opportunities exist through extension of the holiday season, improving occupancy in off-peak periods, upgrading our fleet of caravans and lodges, changing the mix of the hire fleet by introducing higher yielding lodges and by increasing the number of pitches available for hire fleet. Transactions are being maximised via further investment in our digital platform and by our ability to increase pricing as we invest in better or additional facilities which improve the attractiveness of our parks to holiday guests.

Holiday home sales
Sales of caravans and lodges to private owners for holiday use on our parks. Holiday homes are sold with a pitch licence agreement allowing the holiday home to be sited on the park for a fixed period of tenure (over a prescribed season length) in return for paying an annual pitch licence fee. Growth comes from selling more premium caravans and lodges and developing additional pitches for sales across the estate. A number of companies within the Group are FCA authorised to introduce customers to third party finance companies who provide credit for the purchase of a holiday home.

The ability to flex between private owners and hire fleet at each park is a key tool available to the Group to react to any changes in consumer demand.

Owner income
Recurring revenue from annual pitch licence fees, recharging utility costs and local authority non-domestic rates, and sales of services and insurance to holiday home owners. Pitch licence fees generally increase annually, typically in line with the increase in the Retail Prices Index. Additional growth comes from additional pitches and increasing pitch occupancy through holiday home sales. We continually explore ways to improve our owner experience and we are focused on gradually building an offer which reflects the best membership schemes across hospitality and leisure.

Strategic report *(continued)*

On-park spend
Revenue from on-park facilities including bars, restaurants, amusement arcades, convenience stores and various sporting and other activities. Growth opportunities include: extending and improving facilities, improving the on-park offer and from increasing footfall of holiday guests and holiday home owners. One Group company holds an operating licence issued by the Gambling Commission which permits the playing of licensed bingo at the majority of the Group's holiday parks. A key focus for the Group is to expand the range and availability of paid for activities which represent real value for money for both our holiday guests and holiday home owners.

Chief Executive Officer's review

The 2020 financial year was defined by the challenges that the COVID-19 pandemic created, which resulted in the business trading for less than 4 months and even then under costly operational restrictions. It was a year of contrasts from the low points of full lockdown in spring and again in November; to record trading across August and September. Given this backdrop we delivered adjusted Group EBITDA of £58.1m, a fall of £50.5m when compared with 2019 where we traded across the full year. This result is indicative of the resilience and robustness of the business in what was a very difficult year to navigate.

The first lockdown was a time of great uncertainty and we diligently prepared a worst case scenario with our stakeholders whilst aiming for a summer opening. During this period we benefitted from Government support mechanics such as the Coronavirus Job Retention Scheme whilst managing both our cost base and cash flow as we managed the overall liquidity of the Group. We found it difficult to access a Government CBIL loan and alternatively secured a £25.0m cash injection from our majority shareholder, Onex Corporation, and agreed a waiver and amendment with our lender syndicate, principally moving from a leverage based covenant to a minimum liquidity covenant through to September 2021.

This support and planning allowed the business to deal with the cash outflow in Q2 by having to refund thousands of holiday customers who had booked holidays prior to lockdown, fund a package of support for our 21,000 holiday home owners, and manage having zero or reduced income for many months whilst dealing with the seasonality of the business. It is also the case that the end of March, the time of the first lockdown, is the annual low-point of our liquidity due to limited first quarter trade and the necessity to undertake the majority of our capital investment programme over the winter months when our parks are closed.

Key to the success of our re-opening was the planning undertaken to ensure we re-launched in the best way possible. The Coronavirus Job Retention Scheme enabled the Group to retain most of its trained seasonal employees ready for when we re-opened and to galvanise the whole business around opening successfully. All re-launch activities were managed under the umbrella of one major project, which covered training (new operational protocols), marketing (a brand new 'above and below the line' omni-channel campaign), pricing, digital solutions innovation and product, together with the necessary infrastructure projects to support these initiatives. Our principal objectives were to reach full capacity in August, drive margin and create a second peak season in September and October, all of which were achieved.

A key area of focus since lockdown began on 23 March 2020 has been the pursuit of an insurance claim for losses incurred as a result of the 2020 lockdown and which our insurers accept as a valid claim. In the UK, the FCA took a case against insurers to the Supreme Court, the judgment from which was released on 15 January 2021 and which gives great clarity on this matter. On 4 March 2021, we received an interim payment of £35.0m from our insurers and discussions are ongoing to reach a final settlement for the claim.

As a business operating in the hospitality and leisure sector we have had to deal with an ever-changing operational, legal and regulatory landscape, with different rules and regulations across England, Scotland and Wales. We have been fortunate that when we were able to open across the summer and autumn, the attractiveness of a staycation holiday in the UK has never been more compelling, given overseas travel restrictions, boosting a trend that has shown consistent growth in recent years. One of the great strengths of the business is that we operate principally in coastal locations and our parks are spread across 3,561 acres, with caravans typically at least five metres apart, therefore making our parks naturally socially distanced. We lobbied hard both politically and through the media to ensure holiday parks were at the front of the queue when Government allowed businesses to re-open in England on 4 July and shortly thereafter in Scotland and Wales. Our principal message was that caravan parks were socially distanced by their very nature and that the major operators in the sector had collectively established a very clear, tight and robust set of operating protocols which ensured the safety of holiday home owners, holiday guests and team members.

Strategic report *(continued)*

Having to close our parks to both holiday home owners and holiday guests for circa fifteen weeks had a significant impact on the full year financial outcome, with our initial lockdown losses estimated at circa £72.0m. Navigating the differing rules for customers in different parts of the UK further contributed to the complexity of customer communications. We offered impacted holiday guests the option of a refund or a credit voucher with 33.4% of customers opting to take the credit and re-scheduling their holiday for later in the year or into 2021. Our circa 20,000 holiday home owners benefited from not just the straight pass through of the reduced VAT rate on the relevant proportion of their 2020 pitch fees, but also the non-domestic rates holiday available on all but one of our parks. In addition, as a gesture of goodwill to holiday home owners, we refunded £8.1m of pitch fees for the closure period, implementing this by way of a credit against their 2021 pitch fees. For those holiday home owners utilising our third-party direct debit scheme we put in place a forbearance plan which helped a small number of our holiday home owners through an uncertain period.

Owner leaver trends in the year were encouraging, with a 33.3% reduction in the number of leavers in the year compared to 2019. The ongoing uncertainties surrounding travel abroad encouraged owners to keep hold of their holiday homes in the UK. In addition to this, the pass-through of reduced VAT rates to 2020 pitch fees and the pitch fee refunds given as a gesture of goodwill have encouraged holiday home owners to remain on our parks.

As we expected, the post-lockdown demand for UK holidays in 2020 was very strong, with close to 100% occupancy across the peak months of July and August and demand driving a strong uplift in average weekly rate. This strong demand delivered a second peak across September and October, with September particularly strong as we saw substantively less promotional bookings than normal in this month. Whilst a strong staycation market provided a significant demand stimulus we were very encouraged by the reaction to our new TV advertising campaign which has been repeated again in the early months of 2021.

One slightly unexpected, but welcome feature of the post-lockdown market in 2020 was the strength of holiday home sales and more pleasing was our performance, as our new leadership team continued to drive increased market share. The centralisation of pricing and stock control has facilitated an improvement in average unit margin whilst at the same time we had a much more locally market driven promotional strategy. Innovation has also been key to our success in 2020 and at the back-end of the year, once customers had visited their park, we were able to fully complete the sales transaction digitally, enabling us to continue to trade in November and December during lock-down. Encouragingly we are seeing the number of virtual sales appointments increasing which enables us to maintain momentum even in periods of lockdown.

The most challenging revenue stream for the business in 2020 has been on-park spend which covers all of our food and beverage, amusements, retail and activities operations. It is these areas of our business which were most impacted by increased health and safety measures to accommodate social distancing, resulting in reduced capacities and limiting some of the activities we would normally offer. Sales mix shifted towards food as a consequence of Government regulations and the Eat Out to Help Out scheme in August. Cost-to-serve increased considerably as we invested in additional team members to deliver a meet, greet, seat and serve operation, as well as the increased costs of personal protective equipment and cleaning materials, including guest and team hand sanitiser.

One of the key projects we undertook in 2020 was the upgrade of some select parks under our Springboard investment programme. The aim of these projects was to invest in new facilities, specifically paid-for activities, upgrade accommodation, implement park-wide and in-van Wi-Fi and extend the food and beverage offer with covered seating areas and pop ups. We learnt much in 2020, despite the interruptions, and the initial financial analysis indicates that we will be able to deliver the necessary level of returns required to justify this growth capital investment. Furthermore guest feedback on the activities and facilities has been very positive. This has given us the confidence to invest in more parks ready for the 2021 season and we will closely monitor performance across all parks with a view to accelerating the programme in 2022.

Strategic report *(continued)*

In common with many business we have a richness of data available to us but generally not readily accessible and therefore not leveraged to its full potential. In 2020 we invested in a Data, Analytics and Insights team as well as the technology to corral our disparate data assets into a single data source. One of the first outputs from this work was the facilitation of a complete picture of our estate and the subsequent identification of all the opportunities for growth through new pitch development and infill. This organic growth opportunity enables us to effectively build a park bigger than our largest park, Trecco, from the land and planning permissions we already have. New pitch development is therefore a core element of our growth plan in forthcoming years.

One of the foundation pieces of our plan has been the transformation of our back office and the early work completed on our platform allowed us to move our whole operation into the studies, kitchens, bedrooms and living rooms of our support teams at very short notice. Key to this was our 2019 investment in digital telephony and mobile cloud computing technology which will be further enhanced in 2021 when we complete the Wi-Fi enabled park connectivity project across the majority of our parks.

2021 will see us complete the total digitisation of our holiday home sales process, integrated with automated billing and inventory management and introduce the key elements of a new human capital management ('HCM') system together with the digitisation of some of our key park operations in respect of accommodation and maintenance.

One of the most gratifying aspects of the last 12 months has been how our people have adapted and innovated without losing sight of our primary objective to create amazing memories for our holiday home owners and holiday guests. Whatever the challenge put before us, the commitment to get the job done and done well has been exemplary and we are immensely proud of the progress we made in a difficult year. We have a very capable, committed and ambitious team which augers well for the future and gives us confidence we can navigate the challenges 2021 will throw our way.

Our strategy

2020 was the first year of the new leadership team working together. This represented an opportunity to validate our strategy and finesse it in a number of areas whilst still broadly keeping with our original 5P plan which has been enhanced to add a D for digital.

As we approach the 2021 season we are focused on becoming the park of choice for a UK staycation with our team of passionate people continuing to create amazing memories for our holiday home owners and holiday guests. The essence of the experience we are creating revolves around family, fun and freedom given we have 67 amazing locations which give our guests the freedom to escape.

Our strategy has been evolved by the new leadership team under the following five strategic levers:

Brand transformation
From the work we completed in 2020 we have now identified four key customer groups who account for more than 70% of our profits; these groups are consistent between holiday home owners and holiday guests. Parkdean Resorts is an experiential brand and we will be judged as much on our hospitality, service, attitude of our people and operational standards as by our landmark park locations and accommodation. The brand transformation plan requires a laser-like focus on our core customers to deliver a consistent and differentiated product at a great value price, engage our workforce via our brand values and give the families who come to us amazing memories so that they will return and also recommend us.

A significant component of our brand transformation is our digital transformation and in particular the customer-facing elements. This includes a new website rebuild with fresh content, new photography and video targeted at our four key customer groups. Simple, intuitive self-service will be at the core of our design. Our investment will cover both holiday sales and holiday home sales and will be a central, ongoing investment area for the business.

Strategic report *(continued)*

Operational excellence
Over the past 12 months significant progress has been made as we have optimised the field operational teams, aligning their regions to their support functions such as HR, training, finance, sales and marketing in order to maximise local knowledge and regional team accountability. Each regional director is now accountable for the total performance of eight parks in a sensible geography, improving span of control and optimising their time on park. We have also undertaken a bottom-up review of park structures to dramatically change the way we manage and run our parks. The new structure is skills led with roles and responsibilities clearly defined with the goal of improving customer service, health and safety and operational excellence.

Guest satisfaction scores for holiday experience are heavily influenced by the accommodation condition and cleanliness. In 2021 we will approach this key area of our business with rigour, ensuring the standard we have set ourselves is met consistently.

The insight we have derived from the identification of our four key customer groups has helped us define our holiday home owner service offering and the training of our teams to deliver it. Our digital programmes are focused on simplifying our communications and allowing our holiday home owners to self-manage their relationship with us, whilst automating many elements of the ownership experience.

Our revenue management systems and procedures have delivered consistent growth across recent years. However, we go into 2021 focused on the development of pricing engines that embrace more automation. As we upgrade and invest in our product we will look to reduce the mix of promotional bookings, whilst our new website will encourage more margin enhancing direct bookings.

Within holiday home sales, 2020 has seen the introduction of personalised video walk-throughs for customers and the ability to transact remotely following a park visit. Standardisation and centralisation have and will continue to be at the core of driving operational excellence in this channel. Pricing, promotions and stock management are now centralised but reflective of local market circumstances. Our core selling range now consists of a more manageable number of caravans which cover the needs of the vast majority of our customers. The introduction of digital showgrounds and a bespoke training academy will deliver further improvements to the operation in 2021.

Property
The business currently operates from 3,561 acres across 67 parks in some of the best coastal locations in the UK. Each park also has significant investment in accommodation, restaurants, bars, indoor and outdoor swimming pools and activities, yet until 2020 the business did not have a dedicated property directorate focused on optimising our assets. We now have a clear, holistic view of the entire estate which has enabled the business to understand and plan future investments. Key to our strategy is realising developmental opportunities across a medium-term time horizon, in particular pitch expansion but also the early identification of those parks which will benefit from the Springboard park upgrade investment. In addition, we continue to review opportunities to acquire complementary holiday parks consistent with our strategic direction.

Investment
In 2020 we had £70.0m of capital expenditure which included substantial growth capital covering our Springboard investment, pitch development and in-fills and digital programme, as well as investments in our platform. In addition, we made good progress on our park connectivity and direct-to-van Wi-Fi project which is a key facilitator of the digital customer experience we are developing. Our plans for 2021 are broadly similar as we continue to invest in both the park and digital experience and expand through new pitch developments.

Scalable platform
Our strategy is to have a fully scalable platform that is built on leading enterprise cloud technologies accessible anywhere on any device. In spring 2021 we will complete the implementation of Salesforce as a single solution to manage the full owner lifecycle from initial sales enquiry through to the point they leave. Our use of Salesforce will broaden in 2021 to improve both our on-park operations in respect of maintenance and accommodation and enterprise wide risk management. In 2021 our people and payroll systems will transform as part of a two year programme to implement a full HCM system for the business.

We will further ingest our final data sources into our new data warehouse which is the first step to deriving real value from our data asset and providing insight to the business to improve decision making and resource allocation. We are focused on becoming a data driven business and within the business the Data, Analytics and Insights team has been built and scaled as a primary centre of excellence.

Strategic report *(continued)*

The business benefits from being an integral part of 67 coastal and rural communities who, in turn rely on us for employment, continued investment and a commitment to cherish the uniqueness of each community. We will continue to do this through protecting and enhancing the ecological and aesthetic value of our parks and the interconnectivity with the landscapes around them; reducing our impact on the environment through our drive to divert the waste generated from site from landfill and supporting increased levels of high grade recycling; and managing our climate change responsibilities, through investment in green energy and diverse technologies to improve our energy efficiency and support small scale on-site generation

Operationally within the business we manage delivery across these five strategic levers through the mechanic of our 5PD plan which captures all the key activities aligned behind the delivery of our strategy, individual projects are attributed to the following pillars; people, price, product, property, platform and digital. The 5PD plan is managed through a central programme office which provides the necessary executional support to ensure our key value creative projects are delivered to expectations on a timely basis.

As we look forward to 2021 we have a fundamentally better understanding of our holiday home owners and holiday guests' wants and needs, our digital and data-led transformation is gaining momentum and we are already seeing the impact it can have on our customer experience and how we define our proposition. Our on-park operations continue to improve as we deploy the structures and ways of working needed for us to succeed and we have a team that is passionate and ambitious for our business.

Given the robustness and resilience the business showed following the 2020 spring lockdown and given the initial results from our 2020 growth investments we have invested confidently in further growth across the 20/21 winter closure period. The 20/21 winter lockdown came at a time where we are traditionally shut as our season does not get fully into swing until late March, just in advance of Easter in 2021. Parks across England and Wales re-opened on 12 April, and we expect parks in Scotland to follow from 26 April. With the immunisation programme well underway we are confident that we will experience significant demand as the growing UK staycation remains an extremely attractive option for UK holidaymakers, and represents a great opportunity for those who are interested in owning a holiday home.

We continually update, monitor and mitigate our risks, where appropriate, through our formal risk management framework. The key risks relevant to our strategic priorities are detailed in the Principal Risks and Uncertainties section of this annual report.

Corporate governance

The Group continues to operate under the Wates Corporate Governance Principles for large private companies.

The Group's values, strategy and culture are driven by the Board and centred on our purpose, as demonstrated throughout the Strategic Report and Directors' Report. The Principal Risks and Uncertainties section of this annual report specifically shows our assessment of present and future risk. Board composition and responsibilities are disclosed on pages 17, 18 and 23, in addition to the roles of the Remuneration Committee, the Audit and Risk Committee and the Health, Safety and Security Committee each of which directly support the Board, are discussed on page 19. A key focus of the Group has always been stakeholder relationships and engagement, discussed on pages 19 to 21. We specifically highlight our ongoing adherence to s172(1) of the Companies Act 2006 and the directors' duty to promote the success of the Group for the benefit of its members as a whole. The Chief Executive Officer's Review demonstrates our consideration of likely long-term consequences of decisions on all stakeholders and the Directors' Report shows our desire to maintain our high standards of business conduct, with specific interests and engagement of stakeholders discussed on pages 19 to 21.

Steve Richards
Chief Executive Officer

Key performance indicators

	2020	2019	Change %
Adjusted revenue (£m) (1)	**348.4**	453.2	(23.1)
Adjusted EBITDA (£m)	**58.1**	108.6	(46.5)
Holiday sales volume (No. holidays)	**318,835**	598,554	(46.7)
Holiday home sales volume (No. units)	**3,380**	4,124	(18.0)
Holiday home owners at 31 December (No.)	**20,606**	19,884	3.6

(1) 2020 Revenue has been adjusted to exclude £8.1m of exceptional pitch fee refunds which occurred as a result of the COVID-19 pandemic.

Adjusted revenue
Adjusted revenue for the year was £348.4m (*2019: £453.2m*).

Adjusted EBITDA
Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share-based payment expenses, exceptional items and exceptional reduction in revenue. Adjusted EBITDA is an important measure for the Group of the profitability and cash generation of our trading operations. Adjusted EBITDA was £58.1m for the year ended 31 December 2020 (*2019: £108.6m*).

Holiday sales volume
Holiday sales volume is the number of holidays taken in Group-owned fleet, touring and camping pitches and other accommodation and holiday home owner sub-hire accommodation. Holiday sales volume in 2020 was 318,835 (*2019: 598,554*).

Holiday home sales volume
This is the number of sales of caravans, lodges and chalets that completed in the year. Holiday home sales volume in the year was 3,380 (*2019: 4,124*).

Number of holiday home owners
The number of holiday home owners at 31 December 2020 was 20,606 (*2019: 19,884*).

Group financial review

Overview

	2020	2019	Change
	£m	£m	%
Adjusted revenue [(1)]	**348.4**	453.2	(23.1)
Adjusted EBITDA	**58.1**	108.6	(46.5)
Operating exceptional items [(2)]	**(15.1)**	(9.4)	60.6
Operating (loss)/profit excluding exceptional items	**(1.9)**	60.1	(103.2)
Operating (loss)/profit	**(17.0)**	50.7	(133.5)
Net finance expense	**(69.6)**	(59.8)	16.4
Loss before tax	**(86.6)**	(9.1)	(851.6)
Tax charge	**(2.6)**	-	-
Retained loss	**(89.2)**	(9.1)	(880.2)
Non-current assets	**1,444.3**	1,418.9	1.8
Interest bearing loans and borrowings	**(1,110.3)**	(952.9)	(16.5)
Cash and cash equivalents	**63.8**	9.3	586.0
Leverage[(3)]	**14.9**	7.2	106.9

(1) 2020 Revenue has been adjusted to exclude £8.1m of exceptional pitch fee refunds which occurred as a result of the COVID-19 pandemic.

(2) Exceptional items are items that are unusual in size and incidence such that their separate disclosure is important when assessing underlying performance. See below and in note 4 for further details.

(3) Leverage is defined as net debt (external debt including lease liabilities but excluding ground rent lease liabilities less cash and cash equivalents) divided by EBITDA. Certain adjustments are allowed to be made to EBITDA for exceptional and non-recurring expenses and pro-forma adjustments where these are specifically identified by management and agreed with the Board. This includes an adjustment for 12 month equivalent ground rent payments of £7.7m *(2019: £7.6m)*.

Adjusted revenue

Adjusted revenue in the year was £348.4m (*2019: £453.2m*), a decrease of 23.1%. All areas of the business saw revenue fall on prior year due to the impact of COVID-19. Holiday home sales performed well and saw operational progression as we strengthened our digital process to allow sales to complete while parks were closed; overall holiday home sales revenue decreased by 14.6%. Holiday sales decreased by 25.2% but performed well when parks were open following increased demand due to a trend toward 'staycations'. On-park spend suffered the most due to COVID-19 restrictions and fell by 49.5% from prior year due to closure and increased restrictions when open. Before the exceptional pitch refund granted in the year, owner income revenue fell by 7.8% due to lower new business in the first half of the year, lower recharges to owners during park closures and from the local authority non-domestic rates holiday.

Adjusted EBITDA

EBITDA was £58.1m (*2019: £108.6m*) a decrease of 46.5%. Holiday home sales saw a small reduction in contribution overall with high demand in the second half of the year once restrictions eased and improved contribution margin. Owner income prior to the exceptional pitch fee refund also saw a decreased contribution. Holiday sales saw a decrease at contribution level but an increase in margin owing to improved price and volume during open periods in the year. On-park spend suffered a loss in contribution year on year, with on-park spend being particularly affected by increased costs in order to ensure the safety of our team and guests on park as well as ensuring we complied with COVID-19 regulations.

Group financial review *(continued)*

Exceptional items

Exceptional costs were £7.0m in the year (*2019: £9.4m*) and were mainly in relation to one-off COVID-19 costs, the restructuring of the executive management team and costs in relation to strategic projects. Exceptional costs are shown below:

	2020	2019
	£m	£m
Executive team restructure	**0.1**	3.6
Strategic project costs	**3.3**	5.8
COVID-19 related costs	**3.6**	-
Total	**7.0**	9.4

Further details on exceptional costs are given in note 4.

Operating exceptional items include £8.1m exceptional reduction in pitch fee revenue *(2019: £nil).* Further details on this exceptional reduction in revenue are given in note 2.

Operating (loss)/profit

Operating loss was £17.0m for the year (*2019: profit of £50.7m*). The £67.7m reduction year on year is due to the factors summarised in the table below:

	Movement £m	Notes
Adjusted EBITDA	(50.5)	• Parks closed for a significant part of the year due to COVID-19
Depreciation	(10.3)	• Increase in capital investment in the current year including a park facility improvement project and Wi-Fi installations
Amortisation	(0.7)	• Higher amortisation as a result of increased software licences.
Exceptional pitch licence fee refunds	(8.1)	• Owner pitch licence fees refunded as a result of park closures due to COVID-19
Exceptional items	2.4	• Decrease in one-off project and restructuring costs in the year
Share-based payment expenses	(0.5)	• A full year's expense recognised compared to a part year in 2019
Decrease in operating profit	(67.7)	

Operating loss excluding exceptional items and exceptional reduction in revenue was £1.9m (*2019: profit of £60.1m*).

Net finance expense

Net finance expense is higher primarily due to refinancing costs incurred in the year, as well as the utilisation of the Group's revolving credit facility and the Onex cash injection to help manage the Group's liquidity through the COVID-19 impact.

Tax

Our tax charge largely relates to current tax movement as a result of tax payments being repaid due to the impact of COVID-19, together with the effect of changes in tax rates on our deferred tax liabilities at a Group level. These changes in tax rates predominantly relate to prior period adjustments on the historical business combination, and movements in fair value on carrying assets.

Non-current assets

Non-current assets of £1,444.3m (*2019: £1,418.9m*) include tangible assets of £1,357.7m (*2019: £1,330.5m*), and intangible assets of £86.6m (*2019: £88.4m*). Intangible assets are made up of £63.2m (*2019: £63.2m*) of goodwill arising on the purchase of the Parkdean Resorts group, £18.3m (*2019: £21.2m*) of other intangibles relating to the Parkdean Resorts brand and £5.1m (*2019: £4.0m*) of software costs.

Group financial review *(continued)*

Total debt and leverage

At the year end, bank debt comprised two secured term loan facilities totalling £688.5m (*2019: £688.5m*), the first lien facility of £538.5m expiring in 2024 and the second lien facility of £150.0m expiring in 2025.

The Group has a revolving credit facility of £100.0m of which £10.0m is allocated as an ancillary overdraft facility expiring in 2023. The Group has utilised £90.0m of its revolving credit facility on a six-monthly rolling basis and this can be redrawn at 1 day's notice.

In the year, following the unprecedented impact of COVID-19, the Group agreed a waiver and amendment with its lender syndicate in respect of the term loans, moving from a leverage based covenant to a minimum liquidity covenant through to September 2021. The available liquidity is defined as cash and cash equivalents, available commitments under any facility, undrawn commitment under any 'CLBILS' (Coronavirus Large Business Interruption Loan Scheme) facility made available to the Group, any confirmed reimbursement regarding the business interruption insurance claim, and adjusted for amounts paid to lenders on consent of the waiver agreement.

The net leverage financial covenant will be reinstated at 31 December 2021 for both secured term loan facilities. Leverage is defined as net debt (external debt less cash and cash equivalents) divided by EBITDA adjusted for ground rent payments. Certain adjustments are allowed to be made to EBITDA for exceptional and non-recurring expenses and pro-forma adjustments where these are specifically identified by management and agreed with the Board.

During the year, management have adapted to the evolving COVID-19 position and considerably improved our forecasting capability by deploying more resources and upgrading systems. Based on sensitised forecasts, management does not expect a covenant breach in the year ahead. The Group continues to closely monitor liquidity and update forecasts in response to the latest COVID-19 restrictions, as a result, the Group is confident that any risk of covenant breach would be identified at an early stage to allow for remedial action to be taken.

A £25.0m loan was made by Richmond UK Top Holdco Limited, the Company's parent company, on 24 June, as part of the Onex cash injection to the Group. This is in addition to the existing £25.0m remaining from the £75.0m loan issued as part of the acquisition of the Parkdean Resorts group in 2017, of which £50.0m was repaid on 2 February 2018.

Full details of the Group's debt can be found in note 17 of the financial statements.

Principal risks and uncertainties

The principal risks facing the Group have been identified and assessed for potential impact and probability of occurrence and the relevant implementation and monitoring of risk mitigation strategies have been reviewed and agreed by the board of the Company (the "Board"). The risk analysis was formed through considering various factors, including environmental, market, workforce relationships and supply chains.

All of the key business risks and uncertainties disclosed in the Group financial statements are also applicable to the Company.

There are a number of potential risks and uncertainties which could have a material impact on the Group's operations, financial position and execution of its strategic objectives. The principal risks are as follows:

Risk description and impact	How we mitigate our risks
MARKET RISKS	
Brexit Risk of consumer uncertainty and adverse economic outcomes as a result of Brexit, especially in holiday home sales. While the negotiation of a Brexit deal has resolved some areas of Brexit risk, the limited understanding of the longer-term impact of the deal on the UK continues to foster consumer uncertainty. The Group has experienced input price increases above the Retail Price Index, particularly foods and build costs for holiday homes.	We can flexibly change the mix of holiday sales and holiday home sales on park where appropriate to adapt to the impact of Brexit on consumer confidence. Alternative sourcing arrangements have been put in place to help mitigate price increases. The Group continues to closely monitor the impact of Brexit and adapt its supply strategy accordingly.
Competition and customer expectation The Group faces competition both within the UK holiday park sector and from a broad range of UK and overseas holiday offers. The Group's business and growth potential could be impacted if product and service standards do not meet customer expectations.	While the Group is the largest UK holiday park operator (by number of parks in the UK), this sector is highly fragmented and the Group is exposed to multiple competitors on a local basis. The Group adopts both local and national marketing and pricing strategies to ensure it remains competitive. Holiday guest and holiday home owner feedback is monitored continuously and appropriate actions taken. The Group has a strategy of investment in our holiday parks and improving service and standards with the aim of increasing customer retention and advocacy.
OPERATIONAL RISKS	
People availability and expertise The need to attract and retain appropriately motivated and experienced customer-focused people is increasing with the scale and ambition of the business.	We are continuing to invest in our employer branding to assist in reaching high performing people from outside our industry and recruiting those with the potential to grow in our business. The availability of multiple succession channels (internal and external candidates) is helping to future proof the business and prevent operational gaps. All line managers are encouraged to undertake periodic reviews with their team members and to develop plans to maximise their personal impact. The Group utilises various tools to monitor employee engagement and uses the results to guide the development of HR policies. Training programmes are continually under review and development. The Group constantly reviews remuneration levels in the market to ensure that we remain competitive.

Principal risks and uncertainties *(continued)*

Risk description and impact	How we mitigate our risks
OPERATIONAL RISKS	
Health and safety The Group employs over 7,000 people during peak season (including those on seasonal contracts) and welcomes over 2m holiday guests to our parks every year. There is therefore an ongoing risk of health and safety incidents. This includes risks relating specifically to food safety, intolerances and allergens. We understand our duty of care to protect the safety and security of our people, customers and other visitors to our parks.	The Group is committed to maintaining high standards of health and safety, food safety and environmental management across our parks and offices. The Group employs an in-house health and safety team, supplemented where required by specialist consultants, to undertake risk assessments and ensure that appropriate health and safety and food safety policies and procedures are in place. Our people are trained on a regular basis and all parks receive comprehensive health and safety audits on an annual basis. The Group has a separate committee for health, safety, and security which is chaired by Simon Perry, one of our Non-Executive Directors.
Business continuity The Group is at risk of a business continuity incident affecting parks, offices or critical systems.	The Group has undertaken a business impact analysis exercise to understand its business continuity requirements. The Group has reviewed and updated its crisis communications procedures and undertaken training across the operational management teams. An audit has been undertaken to assess the Group's response to COVID-19 and the associated park and office closures, the results of which are informing a wider review and enhancement of the business continuity planning for the Group's central support offices and park operations.
Regulatory compliance The Group is subject to regulation across a number of areas including credit broking and the sale of insurance under FCA authorisations, gaming activities pursuant to an operating licence issued by the Gambling Commission and holding and processing personal information under the Data Protection Act 2018 and associated regulations. There is an increasing compliance burden around payroll compliance including the Working Time Directive, Right to Work, National Living Wage and Auto-Enrolment Pension requirements.	The Group employs a dedicated compliance team and has a comprehensive FCA and Gambling Commission compliance programme as well as a dedicated resource in respect of data protection. This includes training to all of the Group's sales and on-park management teams and monitoring ongoing compliance. The HR team is responsible for the establishment of policy in respect of payroll compliance and delivery of training to the operational teams. The Compliance and Payroll teams assist with the monitoring of the application of and compliance with these policies. The Group also uses third party experts when required to assist internal teams.

Principal risks and uncertainties *(continued)*

Risk description and impact	How we mitigate our risks
OPERATIONAL RISKS	
Infectious disease, epidemic or pandemic As demonstrated in 2020, in addition to the risk of local outbreaks of infectious disease, there is a risk that an epidemic or global pandemic can impact the travel and leisure industry, including the possibility of full park closures. There is a risk that an outbreak of COVID-19 (or another infectious disease) could take place on one or more of our parks. This could cause reputational damage in addition to the financial impact of a park closure.	Although we cannot control the risk of an epidemic or pandemic, we have demonstrated that holiday parks can provide a safe, clean environment and our caravans and lodges offer an inherently socially distanced experience. In the event of any future local or national lockdowns, we would again maintain an active stance to promote social distancing and other safety measures in place on park, campaigning to ensure that our parks re-open as early as possible, whilst demonstrating our full adherence to Government regulation and guidance to ensure customer and team member safety. We have demonstrated an ability to react rapidly and appropriately to changing Government requirements, acting to minimise costs and instigating remote working to ensure business continuity, continued customer service and liquidity management. The Group's normal business cycle includes the requirement to close and re-open the parks on an annual basis and so we have operational plans in place to conduct this in an orderly and efficient manner. In the context of COVID-19, the Group has implemented all measures required to meet Government regulation to provide a safe holiday environment for our customers and a safe working environment for our employees. This includes social distancing, enhanced cleaning, personal protective equipment for employees, a contactless check-in and check-out system as well as complying with track and trace requirements.
Technology and cyber security The Group operates a dispersed IT infrastructure, covering its network of parks and offices and makes use of a variety of proprietary and third party systems. There is a risk of system or network failure and of a cyber-security breach.	The Group's critical IT infrastructure is held in Tier one data centres, with live replication. All critical network lines have back-up paths in place. The Group regularly upgrades hardware and software to improve network and application performance. The Group has committed to an investment in information security to deliver ISO27001 compliance by spring 2021. The Group is also investing heavily in enhancing its IT platform and improving and integrating systems. The Group performs regular risk reviews and tests for network performance and has enhanced both data and cyber security for internal purposes and as required under the Payment Card Industry Data Security Standards.

Principal risks and uncertainties *(continued)*

Risk description and impact	How we mitigate our risks
FINANCIAL RISKS	
Financial covenant compliance The Group is highly leveraged and is required to comply with financial covenants as part of the Senior Facilities Agreements. Due to the impact of COVID-19, the Group agreed a waiver and amendment with our lender syndicate in respect of the original terms of the Senior Facilities Agreement, principally moving from a leverage based covenant to a minimum liquidity covenant through to September 2021. Due to the continued uncertainty of the UK restrictions against COVID-19, there remains a risk that in the event of a prolonged closure then a further review of covenant terms may be required.	The Group has invested considerably in its forecasting capability during 2020 and closely monitors liquidity and covenant compliance under varying scenarios to enable mitigating actions to be reviewed by the Board as required. Although the level of continued restrictions remain unclear, we learned a lot during 2020 and the medium-term impact is no longer unprecedented and we are confident that as soon as restrictions are eased the business will bounce back quickly. This means that it is more likely that the business would need to find a short-term liquidity solution in the event of a prolonged closure, which forms part of management's planning scenarios. We still have several months remaining under the amended liquidity covenant and will continue to monitor the position once this period comes to an end.
Liquidity The holiday park business is seasonal but predictable. Cash flows are positive through the main holiday season but negative during the winter months. Cash management is a key focus for the Group to mitigate the liquidity risk caused by this seasonal trading.	The Group has no requirements until 3 March 2024 to make any repayment on either the £538.5m first lien loan facility or on the £150.0m second lien facility except for payments of excess cash flow to the first lien facility providers. There is a £100.0m revolving credit facility available up to March 2023 which provides sufficient cash resources to meet the working capital requirements of the business going forward. At the end of the financial year the Group had utilised £90.0m of this facility. Current forecasts and projections, taking into account reasonable changes in trading performance, are reviewed regularly to ensure that the Group is able to operate within its working capital facilities and banking covenants for the foreseeable future.
Supply chain The Group relies on a wide range of suppliers, on both a national and local basis and is subject to the risk of failure within this complex supply chain.	The Group has adopted a supplier segmentation approach. Suppliers have been categorised based on criticality and spend. The initial focus has been on tier one suppliers (high spend and criticality). Senior management relationship holders have been identified and regular reviews implemented to monitor supplier performance, build relationships and ensure strategic alignment. The risk profile of key suppliers is regularly assessed and plans developed to address particular areas of risk.

Principal risks and uncertainties *(continued)*

Risk description and impact	How we mitigate our risks
FINANCIAL RISKS	
Credit The Group's operations mean that there is a relatively low credit risk. The vast majority of holidays cannot be taken and holiday homes are not released, until payment is received in full. Annual pitch licence fees are paid in advance by holiday home owners or via a third-party direct debit payment plan. Almost all of on-park spend revenue is paid for at the point of sale.	The Group's objective is to reduce the risk of financial loss due to a customer not honouring their financial obligations and the debt profile is actively managed. The Group has a central credit control team that supports the on-park teams with their collection of amounts from holiday home owners. There is a clear debt management process. This can result in removal of an owner from park when the debt remains unpaid. Credit terms for holidays are only offered to credit-worthy corporate agents, again with the vast majority of the payments from these agents received prior to commencement of the guest's holiday.
Interest rate The first lien and second lien facilities are subject to floating rates of interest as detailed in note 17.	The Group has hedged £500.0m of debt with interest rate swaps that run to May 2021. This provides coverage on 73% of the floating rate debt held by the Group. The Group's hedging arrangements are being reviewed prior to the expiry of the existing swaps.

This strategic report was approved by the Board of directors on 27 April 2021 and signed on its behalf by:

Steve Richards
Chief Executive Officer

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

Directors' report

The directors present their report and the audited financial statements of the Group and the Company for the year ended 31 December 2020.

Results for the year

The loss for the year after tax amounted to £89.2m (*2019: £9.1m).* Further discussion of the results and performance of the Group is provided in the Group financial review on pages 8 to 10.

Future developments

A discussion of future developments of Group and Company has been included in the Chief Executive Officer's review within the strategic report, on page 2.

Going concern

The directors have assessed the financial position of the Group and Company at the end of the year. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business and the financing facilities available. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group and Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Events since the balance sheet date

On 4 January 2021, in response to the spread of COVID-19, the UK Government announced a nationwide lockdown, resulting in the mandatory closure of all of the Group's holiday parks. On 12 April, following the relaxation of restrictions across England and Wales, the Group re-opened parks in those regions. It is expected that parks in Scotland will re-open from 26 April. The period of closure largely fell within the normal winter closure period for most parks; however the delayed re-opening did result in the loss of the Easter trading period. Ongoing hospitality restrictions are expected to have some impact on food and beverage sales, with restrictions on use of indoor spaces until at least 17 May and limitations on group numbers until at least 21 June. The financial impact has been considered as part of the Group's forecast sensitivities and going concern assessment as described on page 36 and further details are provided in the post balance sheet events note on page 73.

Proposed dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020 (*2019: £nil)*.

Private equity ownership

The Company's immediate parent undertaking is Richmond UK Top Holdco Limited which is owned by Richmond Holdings (Jersey) Limited, which is incorporated in Jersey. Richmond Holdings (Jersey) Limited is indirectly controlled by Onex Partners IV, a private equity fund which is ultimately controlled by Onex Corporation ('Onex'). Onex is a Canadian headquartered private equity investment firm listed on the Toronto Stock Exchange with over $37 billion of assets under management.

Founded in 1984, Onex is one of the oldest and most successful private equity firms in North America. Onex maintains a consistent approach to investing and pursues global businesses headquartered in North America or Europe with world-class core capabilities and strong free cash flow characteristics. Onex creates long-term value by building these high-quality businesses in partnership with outstanding management teams. This successful strategy has produced a track record that spans more than three decades and multiple economic and industry cycles.

Compliance with Private Equity Reporting Group Guidelines

The Group is committed to achieving high standards of corporate governance and reporting, including in accordance with the Guidelines for Disclosure and Transparency in Private Equity.

Corporate governance

The Chairman and Company Secretary review the governance of the Group annually. The Group has continued to adopt the Wates Corporate Governance Principles, which are deemed fit for purpose due to the size and complexity of the Group as a whole.

Directors' report *(continued)*

Directors

The directors of the Company, who held office during the year and up to the date of signing, were as follows:

Chrisanth Gradischnig
Ian Kellett
Robert Le Blanc
Simon Perry
Steve Richards
Martin Robinson

Another Group company effected and maintained insurance for the directors against liabilities as officers in relation to this and other Group companies.

Group Board of directors

The Board comprises the non-executive chairman, two executive directors and three non-executive directors. The Board benefits from the diversity of each director's experience, independence of character and judgement, in providing strategic leadership and oversight.

Steve Richards – Chief Executive Officer
Steve has spent over 30 years in the leisure and hospitality sector and has worked for a number of well-known public and PE backed companies.

In the five years prior to joining Parkdean Resorts, Steve served as Chief Operating Officer of Apollo/KKR's Casual Dining Group Ltd which at the time was the UK's third largest full service restaurant company. Before this Steve was Chief Operating Officer of the premium bar and nightclub business Novus Leisure Ltd until it was successfully sold in 2012 by Barclays Ventures to other private equity investors. Steve has also worked in the pub industry where he served as Managing Director of the Blackstone backed Spirit Group Ltd. He was also Managing Director of Scottish & Newcastle plc's pub division from 1999 to 2003 after spending 10 years at Allied Domecq plc undertaking marketing and operations director roles.

Steve is a Non-Executive Director of Arc Inspirations Ltd, the premium bar operator and also Chairman of UK Hospitality – the hospitality sector's lead trade body which lobbies Government on the strategic issues affecting its 700 member companies who between them employ over three million people and contribute more tax to the exchequer than the manufacturing, aviation and pharmacy industries combined.

Ian Kellett – Chief Financial Officer
Ian was appointed Chief Financial Officer in June 2018.

Ian was previously Chief Executive at Pets at Home, which he joined as Chief Financial Officer in 2006. He was instrumental in growing the business from 185 to 450 stores while also helping build Vets4Pets as the largest chain of first opinion vets practices in the UK. Ian also played a key role in the sale of Pets at Home to KKR in 2010 and its subsequent IPO in 2014.

Ian has held a number of senior finance positions including Finance Director at Staples, Deputy Finance Director at JD Wetherspoon and Finance Director at Phones4U.

Chrisanth Gradischnig – Non-Executive Investor Director
Chrisanth has been an investment professional at Onex Partners since 2014 and was appointed to Parkdean Resorts' Board of directors in 2018.

Prior to joining Onex, Chrisanth was with the Investment Banking Division of Morgan Stanley in London, Zurich and Frankfurt. Chrisanth holds a Master of Social and Economic Sciences degree from the Vienna University of Economics and Business.

Directors' report *(continued)*

Robert Le Blanc – Non-Executive Investor Director
As President of Onex, Bobby oversees all of Onex's business units and corporate groups and serves as Head of Onex Partners, Onex's flagship private equity platform.

Bobby is also a director of PowerSchool Group, Ryan Speciality Group, Convex, First Berkshire, Hathaway Life and DREAM Charter School.

Prior to joining Onex, Bobby was with Berkshire Hathaway for seven years after starting his career at General Electric.

Bobby holds an MBA from New York University and a BS from Bucknell University.

Simon Perry – Non-Executive Director
Simon chairs both the Audit and Risk Committee and the Health, Safety and Security Committee.

Simon is a chartered accountant and was an EY senior partner for 28 years until 2016. Previous roles include Managing Partner of EY's UK Transaction Advisory Services division and EY's Global Head of Private Equity. With a background in audit, finance and transactions, Simon has extensive UK and international experience working on business transformation, mergers and acquisitions and performance improvement.

Simon is also a Governor of the University of Plymouth, a director of Bibby Financial Services Limited and Pungo Limited (t/a Joy) and a member of the advisory boards of Anmut Limited and Arowana International Limited.

Martin Robinson – Non-Executive Chairman
Martin has spent much of his career in the leisure sector. He served as CEO and Chairman of Center Parcs Europe and Chairman of Center Parcs UK between 1997 and 2015. He was also Director of Disneyland Paris between 2009 and 2018 and has chaired the boards of Casual Dining Group, Wagamama and Holmes Place Health Clubs.

Martin also currently chairs Burger King UK and Inspiring Learning (an outdoor education business) and is a director of MAF Ventures in Dubai.

Responsibilities

The Board has responsibility for the Group's overall approach to strategic decision making and effective risk management. The Board is assisted in this by the Audit and Risk Committee. The principal risks and uncertainties are detailed on pages 11 to 15.

Effectiveness and evaluation

The Board's effectiveness in the year has been driven through its composition and individual member's attributes. The Board constantly measures its effectiveness through review of the overall Board as well as individual Board member and key employee performance.

The Board lead through transparent policies including anti-bribery and corruption, business conduct and whistle-blowing. Policies are available to all employees on the Group's intranet and are embedded in our culture and training.

Diversity

The Board supports diversity throughout the business, and understands the value of a diverse board. It strives for the team to be made up of the best people based on skills, experience, qualifications, values and character. Roles are filled having regard to these attributes and appointments are not concentrated solely on complying with diversity ratios. The Group continues to seek diversity within the Board recognising the insights and benefits it brings.

Directors' report *(continued)*

Remuneration Committee

The Board rely on the Remuneration Committee to ensure a transparent and fair remuneration approach is taken across the Group. This includes the setting of key employee remuneration, monitoring the gender pay gap, and implementation of fair policies regarding remuneration structures and practices.

The Remuneration Committee assists the Board in ensuring that the remuneration policy and practices of the Group reward fairly and responsibly with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements. The Remuneration Committee determines all matters concerning the Group's general remuneration policy and the emoluments and fees of key employees, including salary reviews, bonus levels and targets, any employee incentive plan and issue or transfer of securities under any such scheme. Key employee remuneration is aligned with levels of achievement of specific objectives which are based on the Group's purpose, values and strategic and financial objectives, as set at the start of the year.

Audit and Risk Committee

The Audit and Risk Committee oversees the integrity of the Group's financial statements, the independence and performance of the independent auditor, the Group's internal controls environment regarding finance, accounting and ethics, the Group's compliance with conduct standards and legal and regulatory matters and the Group's risk strategy, assessment and management.

Health, Safety and Security Committee

The Health, Safety and Security Committee oversees the Group's compliance with health and safety law and standards, food safety standards, environmental management across the business and security management, including establishing and monitoring of policies and procedures to ensure that the highest standards are in place and consistently applied.

Disclosure of information to 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 he ought to have taken as a director to make himself 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.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations nor incurred any political expenditure during the year ended 31 December 2020 (*2019: £nil)*.

Stakeholder engagement

The Board identifies and recognises the key stakeholders of the Group as holiday home owners, holiday guests, its people, suppliers, the 67 local communities in which its parks are located and the environment surrounding these parks.

Holiday home owners
The Group's estate has 62 parks where families own holiday homes and the owner community remains a key contributor to the Group's vibrant parks.

The Group's focus on owner engagement throughout 2020 contributed to a significant upturn in owner sentiment during 2020; this was partly driven by investment in digital and financial systems which also laid the foundations of enhanced digital self-service.

Towards the end of 2020, the Group introduced dedicated Owner Experience Manager roles on-park, to support owners and enhance the on-park experience and to drive value initiatives particularly around part exchange and referrals for the owner community.

Directors' report *(continued)*

Guests

The Group is focused on ensuring that each park achieves and maintains a high level of customer experience. During the year ended 31 December 2020 customer holidays were directly affected by Government-mandated park closures due to the COVID-19 pandemic. The Group responded quickly and contacted an unprecedented number of guests, helping them by processing refunds, issuing vouchers or transferring their bookings, mostly through a new, efficient online process.

When parks were able to re-open the introduction of COVID-safe measures such as online contactless check-in were well received and high customer satisfaction scores were achieved during record occupancy periods in August to October. These scores are testament to the Group's people whose commitment to delivering a great customer experience within a challenging environment underpins the Group's significant repeat holiday custom.

2020 holiday guest feedback data gathered by public platform Reevoo confirms guests like holidaying with the Group; data highlights include a 2020 score of 8.1 out of 10 across 67 parks, and 88% of guests being happy to recommend.

Our people

The Group's people are driven by a collective commitment to create amazing memories for its guests. They are at the heart of the Group and the key to its future success. Investment in recruitment, training, development and engagement across the business continues to be prioritised.

Engagement is a key part of the Group's people plan. The Group enjoys an open culture and the directors and senior team actively solicit the opinions of team members when visiting parks and offices and communicate regularly with all team members using Facebook's Workplace, group-wide conferences and team briefings. In reaching key decisions that affect the workforce the directors pay attention to the long and short-term impact of their decisions and factor this into their decision making. To that end the Group conducted several surveys during 2020 to gain input on key matters throughout the year including COVID-safe operational plans and park re-openings.

Team training and development remains a key priority for the Group and 2020 saw investment in field-based learning and development business partners. The Group continues to provide excellent skills development through the apprenticeship schemes and new standards aimed at developing key hospitality skills were launched and embedded.

2021 will see the Group unveil specific leadership development plans to ensure many future leadership requirements can be fulfilled by growing its own. In addition we have launched a Holiday Homes Sales Academy to develop our sales teams to ensure they meet the high standards expected by both our leadership team and customers throughout 2021.

Delighting guests and owners is paramount and the Group is proud to offer opportunities to all like-minded people. The Group has a commitment to inclusion and continually look to improve career development opportunities whilst recognising that diversity is valuable. Engaging our people to realise their potential is the best way to utilise all our resources to the advantage of guests and owners.

Directors' report *(continued)*

Gender information
Gender diversity within the Group as at 31 December 2020 is outlined in the table below. Due to the seasonal nature of the business, the total people numbers below are at the lowest point of the year.

Level	Male	Male %	Female	Female %	Total
Board directors	6	100%	-	0%	6
Team members	1,378	59%	976	41%	2,354
TOTAL	**1,384**	**59%**	**976**	**41%**	**2,360**

The Group is committed to gender equality and publish our Gender Pay Gap information on our website on an annual basis.

Suppliers
The Group ensures that all suppliers are treated fairly, and in turn require that they comply with trading standards and regulations such as the Modern Slavery Act. In addition the Group is committed to meeting agreed payment terms in the year and details are published on the Payment Practices website every 6 months. The Group has had frequent interaction with suppliers, including on topics such as the effects and impact of Brexit and the COVID-19 pandemic on supply and demand, in the year and it will continue to meet with suppliers and work together effectively going forwards.

Community
The Group's parks are located at the heart of 67 vibrant coastal and rural communities, which help it thrive as they are the places its people live and where local suppliers are based; without their support the Group couldn't deliver over 2 million holidays a year.

The challenges presented by 2020 saw community links become even more important. During the period of lockdown, park teams donated tens of thousands of pounds of essential supplies to local food banks, nearby schools and NHS medical facilities. The Group was pleased to support local NHS key workers unable to stay in their homes during the lockdown period, by providing more than 1,000 nights of free accommodation to over 50 key workers at four parks.

2020 saw the Group support its first official charity, Team Margot. Working alongside caravan manufacturer Willerby, families of child cancer patients were offered free holidays at Southview Holiday Park. In addition, to increase the fund raising by our people in support of Team Margot, socially distanced walking challenges took place across 67 parks.

Environment
Many of the Group's parks are in areas of outstanding natural beauty and are significant refuges for biodiversity. Conservation and environmental management are fundamental to the business and the Group looks to take strategic action to protect and enhance the environment and its wider sustainability performance. Over the last year the Group has been working with partners to:

- ensure all new hire fleet caravans and lodges are double glazed, have extra insulation and low energy lighting to optimise energy efficiency and reduce carbon footprint;
- further investment in low energy equipment and lighting to reduce carbon emissions. All central facilities have energy efficient LED lighting, and a programme to replace all external lighting with LED systems will reduce impact on levels of light pollution.
- provided enhanced recycling facilities and communications materials to encourage guests and holiday home owners to recycle wherever practical, this will be further developed over the coming year.

The Group has continued its prestigious David Bellamy Conservation Awards partnership, with all parks having been awarded these again in 2020. This is alongside development of the ecological value of parks and encouragement of guests and holiday home owners to learn about the habitats and wildlife around them.

A new position of Head of Sustainability and Conservation has been introduced which will further the sustainability strategy and intensify the work already started with conservation partners.

Directors' report *(continued)*

Streamlined Energy and Carbon Report

The Group is required to report under the Streamlined Energy and Carbon Reporting (SECR) framework under the Companies and Limited Liability Partnerships Regulations 2018.

UK greenhouse gas emissions and energy usage data for the period 1 January 2020 to 31 December 2020:

	2020
Energy consumption used to calculate emissions (kWh)	**134,630,729**
Scope 1 emissions (tCO2e)	
Gas	**15,109**
Transport	**568**
	15,677
Scope 2 emissions (tCO2e)	
Purchased electricity	**14,146**
Total gross emissions (tCO2e)	**29,823**
Intensity ratio	**0.09**

Qualification and reporting methodology
The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance. A wide range of published carbon emission factors are publicly available. DEFRA emission factors have been used for all emission sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into carbon dioxide equivalent (CO2e). Market based emissions factors have been sourced from each relevant supplier, this allows the Group to demonstrate their responsible electricity purchasing decisions.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes (tCO2e) per £000 of revenue in the year.

Measures taken to improve energy efficiency
During the year, the Group has undertaken a comprehensive review of energy and carbon emissions and developed an Energy, Carbon and Sustainability Strategy which has identified the Group's baseline position and resulted in the implementation of a 5-year action plan.

The initiatives implemented include the upgrade of 12,000 light fittings to LED, installation of cistern displacement devices and tap aerators to reduce water consumption and use of caravan heating controllers to reduce gas consumption.

Human rights and modern slavery

The Group strives to ensure that all internal policies remain consistent with the requirements of the Universal Declaration on Human Rights and the spirit of the International Labour Organisation core labour standards. It is committed to eradicating modern slavery and human trafficking in any part of the business and supply chain. The Group has published a statement on modern slavery on its website.

By order of the Board

Jue Archibold

Judith Archibold
Secretary

2nd Floor, One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET
27 April 2021

Statement of directors' responsibilities in respect of the annual report and the 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 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 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and Group 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 Group's website (www.parkdeanresorts.co.uk/corporate). 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 Richmond UK Holdco Limited

Opinion

We have audited the financial statements of Richmond UK Holdco Limited ("the Company") for the year ended 31 December 2020 which comprise the Consolidated statement of profit and loss and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement, Company cash flow statement 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 2020 and of the group's loss 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's 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").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- an inability to achieve the revenue targets in the group's business plan; and
- timing of potential government driven lockdown periods impact on cashflows and profits.

Given the level of financial resources, and the risks inherent in the cash flows, particularly the business interruption impact of the Covid-19 lockdown periods on the business, our evaluation of the Directors' going concern assessment was of particular significance in our audit.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively. Our procedures also included:

Independent auditor's report to the members of Richmond UK Holdco Limited
(continued)

- Critically assessing assumptions in base case and severe but plausible downside scenario relevant to liquidity and covenant metrics, in particular in relation to risks by comparing to historical trends and overlaying knowledge of the entity' plans based on approved budgets and our knowledge of the entity and the sector in which it operates.
- We inspected the confirmation from the lender of the level of committed financing, and the associated covenant requirements.

We considered whether the going concern disclosure in note 1.3 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and, dependencies, and related sensitivities.

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's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1.3 to be acceptable.

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.

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, the audit committee, internal audit 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 and audit committee minutes.
- 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 the risk of fraudulent revenue recognition, in particular the risk that holiday home sales throughout the period are overstated and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

Independent auditor's report to the members of Richmond UK Holdco Limited *(continued)*

We performed procedures including:

- Identifying journal entries to test for all significant components of the Group based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to holiday home revenue.
- Substantive testing of holiday home sales throughout the period.
- Substantive testing of holiday home sales around the period end.
- Substantive testing of post year end credit notes for holiday home sales.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulation
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, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence 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.

Firstly, 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 and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, employment law and company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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:

Independent auditor's report to the members of Richmond UK Holdco Limited *(continued)*

- 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 23, 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.

Independent auditor's report to the members of Richmond UK Holdco Limited
(continued)

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.

Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

27 April 2021

Consolidated statement of profit and loss and other comprehensive income

for the year ended 31 December 2020

	Note	2020 £m	2019 £m
Revenue	*2*	**340.3**	453.2
Other operating income	*3*	**1.6**	-
Cost of sales		**(102.5)**	(134.8)
Gross profit		**239.4**	318.4
Administrative expenses		**(256.4)**	(267.7)
Operating (loss)/profit		**(17.0)**	50.7
Analysed as:			
Adjusted EBITDA *		**58.1**	108.6
COVID-19 pitch fee refund	*2*	**(8.1)**	-
Depreciation	*5*	**(54.6)**	(44.3)
Amortisation	*5*	**(4.6)**	(3.9)
Exceptional items	*4*	**(7.0)**	(9.4)
Share-based payment expense	*22*	**(0.8)**	(0.3)
Operating (loss)/profit		**(17.0)**	50.7
Finance income	*8*	**0.3**	0.2
Finance expense	*8*	**(69.9)**	(60.0)
Net finance expense		**(69.6)**	(59.8)
Loss before tax		**(86.6)**	(9.1)
Tax	*9*	**(2.6)**	-
Loss for the year **		**(89.2)**	(9.1)

* Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation, share-based payment expense, COVID-19 pitch fee refund and exceptional items.

** attributable to equity holders of the parent.

The Group has no items of comprehensive income other than the results for the current or prior year disclosed above; accordingly a separate statement of other comprehensive income has not been included. All of the activities of the Group are classified as continuing.

Consolidated balance sheet
at 31 December 2020

	Note	2020 £m	2019 £m
Non-current assets			
Property, plant and equipment	*10*	**758.3**	730.1
Right-of-use assets	*11*	**599.4**	600.4
Intangible assets	*12*	**86.6**	88.4
		1,444.3	1,418.9
Current assets			
Inventories	*15*	**26.5**	29.7
Trade and other receivables	*16*	**47.3**	58.6
Cash and cash equivalents		**63.8**	9.3
		137.6	97.6
Total assets		**1,581.9**	1,516.5
Current liabilities			
Interest bearing loans and borrowings	*17*	**(92.8)**	(2.8)
Trade and other payables	*19*	**(151.2)**	(163.1)
Other financial liabilities	*20*	**(1.3)**	(0.1)
Tax payable		**-**	(1.1)
		(245.3)	(167.1)
Non-current liabilities			
Interest bearing loans and borrowings	*17*	**(1,017.5)**	(950.1)
Trade and other payables	*19*	**(1.3)**	-
Deferred tax liabilities	*14*	**(121.3)**	(114.4)
		(1,140.1)	(1,064.5)
Total liabilities		**(1,385.4)**	(1,231.6)
Net assets		**196.5**	284.9
Equity			
Share capital	*23*	**-**	-
Share premium	*23*	**466.2**	466.2
Capital contribution reserve	*22*	**1.1**	0.3
Retained losses		**(270.8)**	(181.6)
Total equity		**196.5**	284.9

These financial statements were approved by the Board of directors on 27 April 2021 and were signed on its behalf by:

Ian Kellett
Director

Company registered number: 10537415

Company balance sheet
at 31 December 2020

	Note	**2020 £m**	2019 £m
Non-current assets			
Investments in subsidiaries	*13*	**298.6**	298.6
Trade and other receivables	*16*	**26.3**	-
		324.9	298.6
Current assets			
Trade and other receivables	*16*	**31.5**	29.7
Cash and cash equivalents		**25.0**	-
		56.5	29.7
Total assets		**381.4**	328.3
Current liabilities			
Trade and other payables	*19*	**(25.0)**	(29.7)
		(25.0)	(29.7)
Non-current liabilities			
Interest bearing loans and borrowings	*17*	**(56.5)**	-
Trade and other payables	*19*	**(1.3)**	-
		(57.8)	-
Total liabilities		**(82.8)**	(29.7)
Net assets		**298.6**	298.6
Equity			
Share capital	*23*	**-**	-
Share premium	*23*	**466.2**	466.2
Capital contribution reserve	*22*	**1.1**	0.3
Retained losses		**(168.7)**	(167.9)
Total equity		**298.6**	298.6

These financial statements were approved by the Board of directors on 27 April 2021 and were signed on its behalf by:

Ian Kellett
Director

Company registered number: 10537415

Consolidated statement of changes in equity

	Share capital £m	Share premium £m	Capital contribution reserve £m	Retained losses £m	Total equity £m
Balance at 1 January 2019	-	466.2	-	(162.8)	303.4
Opening balance sheet adjustment due to IFRS 16 implementation	-	-	-	(9.7)	(9.7)
Total comprehensive loss for the year					
Loss for the year	-	-	-	(9.1)	(9.1)
Transactions with owners, recorded directly in equity					
Capital contribution (note 22)	-	-	0.3	-	0.3
Balance at 31 December 2019	-	466.2	0.3	(181.6)	284.9
Balance at 1 January 2020	**-**	**466.2**	**0.3**	**(181.6)**	**284.9**
Total comprehensive loss for the year					
Loss for the year	**-**	**-**	**-**	**(89.2)**	**(89.2)**
Transactions with owners, recorded directly in equity					
Capital contribution (note 22)	**-**	**-**	**0.8**	**-**	**0.8**
Balance at 31 December 2020	**-**	**466.2**	**1.1**	**(270.8)**	**196.5**

Company statement of changes in equity

	Share capital £m	Share premium £m	Capital contribution reserve £m	Retained losses £m	Total equity £m
Balance at 1 January 2019	-	466.2	-	(167.6)	298.6
Total comprehensive loss for the year					
Loss for the year	-	-	-	(0.3)	(0.3)
Transactions with owners, recorded directly in equity	-	-	0.3	-	0.3
Capital contribution (note 22)					
Balance at 31 December 2019	-	466.2	0.3	(167.9)	298.6
Balance at 1 January 2020	**-**	**466.2**	**0.3**	**(167.9)**	**298.6**
Total comprehensive loss for the year					
Loss for the year	**-**	**-**	**-**	**(0.8)**	**(0.8)**
Transactions with owners, recorded directly in equity					
Capital contribution (note 22)	**-**	**-**	**0.8**	**-**	**0.8**
Balance at 31 December 2020	**-**	**466.2**	**1.1**	**(168.7)**	**298.6**

Consolidated cash flow statement

for the year ended 31 December 2020

	Note	**2020** **£m**	2019 £m
Cash flows from operating activities			
Loss for the year		**(89.2)**	(9.1)
Adjustments for:			
Depreciation and amortisation	*5*	**59.2**	48.2
Finance income	*8*	**(0.3)**	(0.2)
Finance expense	*8*	**69.9**	60.0
Loss on sale of property, plant and equipment	*5*	**0.2**	0.3
Share-based payment expenses	*22*	**0.8**	0.3
Tax	*9*	**2.6**	-
		43.2	99.5
Decrease/(increase) in trade and other receivables		**11.5**	(20.8)
Decrease/(increase) in inventories		**1.5**	(1.2)
Increase in trade and other payables		**12.3**	6.1
		68.5	83.6
Interest paid		**(46.6)**	(43.9)
Tax received/(paid)		**3.3**	(4.6)
Net cash from operating activities		**25.2**	35.1
Cash flows from investing activities			
Interest received		**0.3**	0.1
Acquisition of property, plant and equipment		**(67.9)**	(38.4)
Acquisition of intangible assets		**(2.8)**	(3.3)
Net cash from investing activities		**(70.4)**	(41.6)
Cash flows from financing activities			
Repayment of Term Loans including accrued interest	*18*	**-**	(20.0)
Utilisation of revolving credit facility	*18*	**90.0**	-
Proceeds from loan owed to parent	*18*	**25.0**	-
Repayment of lease liabilities	*18*	**(15.3)**	(12.8)
Net cash from financing activities		**99.7**	(32.8)
Net increase/(decrease) in cash and cash equivalents		**54.5**	(39.3)
Cash and cash equivalents at 1 January		**9.3**	48.6
Cash and cash equivalents at 31 December		**63.8**	9.3

Company cash flow statement

for the year ended 31 December 2020

	Note	2020 £m	2019 £m
Cash flows from operating activities			
Loss for the year		**(0.8)**	(0.3)
Adjustments for:			
Finance income		**(3.1)**	(1.2)
Finance expense		**3.1**	1.2
Share-based payment expenses	*22*	**0.8**	0.3
		-	-
Increase in trade and other receivables		**(3.1)**	(1.2)
Increase in trade and other payables		**3.1**	1.2
		-	-
Interest paid		**(3.1)**	(1.2)
Tax paid		**-**	-
Net cash from operating activities		**(3.1)**	(1.2)
Cash flows from investing activities			
Interest received		**3.1**	1.2
Net cash from investing activities		**3.1**	1.2
Cash flows from financing activities			
Proceeds from loan owed to parent	*18*	**25.0**	-
Net cash from financing activities		**25.0**	-
Net increase in cash and cash equivalents		**25.0**	-
Cash and cash equivalents at 1 January		**-**	-
Cash and cash equivalents at 31 December		**25.0**	-

Notes
(forming part of the financial statements)

1. Accounting policies

Richmond UK Holdco Limited (the 'Company') is a private company registered in England and Wales and domiciled in the UK. The registered number is 10537415 and the registered address is 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne NE12 8ET.

These consolidated financial statements are presented in pounds sterling, which is the Group's functional currency. All amounts have been rounded to the nearest £0.1million, unless otherwise indicated.

1.1 *Basis of preparation*

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 parent company financial statements and the consolidated financial statements have both been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. On publishing the parent company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of profit and loss and related notes that form a part of these approved financial statements.

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

The judgements that have been made by the directors in the application of these accounting policies that have a significant effect on the financial statements or estimates that will have a significant risk of material adjustment in the following year are disclosed in note 28.

1.2 *Measurement convention*

The financial statements are prepared on the historical cost basis except that investments and derivative financial instruments are stated at their fair value.

1.3 *Going concern*

The Group's business activities and the factors likely to affect its future development, performance and position are set out in the strategic report.

The Group is subject to a number of principal risks and uncertainties which arise as a result of the current economic environment. In determining that the Group is a going concern these risks, which are described in the Principal Risks and Uncertainties section, have been considered by the directors.

The Group has no requirements until 3 March 2024 to make any repayment on either the £538.5m first lien loan facility or on the £150.0m second lien facility except for payments of excess cash flow to the first lien facility providers. There is a £100.0m revolving credit facility available up to March 2023, of which £90.0m was utilised at the reporting date, the Group also had £63.8m of cash at the reporting date which provides sufficient cash resources to meet the working capital requirements of the business going forward.

As explained in the strategic report on page 3 the Group recovered strongly from the initial lockdown in 2020 and expects a similar rebound in trading performance following the delayed re-opening in 2021. At the date of approval of these financial statements, advance holiday bookings are ahead of budget, with a materially higher percentage of full-year budget booked than typically seen by April. Holiday home sales completions also saw an immediate surge on parks re-opening in April.

Notes *(continued)*

1. Accounting policies *(continued)*

1.3 *Going concern* (continued)

The Group continues to receive support from its lenders who agreed to revise its financial covenants to reflect trading challenges brought on by the pandemic. The Group's leverage based covenants through to September 2021 were removed and replaced with a revised financial covenant that is based on a minimum liquidity level up to and including the quarter ended 30 September 2021, reverting to the leverage based financial covenant from the quarter ending 31 December 2021. The directors have prepared Group cash flow forecasts for the period to 30 June 2022, incorporating management's latest assumptions on trading performance and capital expenditure, the latest UK Government announcements on COVID-19 restrictions and taking account of the revised banking covenant arrangements. A severe but plausible sensitivity, based on the latest available information, has also been performed, assuming a one month extension to all lockdown restrictions against the roadmap set out by the UK Government on 22 February 2021, with a further 2 month UK lockdown across December 2021 and January 2022. In this severe but plausible scenario, forecasts show the Group is able to operate within its working capital facilities and banking covenants throughout the review period. In this severe but plausible scenario, the Q4 2021 covenant test shows the lowest headroom during the forecast period, however, the Group is already trading ahead of that scenario following the re-opening of parks on 12 April in line with the first stage of the UK roadmap. A worse outcome could occur due to the uncertainty around COVID-19 which could impact on the Group's financial covenant, however, management currently don't believe it is plausible, supported by the re-opening on parks on 12 April.

Notwithstanding any potential repayment of the £25.0m loan from the Company's parent undertaking as described in note 17 (should the necessary and relevant conditions be satisfied and management are comfortable with the Group's liquidity position), the forecasts assume no distributions or repayments of loans or accrued interest are made to the Company's parent undertaking or the ultimate controlling party in the forecast period. In the event that the terms of the Group's Senior Facilities Agreement allow for any payments, the amounts involved would not materially impact management's going concern assessment.

After considering the above issues in detail, the directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

1.4 *Basis of consolidation*

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls any 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 acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 *Foreign currency*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined

Notes *(continued)*

1. Accounting policies *(continued)*

1.6 *Classification of financial instruments issued by the Group*

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 Company (or Group as the case may be) 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 (or Group); and

(b) where the instruments will or may be settled in the Company's (or Group's) own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's (or Group's) own equity instruments or is a derivative that will be settled by the Company's (or 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 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 (or 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.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.7 *Non-derivative financial instruments*

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

Investments in equity and debt securities
Investments in subsidiaries are stated at cost less impairment.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statements.

Interest bearing borrowings
Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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.

1.8 *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

1.9 *Intra-group financial instruments*

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

Notes *(continued)*

1. Accounting policies *(continued)*

1.10 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of profit and loss 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. The estimated useful lives are as follows:

Freehold buildings	15-50 years
Leasehold land	Unexpired lease period
Leasehold buildings	Shorter of the unexpired period of the lease or 50 years
Plant and equipment	3-25 years
Fixtures and fittings	5-15 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.11 *Right-of-use assets*

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of each right-of-use asset. The estimated useful lives are as follows:

Right-of-use assets	The period of the lease contract unless ownership is transferred at the end of the lease period, whereby the estimated useful life would be determined in accordance with property, plant and equipment (see note 1.10)

1.12 *Business combinations*

Business combinations are accounted for using 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 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

In the event that adjustments are made to the fair value of net assets acquired in the 12 months following an acquisition, the prior period numbers are restated as if those adjustments had been recorded at the date of acquisition.

1.13 *Intangible assets and goodwill*

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units (‘CGU’) and is not amortised but is tested annually for impairment. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is allocated to one CGU being the operation of holiday parks, as the cash inflows of individual parks are not independent of each other and central functions, and this is the lowest level at which the goodwill is monitored for internal management purposes.

Other intangible assets
Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense when incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Notes *(continued)*

1. Accounting policies *(continued)*

1.13 *Intangible assets and goodwill* *(continued)*

Amortisation
Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Brand	10 years
Software	3-5 years

1.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value and include caravans, lodges and chalets which are held for sale (similar assets held for holiday sales are included in property, plant and equipment). The cost of caravan, lodge and chalet holiday home stock is valued by using actual cost as the items are not ordinarily interchangeable. For other stock items the cost is based on the first-in first-out principle. Cost includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition. Net realisable value of used caravan stock is determined with reference to published trade guides. A

1.15 *Impairment excluding inventories and deferred tax assets*

Financial assets (including receivables)
The Group recognises loss allowances for expected credit losses (‘ECLs’). The Group measures loss allowances at an amount equal to lifetime ECL.

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 company’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.

Non-financial assets
The carrying amounts of the Group’s non-financial assets, other than inventories 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. For goodwill and intangible assets that have indefinite useful lives the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit 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 post-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 generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the ‘cash-generating unit’). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purpose of goodwill testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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 are 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.

Notes *(continued)*

1. Accounting policies *(continued)*

1.15 *Impairment excluding inventories and deferred tax assets (continued)*

An impairment loss in respect of goodwill is not reversed. 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 has been recognised.

1.16 *Share-based payments*

Shares in Richmond Holdings (Jersey) Limited were issued to certain Group directors and senior management as part of a management incentive plan. The expense is recognised in Richmond UK Holdco Limited as this is deemed to be the entity benefitting from the services provided by the relevant individuals receiving the shares.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 22. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group will revise its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised at the initial fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

1.17 *Employee benefits*

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into individual personal pension schemes 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 profit or loss in the periods when the contributions fall due.

1.18 *Provisions*

A provision is recognised 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.

1.19 *Revenue*

Revenue represents the amounts (excluding VAT) received from the provision of goods and services to customers.

A holiday home sales contract has one performance obligation, the provision of the holiday home and associated accessories ready for use. The transaction price is based on the amounts agreed with the customer, and revenue is recognised at the point of full cash receipt or an approved signed finance provider agreement. Most holiday home sales are also required to pay pitch licence fees and these are accounted for as described below.

Owners pay their pitch licence fees in exchange for siting their holiday home on the holiday park and the use of the holiday park and facilities where the pitch is located when the park is open and therefore the performance obligation is delivered over the life of the contract. Revenue is recognised on a straight-line basis over the contract period. Contract liabilities represent cash received in advance from owners for pitch licence fees.

Notes *(continued)*

1. Accounting policies *(continued)*

1.19 *Revenue* (continued)

On-park spend, which encompasses retail, catering and other income, is recognised at the point of sale. Items sold, such as food and beverages, are generally separable and the performance obligation is recognised immediately at the point of sale.

Holiday sales revenue performance obligation is satisfied as the holiday is taken. Ancillaries such as pet fees and furniture hire are considered as bundled goods and therefore all revenue is recognised as the holiday is taken. Contract liabilities represent cash received in respect of advance holiday bookings.

1.20 *Expenses*

Operating lease payments
Short-term leases, low-value leases and leases of intangible assets continue to be accounted for as operating leases and are recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives received for such short term leases are recognised in profit or loss as an integral part of the total lease expense.

Finance income and expenses
Finance expenses include interest payable, and finance charges on lease liabilities recognised in profit or loss using the effective interest method and unwinding of the discount on provisions that are recognised in profit or loss. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Finance income comprises interest receivable on funds invested and dividend income.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Exceptional items
Exceptional items are items of income or expenditure which the directors consider to be unusual in nature and/or size such that their separate presentation assists a reader of the financial statements in understanding the Group's performance.

1.21 *Tax*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 or receivable on the taxable profit or loss for the year, 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 tax purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

In accordance with the latest guidance, deferred tax assets arising from restricted interest deductions are recognised to the extent that they can be set off against deferred tax liabilities arising on temporary timing differences.

Notes *(continued)*

1. Accounting policies *(continued)*

1.22 *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.

Lessee accounting
The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 re-measurements 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.

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 rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably 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 reasonably certain not to terminate early.

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

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the re-measurement being recorded in profit or loss.

Notes *(continued)*

1. Accounting policies *(continued)*

1.23 *Government grants*

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and the Group will comply with the attached conditions. Government grants are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. The Group received UK government grants and assistance in relation to the Coronavirus Job Retention Scheme and the Eat Out to Help Out scheme. There are no unfulfilled contingencies attaching to the government assistance that has been recognised. The Group has presented grants related to the Coronavirus Job Retention Scheme as a reduction to the related expense line. Grants related to the Eat Out to Help Out scheme have been presented as other operating income on a separate line in the statement of profit and loss due to no specific cost element existing which the grant is intended to offset.

1.24 *Standards and interpretations in issue but not yet effective*

At the date of authorisation of these financial statements there were a number of standards and interpretations which were in issue and endorsed by the UK but not yet effective. These have not been applied in these financial statements and are not expected to have a material effect when adopted.

2. Revenue

	Group 2020 £m	Group 2019 £m
Revenue from UK holiday parks	**340.3**	453.2
Reconciliation of revenue		
Revenue excluding COVID-19 pitch fee refund	**348.4**	453.2
COVID-19 pitch fee refund (note 4)	**(8.1)**	-
	340.3	453.2
Timing of revenue recognition		
Products transferred at a point in time	**161.0**	223.9
Products and services transferred over time	**179.3**	229.3
	340.3	453.2

Holiday home sales and on-park spend revenue is transferred at a point in time, the performance obligation for these revenue streams is satisfied on delivery of the product to the holiday home owner or holiday guest.

Holiday sales revenue and owner pitch licence fees are delivered over time, over the period of the holiday or the life of the licence fee agreement respectively.

Included in products and services transferred over time is an exceptional reduction in revenue of £8.1m relating to the pitch fee refund granted due to park closure *(2019: £nil).* For further details see note 4.

All revenue was derived from the Group's principal activity, which is owning and operating holiday parks in the UK. All operations occurred within the UK.

Notes *(continued)*

3. Other operating income

	Group 2020 £m	Group 2019 £m
Government grants	**1.6**	-

Amounts in other operating income relate entirely to government grant income claimed by the Group as part of the Eat Out to Help Out scheme.

4. Exceptional items

Included in the statement of profit and loss are the following:

	Group 2020 £m	Group 2019 £m
Executive team restructure	**0.1**	3.6
Strategic project costs	**3.3**	5.8
COVID-19 costs:		
Professional fees in relation to business interruption insurance claim	**1.1**	-
Stock write-offs	**1.1**	-
Directly attributable expenses relating to COVID-19	**1.4**	-
Total exceptional items included in administrative expenses	**7.0**	9.4
Exceptional reduction in revenue	**8.1**	-
Total exceptional items included in revenue	**8.1**	-

Executive team restructure
These costs relate to the establishment of a new executive management team, which was substantially completed in 2019.

Strategic project costs
These costs relate to a number of one-off strategic and transformational projects within the business.

COVID-19 costs
The COVID-19 pandemic had a significant impact on the business and created additional costs, especially in the initial phases. These exceptional costs represent costs to allow the business to re-open following the initial lockdown in spring 2020 such as enhanced cleaning, personal protective equipment, informational material and COVID-testing. As the lockdown occurred during the build-up to Easter, our first main trading period of the year, we suffered stock write-offs in respect of perishable items.

Exceptional reduction in revenue
Part of the package of support offered to our holiday home owners, resulted in recognising an exceptional reduction in revenue of £8.1m. This was a non-contractual refund equating to 50% of the pitch licence fees for the period covered by the initial Government-mandated lockdown, when holiday home owners were unable to access our parks.

Notes *(continued)*

5. Expenses and auditor's remuneration

Included in the statement of profit and loss are the following:

	Group 2020 £m	Group 2019 £m
Depreciation of property, plant and equipment	**40.8**	32.4
Depreciation of right-of-use assets	**13.8**	11.9
Amortisation of intangible assets	**4.6**	3.9
Loss on disposal of property, plant and equipment	**0.2**	0.3
Operating lease rentals relating to short-term leases and low-value assets (note 11)	**0.7**	0.7

Auditor's remuneration

	Group 2020 £000	Group 2019 £000
Audit of these financial statements	**13**	10
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries and parent of the Company	**400**	330
Tax advisory	**-**	18
All other services	**10**	23

The ratio of non-audit fees to audit fees for the current year was 0.03:1 (*2019: 0.12:1*).

6. Employee numbers and costs

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

	Group 2020 Number	Group 2019 Number
Established	**2,032**	1,966
Seasonal	**3,679**	3,741
	5,711	5,707

The aggregate payroll costs of these people was as follows:

	Group 2020 £m	Group 2019 £m
Wages and salaries	**105.6**	115.9
Social security costs	**6.5**	6.0
Contributions to defined contribution plans (note 21)	**1.5**	1.5
Long-term incentive scheme expenses	**0.8**	0.3
	114.4	123.7

Included within 2020 aggregate payroll costs is £15.1m *(2019: £nil)* received as a government grant as part of the Coronavirus Job Retention Scheme.

Notes *(continued)*

7. Directors' remuneration

	Company 2020 £m	Company 2019 £m
Directors' remuneration	**1.8**	3.0
Amounts receivable under long-term incentive schemes	**0.4**	0.3
	2.2	3.3

The aggregate amount of remuneration and amounts receivable under long-term incentive schemes of the highest paid director was £1.0m (*2019: £1.2m*) and no pension contributions (*2019: £nil*) were made by the Group on his behalf.

There are no retirement benefits accruing to directors (*2019: £nil*).

8. Finance income and expense

	Group 2020 £m	Group 2019 £m
Finance income		
Interest receivable on bank balances	**-**	0.2
Gain on financial instruments designated as fair value through profit or loss	**0.3**	-
Total finance income	**0.3**	0.2
Finance expense		
Loss on financial instruments designated as fair value through profit or loss	**1.2**	4.5
Interest payable to related parties (note 26)	**3.3**	1.9
Interest payable on bank loans	**45.6**	41.9
Interest payable on lease liabilities (note 11)	**10.6**	8.7
Amortisation of issue costs of bank loans	**3.0**	3.0
Refinancing costs	**6.2**	-
Total finance expense	**69.9**	60.0

Refinancing costs relate to legal and professional fees and amounts paid to lenders for advice and exploration of the short-term financing options and the resulting waiver and amendment of the Senior Facilities Agreements described in note 17.

Notes *(continued)*

9. Tax

Recognised in the statement of profit and loss

	Group 2020 £m	Group 2019 £m
Current tax (credit)/expense		
Current year	**(3.5)**	4.3
Adjustments in respect of prior periods	**(0.8)**	0.2
Current tax (credit)/expense	**(4.3)**	4.5
Deferred tax		
Origination and reversal of temporary differences	**(10.5)**	(4.2)
Adjustments in respect of prior periods	**3.4**	(0.9)
Effect of changes in tax rates	**14.0**	0.6
Deferred tax charge/(credit) (note 14)	**6.9**	(4.5)
Total tax charge	**2.6**	-

Reconciliation of effective tax rate

	Group 2020 £m	Group 2019 £m
Loss for the year	**(89.2)**	(9.1)
Total tax charge	**2.6**	-
Loss excluding tax	**(86.6)**	(9.1)
Effects of:		
Tax using the UK corporation tax rate of 19% *(2019: 19%*)	**(16.5)**	(1.7)
Non-deductible expenses	**3.0**	1.1
Consolidation movements in respect of intangibles	**(0.5)**	(1.3)
Adjustments in respect of prior periods	**2.6**	(0.7)
IFRS 16 transitional adjustment	**-**	2.0
Effect of changes in tax rates	**14.0**	0.6
Total tax charge	**2.6**	-

Factors affecting current and future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. The deferred tax assets and liabilities provided for as at 31 December 2020 have been calculated at 19% *(2019: 17%)*.

Notes *(continued)*

10. Property, plant and equipment

Group	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
Cost				
Balance at 1 January 2020	**595.3**	**134.9**	**14.1**	**744.3**
Additions	**0.9**	**59.1**	**10.0**	**70.0**
Disposals	**-**	**(10.5)**	**-**	**(10.5)**
Balance at 31 December 2020	**596.2**	**183.5**	**24.1**	**803.8**
Depreciation				
Balance at 1 January 2020	**5.7**	**5.5**	**3.0**	**14.2**
Depreciation charge for the year	**6.0**	**30.6**	**4.2**	**40.8**
Disposals	**-**	**(9.5)**	**-**	**(9.5)**
Balance at 31 December 2020	**11.7**	**26.6**	**7.2**	**45.5**
Net book value				
At 31 December 2020	**584.5**	**156.9**	**16.9**	**758.3**
At 1 January 2020	589.6	129.4	11.1	730.1
Cost				
Balance at 1 January 2019	1,152.0	159.4	22.0	1,333.4
Transferred to right-of-use assets	(557.7)	(34.6)	(9.5)	(601.8)
Additions	1.4	32.2	3.3	36.9
Disposals	(0.4)	(22.1)	(1.7)	(24.2)
Balance at 31 December 2019	595.3	134.9	14.1	744.3
Depreciation				
Balance at 1 January 2019	19.9	25.3	6.4	51.6
Transferred to right-of-use assets	(19.9)	(22.6)	(5.1)	(47.6)
Depreciation charge for the year	6.1	23.1	3.2	32.4
Disposals	(0.4)	(20.3)	(1.5)	(22.2)
Balance at 31 December 2019	5.7	5.5	3.0	14.2
Net book value				
At 31 December 2019	589.6	129.4	11.1	730.1
At 1 January 2019	1,132.1	134.1	15.6	1,281.8

There is a cross guarantee given by certain members of the Group in respect of the borrowings of Richmond UK Bidco Limited, a subsidiary undertaking, and certain other members of the Group. The bank borrowings are secured on substantially all of the assets of the Company and the majority of its direct and indirect subsidiaries.

At 31 December 2020 the value of assets under construction was £8.7m (*2019: £4.2m*), included within plant and equipment. Assets under construction relate to improvements to properties and site facilities not completed at the reporting date.

Non-cash movement within acquisition of property, plant and equipment in the year includes net £1.7m *(2019: £1.7m)* reclassification of assets from inventories to plant and equipment, owing to the change in use of the asset.

The Company has no property, plant or equipment (*2019: £nil*).

Notes *(continued)*

11. Right-of-use assets

Group	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
Cost				
Balance at 1 January 2020	**607.3**	**41.9**	**10.6**	**659.8**
Additions	**0.4**	**0.4**	**-**	**0.8**
Disposals	**(0.1)**	**(0.3)**	**-**	**(0.4)**
Re-measurement	**12.1**	**-**	**-**	**12.1**
Balance at 31 December 2020	**619.7**	**42.0**	**10.6**	**672.3**
Depreciation				
Balance at 1 January 2020	**27.8**	**25.6**	**6.0**	**59.4**
Depreciation charge for the year	**9.7**	**3.2**	**0.9**	**13.8**
Disposals	**-**	**(0.3)**	**-**	**(0.3)**
Re-measurement	**2.6**	**(2.6)**	**-**	**-**
Balance at 31 December 2020	**40.1**	**25.9**	**6.9**	**72.9**
Net book value				
At 31 December 2020	**579.6**	**16.1**	**3.7**	**599.4**
At 1 January 2020	579.5	16.3	4.6	600.4
Cost				
Balance at 1 January 2019	34.6	3.9	-	38.5
Transferred from property, plant and equipment	557.7	34.6	9.5	601.8
Immediate re-measurement on transition to IFRS 16	6.1	-	-	6.1
Additions	0.7	3.7	1.1	5.5
Disposals	(0.1)	(0.3)	-	(0.4)
Re-measurement	8.3	-	-	8.3
Balance at 31 December 2019	607.3	41.9	10.6	659.8
Depreciation				
Balance at 1 January 2019	-	-	-	-
Transferred from property, plant and equipment	19.9	22.6	5.1	47.6
Depreciation charge for the year	7.9	3.1	0.9	11.9
Disposals	-	(0.1)	-	(0.1)
Balance at 31 December 2019	27.8	25.6	6.0	59.4
Net book value				
At 31 December 2019	579.5	16.3	4.6	600.4
At 1 January 2019	34.6	3.9	-	38.5

Notes *(continued)*

11. Right-of-use assets *(continued)*

Amounts recognised in statement of profit and loss

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

	2020	2019
	£m	£m
Leases under IFRS 16		
Interest on lease liabilities	**10.6**	8.7
Expenses relating to short-term leases (included in administrative expenses)	**0.5**	0.5
Expenses relating to low-value assets that are not short-term leases (included in administrative expenses)	**0.2**	0.2

Amounts recognised in cash flow statement

	2020	2019
	£m	£m
Total cash outflow for leases	**15.3**	12.8

Notes *(continued)*

12. Intangible assets

Group	Goodwill £m	Brand £m	Software £m	Total £m
Cost				
Balance at 1 January 2020	**235.7**	**29.4**	**6.0**	**271.1**
Additions	**-**	**-**	**2.8**	**2.8**
Balance at 31 December 2020	**235.7**	**29.4**	**8.8**	**273.9**
Amortisation and impairment				
Balance at 1 January 2020	**172.5**	**8.2**	**2.0**	**182.7**
Amortisation charge	**-**	**2.9**	**1.7**	**4.6**
Balance at 31 December 2020	**172.5**	**11.1**	**3.7**	**187.3**
Net book value				
At 31 December 2020	**63.2**	**18.3**	**5.1**	**86.6**
At 1 January 2020	63.2	21.2	4.0	88.4
Cost				
Balance at 1 January 2019	235.7	29.4	2.7	267.8
Additions	-	-	3.3	3.3
Balance at 31 December 2019	235.7	29.4	6.0	271.1
Amortisation and impairment				
Balance at 1 January 2019	172.5	5.3	1.0	178.8
Amortisation charge	-	2.9	1.0	3.9
Balance at 31 December 2019	172.5	8.2	2.0	182.7
Net book value				
At 31 December 2019	63.2	21.2	4.0	88.4
At 1 January 2019	63.2	24.1	1.7	89.0

Goodwill
Goodwill arose on the acquisition of the Parkdean Resorts group.

Brand
The brand, including park names, children's characters and website domain names were valued as separately identified assets on a relief from royalty basis. The brand is being amortised over a period of 10 years. In the opinion of the directors this represents a prudent estimate of the period over which the Group will derive direct economic benefit from the brands acquired.

Software
Software represents licences to use third-party programmes and spending on development of software internally to improve productivity of the business.

Notes *(continued)*

12. Intangible assets *(continued)*

Amortisation and impairment testing

Amortisation and impairment charges are recognised within administrative expenses in the statement of profit and loss. Goodwill is allocated to one CGU being the operation of holiday parks, as the cash inflows of individual parks are not independent of each other and central functions, and this is the lowest level at which the goodwill is monitored for internal management purposes. The Group tests goodwill for impairment on an annual basis, and otherwise when changes in events or situations indicate that the carrying value may not be recoverable. If such a test indicates that the carrying amount is too high, a recoverable amount is established for the asset, which is the higher of the fair value less costs to sell and the value in use.

Given the impact of COVID-19 on the operational performance of the Group, a full impairment review was carried out in accordance with IAS 36, this review determined that no impairment of the carrying value was required.

The recoverable amount of the CGU has been calculated with reference to its fair value less cost to sell, adjusted for assets and liabilities as is standard for sales of businesses in this sector. These adjustments reflect that the business is highly seasonal and therefore working capital will vary depending on the time of year that the business is sold. The fair value measurement falls within Level 3 of the fair value hierarchy outlined in note 24(a).

The Company has no intangible assets (*2019: nil*).

13. Investments in subsidiaries

Company	**Shares in Group undertakings 2020 £m**	Shares in Group undertakings 2019 £m
Cost		
At 1 January and 31 December	**466.2**	466.2
Impairment		
At 1 January and 31 December	**167.6**	167.6
Net book value		
At 1 January and 31 December	**298.6**	298.6

Notes *(continued)*

13. Investments in subsidiaries *(continued)*

The Group and the Company have the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership 2020 and 2019
Directly held by the Company			
Richmond UK Bidco Limited	England and Wales[1]	Ordinary	100%
Held by Group			
Church Point (Leisure) Limited*	England and Wales[1]	Ordinary	100%
Dome Holdings Limited*	England and Wales[1]	Ordinary	100%
Dome Propco Limited*	England and Wales[1]	Ordinary	100%
GB Holiday Parks Limited*	England and Wales[1]	Ordinary	100%
Hayling Island Holiday Park*	England and Wales[1]	Ordinary	100%
Lake District Leisure Pursuits Limited*	England and Wales[1]	Ordinary	100%
Manor Park Holiday Park Limited*	England and Wales[1]	Ordinary	100%
Midland Road Finance Limited*	England and Wales[1]	Ordinary	100%
Newquay Holiday Parks Limited*	England and Wales[1]	Ordinary	100%
Parkdean Caravan Parks Limited*	England and Wales[1]	Ordinary	100%
Parkdean Holidays Limited*	England and Wales[1]	Ordinary	100%
Parkdean Holiday Parks Limited*	England and Wales[1]	Ordinary and preference	100%
Parkdean Resorts Limited*	England and Wales[1]	Ordinary and preference	100%
Parkdean Properties Limited*	England and Wales[1]	Ordinary	100%
Parkdean Resorts UK Limited*	England and Wales[1]	Ordinary	100%
Park Resorts Limited*	England and Wales[1]	Ordinary	100%
Park Resorts Transport Limited*	England and Wales[1]	Ordinary	100%
PD Parks Limited*	England and Wales[1]	Ordinary	100%
Premier Dawn Properties Limited*	England and Wales[1]	Ordinary	100%
South Lakeland Group Limited*	England and Wales[1]	Ordinary	100%
South Lakeland Parks Limited*	England and Wales[1]	Ordinary	100%
Southerness Holiday Village Limited*	Scotland[2]	Ordinary	100%
Southview Leisure Park Limited*	England and Wales[1]	Ordinary	100%
Upperbay Limited*	England and Wales[1]	Ordinary	100%
Vauxhall Holiday Park Limited*	England and Wales[1]	Ordinary	100%
Wemyss Bay Caravan Park Limited*	England and Wales[1]	Ordinary	100%

*Shares not held directly by Richmond UK Holdco Limited.

The registered offices of the subsidiary undertakings are as follows:
[1.] 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne NE12 8ET; and
[2.] C/O Womble Bond Dickinson (UK) LLP, 2 Semple Street, Edinburgh, EH3 8BL.

Notes *(continued)*

14. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	**Assets 2020 £m**	**Liabilities 2020 £m**	**Net 2020 £m**	Assets 2019 £m	Liabilities 2019 £m	Net 2019 £m
Property, plant and equipment	**-**	**18.1**	**18.1**	-	12.9	12.9
Fair value of assets less capital losses	**-**	**126.2**	**126.2**	-	112.9	112.9
Tax values of losses carried forward	**(7.2)**	**-**	**(7.2)**	(3.5)	-	(3.5)
Intangible assets	**-**	**3.5**	**3.5**	-	3.6	3.6
Right-of-use assets	**(2.0)**	**-**	**(2.0)**	(2.0)	-	(2.0)
Corporate interest restriction	**(17.3)**	**-**	**(17.3)**	(9.5)	-	(9.5)
Deferred tax (assets)/liabilities	**(26.5)**	**147.8**	**121.3**	(15.0)	129.4	114.4

At 31 December 2020 the Group had no unrecognised deferred tax assets (*2019: £nil*).

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax liability would have increased by £38.3m.

Movement in deferred tax during the current year

	1 January 2020 £m	**Recognised in profit or loss £m**	**IFRS 16 transitional adjustment in equity £m**	**31 December 2020 £m**
Property, plant and equipment	**12.9**	**5.2**	**-**	**18.1**
Fair value of assets less capital losses	**112.9**	**13.3**	**-**	**126.2**
Tax values of losses carried forward	**(3.5)**	**(3.7)**	**-**	**(7.2)**
Intangible assets	**3.6**	**(0.1)**	**-**	**3.5**
Right-of-use assets	**(2.0)**	**-**	**-**	**(2.0)**
Corporate interest restriction	**(9.5)**	**(7.8)**	**-**	**(17.3)**
	114.4	**6.9**	**-**	**121.3**

Movement in deferred tax during the prior year

	1 January 2019 £m	Recognised in profit or loss £m	IFRS 16 transitional adjustment in equity £m	31 December 2019 £m
Property, plant and equipment	12.5	0.4	-	12.9
Temporary trading differences	(0.1)	0.1	-	-
Fair value of assets less capital losses	112.9	-	-	112.9
Tax values of losses carried forward	(4.5)	1.0	-	(3.5)
Intangible assets	4.9	(1.3)	-	3.6
Right-of-use assets	-	-	(2.0)	(2.0)
Corporate interest restriction	(4.8)	(4.7)	-	(9.5)
	120.9	(4.5)	(2.0)	114.4

The Company has no deferred tax assets or liabilities (*2019: £nil*).

Notes *(continued)*

15. Inventories

	Group 2020 £m	Group 2019 £m
Caravan, lodge and chalet holiday home stock	**23.8**	27.0
Other stock	**2.7**	2.7
	26.5	29.7

All inventories are expected to be sold within 12 months. The write-down of inventories to net realisable value during the year amounted to £5.4m (*2019: £5.2m*), which was included in cost of sales. This figure includes £0.8m (*2019: £0.5m*) of write downs of owned stock to reflect reductions in value, with the remaining amount relating to stock bought in on part exchange and immediately written down to the value per published trade guides. The write-off of perishable stock as a result of park closures in the year amounted to £1.1m *(2019: £nil).* The total amount of inventory included in cost of sales is £73.6m (*2019: £98.8m*).

The Company does not hold any inventory (*2019: £nil*).

16. Trade and other receivables

	Group 2020 £m	**Company 2020 £m**	Group 2019 £m	Company 2019 £m
Non-current assets				
Amounts owed by Group undertakings including interest receivable	-	**26.3**	-	-
Current assets				
Trade receivables	**19.1**	**-**	31.7	-
Amounts owed by Group undertakings including interest receivable	**15.7**	**31.5**	13.7	29.7
Prepayments and accrued income	**9.0**	**-**	12.3	-
Other taxes and social security	**2.4**	**-**	0.6	-
Other debtors	**1.1**	**-**	0.3	-
	47.3	**31.5**	58.6	29.7

All trade and other receivables held by the Group are expected to be received within 12 months.

Current amounts owed to the Company by Group undertakings includes a loan attracting interest at 4.75% per annum (*2019: 4.75% per annum*) which is repayable on demand.

An additional £25.0m loan was made by the Company to Richmond UK Bidco Limited on 24 June 2020 as a result of a cash injection into the Group from Onex. The loan attracts interest at 10.0% per annum and the loan is repayable on the first business day falling 6 years after the date of the loan agreement.

Notes *(continued)*

17. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate risk, see note 24(d).

	Group 2020 £m	**Company 2020 £m**	Group 2019 £m	Company 2019 £m
Non-current liabilities				
Secured bank loans	**678.8**	**-**	675.8	-
Lease liabilities	**282.2**	**-**	274.3	-
Loans owed to parent	**56.5**	**56.5**	-	-
	1,017.5	**56.5**	950.1	-
Current liabilities				
Revolving credit facility	**90.0**	**-**	-	-
Lease liabilities	**2.8**	-	2.8	-
	92.8	**-**	2.8	-

Secured bank loans are shown net of issue costs.

In the year the Company reclassified a £25.0m loan note and £4.7m accrued interest owed to the Company's parent undertaking as a loan. This loan was previously disclosed in note 19 under the description loan note owed to parent. The loan is repayable on 3 March 2026 and attracts interest at 4.75% per annum *(2019: 4.75% per annum)*. At the end of each year, interest accrued on this loan is capitalised and added to the principal amount. In the year the Company received an additional £25.0m loan from the Company's parent undertaking. This loan attracts interest at 10.0% per annum and the maturity date of this loan is 25 June 2026.

Notes *(continued)*

17. Interest bearing loans and borrowings *(continued)*

Terms and debt repayment schedule

Group

	Nominal interest rate	**Year of maturity**	**Face value 2020 £m**	**Carrying amount 2020 £m**	Face value 2019 £m	Carrying amount 2019 £m
First lien loan facility	4.25% + LIBOR (0% floor)	2024	**538.5**	**538.5**	538.5	538.5
Second lien loan facility	8.5% + LIBOR (1% floor)	2025	**150.0**	**150.0**	150.0	150.0
Revolving credit facility	3.25% + LIBOR	2021	**90.0**	**90.0**	-	-
Loan owed to parent	4.75%	2026	**31.5**	**31.5**	-	-
Loan owed to parent	10.0%	2026	**25.0**	**25.0**	-	-
Other ground rent lease liabilities	3.23%	2192	**194.2**	**194.2**	190.2	190.2
Trecco Bay ground rent lease liability	3.19%	2147	**43.4**	**43.4**	42.4	42.4
Other finance lease liabilities	6.86%	2043	**47.4**	**47.4**	44.5	44.5
			1,120.0	**1,120.0**	965.6	965.6
Issue costs			**(9.7)**	**(9.7)**	(12.7)	(12.7)
			1,110.3	**1,110.3**	952.9	952.9

Company

	Nominal interest rate	**Year of maturity**	**Face value 2020 £m**	**Carrying amount 2020 £m**	Face value 2019 £m	Carrying amount 2019 £m
Loan owed to parent	4.75%	2026	**31.5**	**31.5**	-	-
Loan owed to parent	10.0%	2026	**25.0**	**25.0**	-	-
			56.5	**56.5**	-	-

Notes *(continued)*

17. Interest bearing loans and borrowings *(continued)*

Barclays Bank PLC is the agent of the first lien secured syndicated facility which is repayable on 3 March 2024. The interest rate payable is made up of LIBOR (with a 0% floor) plus margin. The relevant 1 month LIBOR at 31 December 2020 was 0.02% (*2019: 0.70%*). The margin payable is dependent on leverage ratios and was 4.25% at 31 December 2020. £20.0m of the first lien facility was voluntarily prepaid on 28 February 2019.

Ares Management Limited is the agent of the second lien secured syndicated facility which is repayable on 3 March 2025. The interest rate payable is made up of LIBOR (with a 1% floor) plus a margin of 8.5%. The relevant 1 month LIBOR at 31 December 2020 was 1.00% *(2019: 1.00%)* after taking account of the floor.

The Group has a £100.0m revolving credit facility ('RCF') available, as agreed at 3 March 2017, with an expiry date of 3 March 2023. £10.0m is allocated as an ancillary overdraft facility. The Group has utilised the remaining £90.0m during the year, which is drawn on a six month rolling basis with an interest rate of 3.34% at year end, and can be drawn down again on 1 days' notice.

In 2017, the Company's parent undertaking made a loan of £25.0m to the Company. This accrues interest at 4.75% *(2019: 4.75%)* and both the principal and interest are repayable on 3 March 2026. At the end of each year, interest accrued on this loan is capitalised and added to the principal amount. In the year, a further £25.0m loan was made to the Company by its parent undertaking. This loan attracts interest at 10.0% per annum and the maturity date of this loan is 25 June 2026.

Landa Asset Management PLC is the lessor of the ground rent lease agreement. The agreement relates to the sale and leaseback transaction of a total of 19 parks in the Group, with the first tranche completing on 3 March 2017 and the second tranche completing on 3 August 2017. The leases terminate on three separate dates, with the lease for Trecco Bay terminating on 3 March 2147, the remainder of the first tranche terminating on 3 March 2192 and the whole of the second tranche terminating on 3 August 2192. The interest rates payable of 3.19% and 3.23% are derived from the value of the assets at the start of the lease and are implicit within the agreement.

In the year the borrower of the first and second lien term loans ('Term Loans') was changed from Richmond Cayman LP, an entity ultimately controlled by Onex, to Richmond UK Bidco Limited. The Term Loans are secured by charges over substantially all of the Group's assets.

Issue costs were £13.9m for the first lien debt, £5.2m for the second lien debt and £1.9m in relation to the RCF. The amortised value at 31 December 2020 was £9.7m (*2019: £12.7m*) and the debt net of issue costs was £768.8m (*2019: £675.8m*).

The refinancing arrangement in the year resulted in an amendment and waiver being agreed with the lenders of the Group's Term Loans. As a result these loans are currently reported against a minimum liquidity covenant, which will revert back to a leverage covenant in the last quarter of the 2021 financial year.

The Term Loans are secured by a fixed and floating charge over substantially all the assets of the Group.

Details of interest rate swaps can be found in note 24(d).

Notes *(continued)*

18. Reconciliation of liabilities arising from financing activities

Group	**Lease liabilities 2020 £m**	**Secured bank loans 2020 £m**	**Revolving credit facility 2020 £m**	**Loans owed to parent 2020 £m**	**Total 2020 £m**
At 1 January	**277.1**	**675.8**	**-**	**29.7**	**982.6**
Cash flows	**(15.3)**	**-**	**90.0**	**25.0**	**99.7**
Lease additions	**0.6**	**-**	**-**	**-**	**0.6**
Lease disposals	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Re-measurement	**12.1**	**-**	**-**	**-**	**12.1**
Interest payable	**10.6**	**-**	**-**	**1.8**	**12.4**
Amortisation of finance costs	**-**	**3.0**	**-**	**-**	**3.0**
At 31 December	**285.0**	**678.8**	**90.0**	**56.5**	**1,110.3**

In the year the Company reclassified a £25.0m loan note and £4.7m accrued interest owed to the Company's parent undertaking as a loan. Details can be found in note 17.

Group	Lease liabilities 2019 £m	Secured bank loans 2019 £m	Revolving credit facility 2019 £m	Loans owed to parent 2019 £m	Total 2019 £m
At 1 January	221.4	692.8	-	-	914.2
Discounted operating lease commitment as at 1 January	43.9	-	-	-	43.9
Restated opening balance at 1 January	265.3	692.8	-	-	958.1
Immediate re-measurement on transition to IFRS 16	6.1	-	-	-	6.1
Cash flows	(12.8)	(20.0)	-	-	(32.8)
Lease additions	1.8	-	-	-	1.8
Lease disposals	(0.3)	-	-	-	(0.3)
Re-measurement	8.3	-	-	-	8.3
Interest payable	8.7	-	-	-	8.7
Amortisation of finance costs	-	3.0	-	-	3.0
At 31 December	277.1	675.8	-	-	952.9

Company	**Lease liabilities 2020 £m**	**Secured bank loans 2020 £m**	**Revolving credit facility 2020 £m**	**Loans owed to parent 2020 £m**	**Total 2020 £m**
At 1 January	**-**	**-**	**-**	**29.7**	**29.7**
Cash flows	**-**	**-**	**-**	**25.0**	**25.0**
Lease additions	**-**	**-**	**-**	**-**	**-**
Lease disposals	**-**	**-**	**-**	**-**	**-**
Re-measurement	**-**	**-**	**-**	**-**	**-**
Interest payable	**-**	**-**	**-**	**1.8**	**1.8**
Amortisation of finance costs	**-**	**-**	**-**	**-**	**-**
At 31 December	**-**	**-**	**-**	**56.5**	**56.5**

The Company had no leases, secured bank loans, RCF utilisation or loans from parent in the prior year.

Notes *(continued)*

19. Trade and other payables

	Group 2020 £m	**Company 2020 £m**	Group 2019 £m	Company 2019 £m
Current liabilities				
Trade payables	**25.4**	**-**	13.8	-
Other payables	**11.5**	**-**	8.2	-
Accruals	**15.1**	**-**	17.2	-
Contract liabilities	**88.8**	**-**	79.6	-
Other tax and social security costs	**2.1**	**-**	13.2	-
Amounts owed to Group undertakings	**0.6**	**25.0**	0.6	-
Loan note owed to parent	**-**	**-**	25.0	25.0
Interest payable	**7.7**	**-**	5.5	4.7
	151.2	**25.0**	163.1	29.7
Non-current liabilities				
Interest payable	**1.3**	**1.3**	-	-
	1.3	**1.3**	-	-

Included within trade and other payables is £1.3m *(2019: £nil)* expected to be settled in more than 12 months.

In the year the Company reclassified a £25.0m loan note and £4.7m accrued interest owed to the Company's parent undertaking as a loan. This loan is now disclosed in note 17.

The Company is holding £25m on deposit from Richmond UK Bidco Limited which is repayable on demand.

Contract liabilities comprise of cash received in advance. Cash received in advance is held for up to 16 months before the associated performance obligations are satisfied and the revenue is recognised. The majority of the contract liabilities as at 31 December 2019 have been recognised as revenue in the current year. The approximate transaction value allocated to the performance obligations that are unsatisfied at 31 December 2020 is £88.8m *(2019: £79.6m)*, the majority of which is expected to be recognised as revenue during the next financial year.

20. Other financial liabilities

	Group 2020 £m	Group 2019 £m
Current		
Interest rate swap designated as fair value through profit and loss.	**1.3**	0.1

Details of the interest rate swaps can be found in note 24(d).

The Company does not hold any other financial liabilities (*2019: £nil*).

21. Employee benefits

Defined contribution pension plans

The Group contributes to a number of defined contribution personal pension plans.

The total expense relating to these plans in the current year was £1.5m (*2019: £1.5m*) and £0.2m (*2019: £0.2m*) was payable to these plans at the year end.

Notes *(continued)*

22. Share-based payment arrangements

22(a) Description of share-based payment arrangements

On 24 February 2020 Richmond Holdings (Jersey) Ltd transferred share capital from treasury to a member of senior management as part of a management incentive scheme with the purchase being funded through a limited recourse loan. On 29 April 2020 Richmond Holdings (Jersey) Ltd amended loans made to certain members of senior management to fund the previous purchases of share to limited recourse loans. Under IFRS 2 *Share- based payments*, loans of this nature must be treated as a share option. It is expected that the options will be settled as a combination of cash and equity and therefore this has been split accordingly, as below.

Richmond Holdings (Jersey) Ltd has recognised four equity-settled share options in the year, and four cash-settled share options in the year which remain outstanding at year end. The options granted in February 2020 have a vesting period of 49 months. The options granted in April are due to amendments of three loan agreements originally entered into in September 2019 to fund the purchase of shares, and therefore have a vesting period commencing in September 2019 of 54 months.

In September 2019 and December 2019 Richmond Holdings (Jersey) Ltd transferred share capital from treasury to members of senior management as part of a management incentive scheme, with the purchases being funded through limited recourse loans with a settling combination of cash and equity. Richmond Holdings (Jersey) Ltd recognised four share equity-settled options and four cash-settled share options in the prior year for these transactions, which remain outstanding at the year end. The options granted in September had a vesting period of 54 months and the options granted in December had a vesting period of 51 months.

22(b) Measurement of share-based payment arrangements

The fair value of share options have been measured using the Black-Scholes model. The inputs used in the measurement of the fair values at grant date were as follows.

	2020	2019
Weighted average share price	**£0.71**	£0.76
Weighted average exercise price	**£0.68**	£0.70
Expected volatility (weighted average)	**44%**	30%
Expected life (weighted average)	**52 months**	52 months
Risk-free rate	**0%**	1%
Expected dividend yields	**0%**	0%

Expected volatility has been based on the volatilities of a comparator group of companies over a period of time commensurate with the expected life of the awards. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Notes *(continued)*

22. Share-based payment arrangements (continued)

22(c) Reconciliation of outstanding share options

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

	Outstanding options 2020 Number	**Weighted-average exercise price 2020 £**	Outstanding options 2019 Number	Weighted-average exercise price 2019 £
Outstanding at 31 December	**10,770,410**	**0.70**	-	-
Granted during the year	**3,333,558**	**0.68**	10,770,410	0.70
Outstanding at 31 December	**14,103,968**	**0.70**	10,770,410	0.70
Exercisable at 31 December	**-**	**-**	-	-

The options outstanding at 31 December 2020 have a range of exercise price between £0.62 and £0.83 (*2019: between £0.62 and £0.83*), and a weighted-average contractual life of 38 months remaining *(2019: 53 months).*

22(d) Expense recognised in profit or loss in year

	2020 £m	2019 £m
Share-based payment expense	**0.8**	0.3

The Group and the Company have a capital contribution from parent of £1.1m *(2019: £0.3m)* in respect of share-based payments.

23. Share capital

	Total shares 2020 Number	Total shares 2019 Number
Share capital		
In issue at 1 January and 31 December	**20**	20

	2020 £m	2019 £m
Allotted, called up and fully paid		
20 ordinary shares of £0.01	**-**	-

	2020 £m	2019 £m
Share premium		
At 1 January and 31 December	**466.2**	466.2

Notes *(continued)*

24. Financial instruments

24(a) Fair values of financial instruments

Fair value

Financial instruments are analysed into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

Financial instruments measured at fair value are the interest rate swaps. This is a level 2 valuation based on techniques noted above.

The carrying values of financial assets and liabilities reasonably approximate their fair values.

Financial instruments by category

Group	**Financial assets at amortised cost 2020 £m**	**Fair value – hedging instruments 2020 £m**	**Other financial liabilities 2020 £m**	**Total carrying value 2020 £m**
Financial assets				
Trade and other receivables	**38.4**	**-**	**-**	**38.4**
Cash and cash equivalents	**63.8**	**-**	**-**	**63.8**
At 31 December 2020	**102.2**	**-**	**-**	**102.2**
Financial liabilities				
Current liabilities				
Trade and other payables	**-**	**-**	**48.2**	**48.2**
Interest accrued on loans (note 19)	**-**	**-**	**7.7**	**7.7**
Lease liabilities (note 17)	**-**	**-**	**2.8**	**2.8**
Revolving credit facility (note 17)	**-**	**-**	**90.0**	**90.0**
Loan owed to parent (note 17)	**-**	**-**	**25.0**	**25.0**
Interest rate swaps (note 20)	**-**	**1.3**	**-**	**1.3**
At 31 December 2020	**-**	**1.3**	**173.7**	**175.0**
Non-current liabilities				
Loans and borrowings (note 17)	**-**	**-**	**678.8**	**678.8**
Loan owed to parent (note 17)	**-**	**-**	**31.5**	**31.5**
Lease liabilities (note 17)	**-**	**-**	**282.2**	**282.2**
Interest accrued on loans (note 19)	**-**	**-**	**1.3**	**1.3**
At 31 December 2020	**-**	**-**	**993.8**	**993.8**

Notes *(continued)*

24. Financial instruments *(continued)*

24(a) Fair values of financial instruments (continued)

Company	**Financial assets at amortised cost 2020 £m**	**Fair value – hedging instruments 2020 £m**	**Other financial liabilities 2020 £m**	**Total carrying value 2020 £m**
Financial assets				
Non-current assets				
Trade and other receivables	**26.3**	**-**	**-**	**-**
At 31 December 2020	**26.3**	**-**	**-**	**-**
Current assets				
Trade and other receivables	**31.5**	**-**	**-**	**31.5**
Cash and cash equivalents	**25.0**	**-**	**-**	**25.0**
At 31 December 2020	**56.5**	**-**	**-**	**57.8**
Financial liabilities				
Current liabilities				
Owed to Group undertakings (note 19)	**-**	**-**	**25.0**	**25.0**
At 31 December 2020	**-**	**-**	**25.0**	**25.0**
Non-current liabilities				
Loan owed to parent (note 17)	**-**	**-**	**31.5**	**31.5**
Loan owed to parent (note 17)	**-**	**-**	**25.0**	**35.0**
Interest accrued on debt (note 19)	**-**	**-**	**1.3**	**1.3**
At 31 December 2020	**-**	**-**	**57.8**	**57.8**

Notes *(continued)*

24. Financial instruments *(continued)*

24(a) Fair values of financial instruments (continued)

Financial instruments by category

Group	Financial assets at amortised cost 2019 £m	Fair value – hedging instruments 2019 £m	Other financial liabilities 2019 £m	Total carrying value 2019 £m
Financial assets				
Trade and other receivables	51.1	-	-	51.1
Cash and cash equivalents	9.3	-	-	9.3
At 31 December 2019	60.4	-	-	60.4
Financial liabilities				
Current liabilities				
Trade and other payables	-	-	59.9	59.9
Interest accrued on bank loans (note 19)	-	-	5.5	5.5
Lease liabilities (note 17)	-	-	2.8	2.8
Revolving credit facility (note 17)	-	-	-	-
Interest rate swaps (note 20)	-	0.1	-	0.1
At 31 December 2019	-	0.1	68.2	68.3
Non-current liabilities				
Loans and borrowings (note 17)	-	-	675.8	675.8
Lease liabilities (note 17)	-	-	274.3	274.3
At 31 December 2019	-	-	950.1	950.1

Company	Financial assets at amortised cost 2019 £m	Fair value – hedging instruments 2019 £m	Other financial liabilities 2019 £m	Total carrying value 2019 £m
Financial assets				
Trade and other receivables	29.7	-	-	29.7
Cash and cash equivalents	-	-	-	-
At 31 December 2019	29.7	-	-	29.7
Financial liabilities				
Trade and other payables	-	-	25.0	25.0
Interest accrued on debt (note 19)	-	-	4.7	4.7
At 31 December 2019	-	-	29.7	29.7

Notes *(continued)*

24. Financial instruments *(continued)*

24(a) Fair values of financial instruments (continued)

The Group's main financial assets comprise cash and cash equivalents and trade and other receivables.

At 31 December 2020 the Group had Term Loans of £688.5m (*2019: £688.5m*). Issue costs for the Term Loans were £9.7m (*2019: £12.7m*) and Term Loans net of issue costs were £678.8m (*2019: £675.8m*). The Group also had lease liabilities of £285.0m (*2019: £277.1m)*, loans owed to parent of £50.0m, and £90.0m of the RCF utilised at year end *(2019: £nil)*. Details of the loans can be found in note 17.

Other than loans noted above the Group has financial liabilities comprising trade and other payables and two interest rate swaps. The interest rate swaps, while used for hedging purposes, are held on the balance sheet at fair value with movements in the fair value recognised through the statement of profit and loss.

24(b) Credit risk

Financial risk management
The Group's credit risk is primarily attributable to trade receivables. The Group's objective is to reduce the risk of financial loss due to a customer not honouring their obligations. The vast majority of holidays are paid for directly by holiday guests before commencement of their holiday. Credit terms on holidays are only offered to credit worthy corporate agents, again with the vast majority of revenue from these agents paid prior to the holiday being taken. Holiday homes are not released to customers until payment has been received in full or commitment of payment from a finance company has been received. Annual pitch licence fees are paid in advance by holiday home owners or via an agreed direct debit instalment plan. Trade receivables are spread over a large number of customers – reducing the risk of concentrated exposure. The amounts presented in the balance sheet are net of allowances for doubtful debts.

The credit risk of cash or cash equivalents is limited because counterparties are banks with high credit ratings assigned by international credit agencies.

The concentration of credit risk for trade receivables at the balance sheet date by category was:

	2020	2019
	£m	£m
Holiday home owners	**18.0**	30.8
Sundry debtors	**1.1**	0.9
	19.1	31.7

Credit quality of financial assets and impairment losses
The ageing of trade receivables at the balance sheet date was:

	Gross	**Impairment**	**Net**	Gross	Impairment	Net
	2020	**2020**	**2020**	2019	2019	2019
	£m	**£m**	**£m**	£m	£m	£m
Not past due	**2.5**	**-**	**2.5**	4.1	-	4.1
Past due 0-30 days	**13.3**	**-**	**13.3**	22.7	-	22.7
Past due 31-90 days	**1.8**	**-**	**1.8**	3.4	-	3.4
More than 90 days	**3.6**	**(2.1)**	**1.5**	3.3	(1.8)	1.5
	21.2	**(2.1)**	**19.1**	33.5	(1.8)	31.7

Most owner pitch licence fees are payable by 31 December each year and so the amounts are at their highest at the balance sheet date. Overdue balances typically reduce significantly within a few weeks of 31 December each year.

The Company only has receivables with other Group entities and owing to the Group structure. There is no history of default on these receivables therefore the credit risk is negligible.

Notes *(continued)*

24. Financial instruments *(continued)*

24(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Company relies on the Group for funding and so the following disclosures apply to both Group and Company.

The holiday park business is seasonal but predictable. Cash flows are negative in the winter and positive during the main holiday season.

The Group has two Term Loans totalling £688.5m *(2019: £688.5m)*. These comprise the first lien loan facility of £538.5m *(2019: £538.5m)* and the second lien loan facility of £150.0m *(2019: £150.0m)*. The borrower of the Term Loans is Richmond UK Bidco Limited. The loan is secured by substantially all of the Group's assets. At the end of the financial year the Group had £90.0m of the RCF utilised, which is on a six month rolling basis until 2023 and can be redrawn on 1 day's notice.

In addition £221.5m of proceeds were raised from a sale and leaseback transaction of the freeholds of 18 parks over 175 year lease terms and the leasehold of 1 park over a 130 year lease term, with aggregate ground rent of £7.8m per annum subject to Retail Price Index increases capped at 5% and with a floor of 0%.

The Group has no requirements to make any capital repayments on the £538.5m first lien loan facility or on the £150.0m second lien loan facility except for payments of excess cash flow in respect of the first lien loan facility. A voluntary prepayment of £20.0m was made on 28 February 2019.

The Group's facilities and support from Onex provide sufficient cash resources to meet the working capital requirements of the business for the foreseeable future. The Group's forecasts and projections, taking account of reasonable changes in trading performance, show that the Group should be able to operate within its working capital facilities and banking covenants for the foreseeable future. In the year the Company received a £25.0m loan from its parent undertaking. The loan attracts interest at 10.0% per annum and the maturity date of this loan is 25 June 2026.

The following are the contractual maturities of financial liabilities, including estimated interest payments at the prevailing interest rate at the reporting date but excluding payments of excess cash flow.

	Trade payables 2020 £m	**Interest payable 2020 £m**	**Revolving credit facility 2020 £m**	**Bank loans 2020 £m**	**Loans owed to parent 2020 £m**	**Lease liabilities 2020 £m**	**Total 2020 £m**
Financial liabilities							
0-1 year	**48.2**	**9.0**	**90.5**	**37.2**	**-**	**13.5**	**198.4**
1-2 years	**-**	**-**	**-**	**37.2**	**-**	**13.2**	**50.4**
2-5 years	**-**	**-**	**-**	**746.2**	**-**	**37.1**	**783.3**
5 years and over	**-**	**-**	**-**	**-**	**84.5**	**1,287.2**	**1,371.7**
Contractual cash flows	**48.2**	**9.0**	**90.5**	**820.6**	**84.5**	**1,351.0**	**2,403.8**
Less: interest	**-**	**-**	**(0.5)**	**(132.1)**	**(28.0)**	**(1,066.0)**	**(1,226.6)**
Less: issue costs	**-**	**-**	**-**	**(9.7)**	**-**	**-**	**(9.7)**
Carrying amount	**48.2**	**9.0**	**90.0**	**678.8**	**56.5**	**285.0**	**1,167.5**

Notes *(continued)*

24. Financial instruments *(continued)*

24(c) Liquidity risk (continued)

	Trade payables 2019 £m	Interest payable 2019 £m	Revolving credit facility 2019 £m	Bank loans 2019 £m	Loans owed to parent 2019 £m	Lease liabilities 2019 £m	Total 2019 £m
Financial liabilities			-				
0-1 year	59.9	5.5	-	40.9	-	13.2	119.5
1-2 years	-	-	-	40.9	-	13.0	53.9
2-5 years	-	-	-	81.8	-	29.1	110.9
5 years and over	-	-	-	750.5	-	1,263.3	2,013.8
Contractual cash flows	59.9	5.5	-	914.1	-	1,318.6	2,298.1
Less: interest	-	-	-	(225.6)	-	(1,041.5)	(1,267.1)
Less: issue costs	-	-	-	(12.7)	-	-	(12.7)
Carrying amount	59.9	5.5	-	675.8	-	277.1	1,018.3

The Group has secured bank loans that contain loan covenants. As part of the waiver and amendment detailed in note 17 the original leverage based covenants have been replaced with a minimum liquidity covenant until 30 September 2021, reverting to the leverage based covenant for the quarter ending 31 December 2021.

24(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's revenue or the value of its holdings of financial instruments.

Interest rate risk
The Group is exposed to interest rate risk on the £688.5m bank debt. The Group's exposure to interest rate risk is managed by use of interest rate swaps which cover the period until May 2021. The Group's hedging arrangements are being reviewed prior to the expiry of the existing swaps.

The Group's interest rate swaps in place at the balance sheet date are detailed below:

Instrument	**Nominal value £m**	**Swap rate**	**Commencement date**	**Maturity date**	**Fair value 2020 £m**	Fair value 2019 £m
Swap	300.0	0.560%	31 May 2017	31 May 2021	**(0.8)**	(0.1)
Swap	200.0	0.569%	31 May 2017	31 May 2021	**(0.5)**	-

On 31 May 2017 the Group procured two interest rate swaps. The first had a nominal value of £300.0m and a swap rate of 0.560%, with a 0% floor. The second had a nominal value of £200.0m and a swap rate of 0.569% with a 0% floor. Both swaps run until 31 May 2021.

The interest rate swaps at the balance sheet date effectively fix the interest rate on 73% (*2019: 73%*) of the Term Loan bank debt.

Sensitivity analysis
The prevailing rate of interest at the balance sheet date on the bank debt was 5.58% (*2019: 5.92%*). Based on the net debt at 31 December 2020 the annualised interest cost would increase by £0.4m (*2019: £0.4m*) if LIBOR increased by 50 basis points and the annualised interest cost would decrease by £0.4m (*2019: £0.1m*) if LIBOR decreased by 50 basis points. This has been calculated by applying the interest rate change to the Group's variable rate cash, bank debt and interest rate swaps as at 31 December 2020.

Notes *(continued)*

24. Financial instruments *(continued)*

24(e) Capital management

The capital structure of the Group consists of the first and second lien secured bank debt, the revolving credit facility, the lease liabilities, cash and cash equivalents, shareholder loans and share capital. Details of share capital are set out in note 23.

The Group's objectives for managing capital include:

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

25. Capital commitments

The Group had capital commitments to purchase property, plant and equipment for which no provision had been made at the balance sheet date of £34.6m (*2019: £53.3m*). The Company had no capital commitments (*2019: £nil*).

26. Related parties

Transactions with other companies owned or controlled by Onex Corporation

Group

	Management fees paid 2020 £000	**Interest payable 2020 £000**	**Receivable/ (payable) at end of year 2020 £000**	Management fees paid 2019 £000	Interest payable 2019 £000	Receivable/ (payable) at end of year 2019 £000
Richmond Holdings (Jersey) Limited	**-**	**-**	**14,902**	-	-	12,895
Richmond UK Top Holdco Limited	**-**	**3,098**	**(57,772)**	-	1,187	(29,673)
Onex Partners Manager LP	**16**	**-**	**-**	29	-	-
Richmond TowerCo	**-**	**199**	-	-	692	-
	16	**3,297**	**(42,870)**	29	1,879	(16,778)

Company

	Management fees paid 2020 £000	**Interest payable 2020 £000**	**Receivable/ (payable) at end of year 2020 £000**	Management fees paid 2019 £000	Interest payable 2019 £000	Receivable/ (payable) at end of year 2019 £000
Richmond UK Top Holdco Limited	**-**	**3,098**	**(57,768)**	-	1,187	(29,670)

Notes *(continued)*

26. Related parties *(continued)*

Transactions with key management personnel

The compensation of key management personnel including the directors is as follows:

	2020	2019
	£000	£000
Wages and salaries	**3,230**	4,548
Social security costs	**375**	356
Contributions to defined contribution plans	**1**	59
Long-term incentive schemes (note 22)	**754**	350
	4,360	5,313

There are 6 people included within key management personnel *(2019: 9).*

	Preference shares held	**Interest payable during the year**	**Interest outstanding at 31 December**
	2020	**2020**	**2020**
	£000	**£000**	**£000**
Directors and key management personnel of the Company	**11,967**	**2,211**	**7,439**

	Preference shares held	Interest payable during year	Interest outstanding at 31 December
	2019	2019	2019
	£000	£000	£000
Directors and key management personnel of the Company	14,380	2,277	5,939

Directors and key management personnel also hold 117,058 ordinary shares *(2019: 74,753).*

There was one transaction in the year being the purchasing of COVID-19 testing kits from a related party, related through the ultimate parent undertaking and controlling party. This totalled £43,000 and was an arm's length transaction, all of which was paid within the year.

In the year changes have been made to key management personnel creating a movement in shareholding from leavers. In addition, a key management person purchased £0.7m of shares from Richmond Holdings (Jersey) Limited, funded by a limited recourse loan. The loan is repayable upon the sale of the shares or upon the employee becoming entitled to receive any amounts in respect of the shares, or in the event of employee exit. In the event that the proceeds of sale of all of the shares are less than the amount of the loan, the loan is reduced and the shortfall is not payable.

In the year, the terms of three loans to directors totalling £1.9m were amended so that such loans were limited recourse loans. In the event of a shortfall arising when the shares are ultimately sold, that shortfall element of the loan does not become repayable. In line with the original loan, this loan incurs interest of the higher of 2.5% per year or the rate specified to be the HMRC Official Rate, which is capitalised on an annual basis from the loan start date to be treated as part of the principal amount. In the year £0.1m (2019: £nil) has been capitalised. All loans remain outstanding at year end.

Notes *(continued)*

26. Related parties *(continued)*

In the prior year key management personnel sold shares to Richmond Holdings (Jersey) Limited for £11.8m which was paid for in cash. Key management personnel purchased £10.4m of shares from Richmond Holdings (Jersey) Limited, of which £7.5m of the purchase monies was funded through limited recourse loans, in the event of a shortfall arising when the shares are ultimately sold, that shortfall element of the loan does not become repayable. £1.9m was funded through recourse loans which remained outstanding at year end, and have since been amended as above. The loans were repayable upon sale of the shares or upon the employee becoming entitled to receive any amounts in respect of the shares, or in the event of employee exit.

In the prior year a director of the Company purchased a caravan from the Group for £15,890. The amount was outstanding at year end and full consideration was received prior to the signing of the financial statements for the year ended 31 December 2019 on 18 February 2020.

27. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Richmond UK Top Holdco Limited, which is owned by Richmond Holdings (Jersey) Limited. Richmond Holdings (Jersey) Limited is indirectly controlled by Onex Partners IV, a private equity fund which is indirectly controlled by Onex Corporation. Onex Corporation is a Canadian headquartered private equity investment firm listed on the Toronto Stock Exchange.

The largest group the Company's balances are consolidated in is Richmond UK Top Holdco Limited, and these financial statements are available at 2nd Floor One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

28. Accounting estimates and judgements

Impairment of property, plant and equipment
Property, plant and equipment are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on estimated market values. Actual outcomes could vary from these estimates.

Impairment of goodwill
The Group annually tests whether goodwill has been impaired. The recoverable amount of the CGU is based on the higher of value in use or fair value less costs to sell as disclosed in note 12.

Impairment of inventories
Holiday home stock (excluding lodges) is compared to Glass's Guide, which is the industry guide for retail and trade values for holiday home stock. Impairments between carrying value and Glass's Guide 'trade' values are taken to the statement of profit and loss. Used lodge units are valued at purchase price. This is reviewed on an annual basis to confirm that this policy continues to be appropriate.

Impairment of trade and other receivables
A full review of aged receivables is completed and all irrecoverable amounts are fully provided for.

Present value of lease liabilities
For leases falling under IFRS 16 *Leases*, the lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease where this can be readily determined. However discount rates implicit in the leases cannot be readily determined in most cases and an appropriate discount rate needs to be identified. For portfolios of leases with similar characteristics, discount rates are calculated using observable market inputs if available. Where this is not possible, the discount rates are based on the Group's incremental borrowing rates or interest rates from market transactions as deemed appropriate.

Notes *(continued)*

29. Contingent assets

The Group has an ongoing claim in respect of its business interruption insurance policy for losses incurred as a result of the coronavirus pandemic during 2020. On 4 March 2021, the Group received an interim payment of £35.0m from its insurers. Discussion with the Group's insurers continues to reach a final settlement for the balance of the claim.

At the year end, discussion with the Group's insurers were ongoing and the directors' deemed receipt of the monies claimed probable but not yet certain due to the ongoing legal action, therefore it did not meet the threshold to recognise any of the claim amount in the 2020 financial statements.

30. Post balance sheet events

On 4 January 2021 the Government and devolved governments of Wales and Scotland announced a UK-wide national lockdown. On 12 April, following the relaxation of restrictions across England and Wales, the Group re-opened parks in those regions. It is expected that parks in Scotland will re-open from 26 April. The period of closure largely fell within the normal winter closure period for most parks. However the delayed re-opening did result in the loss of the Easter trading period and, for a smaller number of parks which would usually be open, the February half-term holidays. Ongoing hospitality restrictions are expected to have some impact on food and beverage sales, with restrictions on use of indoor spaces until at least 17 May and limitations on group numbers until at least 21 June. We have flexible plans in place to enable re-opening in line with the latest Government guidelines and we are confident in the outlook for the peak summer trading period for the Group due to the current levels of advanced bookings and pipeline for holiday home sales. As the Group has demonstrated in 2020, the business model is flexible enough to maximise the opportunities available under a range of COVID restrictions, and we are planning to open all facilities as soon as possible subject to the restrictions in place at the time. As detailed in note 29, on 4 March 2021, the Group received £35.0m in relation to the ongoing business interruption claim.