BARD MIDCO LIMITED

Report and Financial Statements

For the period 15 December 2020 to 31 December 2021

Registered No. 13081881

Contents of the Financial Statements
For the period 15 December 2020 to 31 December 2021

Registered No. 13081881

DIRECTORS

L Y Assant (appointed 9 March 2021)
L Caruso (appointed 29 January 2021)
P C Flaum (appointed 7 February 2022)
I S MacMillan (appointed 7 February 2022)
A K M Shah (appointed 9 March 2021)
A N Walsh (appointed 16 May 2022)

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

BANKERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

SOLICITORS

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London EC1Y 8YY

REGISTERED OFFICE

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London
EC2N 2AX

STRATEGIC REPORT

The Directors present their strategic report for Bard Midco Limited and its subsidiaries (together "the Group") for the period 15 December 2020 to 31 December 2021.

The Company was incorporated in England and Wales on 15 December 2020 to head up a new UK Group structure to complete the acquisition of Bourne Leisure Holdings Limited and its subsidiaries on 26 February 2021. In order to complete the purchase, the Group drew down new debt financing facilities to fund both the acquisition of the shares and repay the existing debt of Bourne Leisure Holdings Limited.

The Group is the largest provider of holidays and holiday home ownership in the UK. Our three brands are amongst the most recognised within the UK holiday market.

Haven
We operate award-winning, family-focussed caravan parks around the coast of Britain. The parks have in excess of 38,000 pitches, making the Group the largest operator of caravan parks in the UK. Almost all our parks offer the opportunity to own a holiday home and we currently have nearly 25,000 holiday home owners.

Butlin's
Butlin's is one of the most recognised brands within the UK holiday market, offering a family product with the emphasis on providing quality family time and live music weekends. Butlin's has three resorts located in Bognor Regis, Minehead and Skegness.

Warner Leisure Hotels
Warner is the UK's only 'grown-up' hotel chain, providing guests with child-free half-board short breaks across a collection of countryside and coastal hotels and villages.

REVIEW OF THE BUSINESS

The Group's key financial results were as follows:

	15 December 2020 to 31 December 2021
	£000
Turnover	984,929
EBITDA	279,514
Group operating profit	96,509
Interest payable (net)	(115,992)
Loss after tax	(54,679)
Equity shareholders' funds	817,864
Capital expenditure	99,067
Net cash flow from operating activities	335,497
Average number of employees	15,226

The above results were generated in the 10-month period ended 31 December 2021 following the acquisition of the Bourne Leisure Holdings Ltd Group on 26 February 2021.

The Group's key financial and other key performance indicators include items such as turnover, EBITDA, guest satisfaction, health and safety, and team turnover.

The COVID-19 outbreak had an impact on both the business and the UK economy and caused the short-term closure of our sites during the first few months of 2021. Haven reopened during April 2021 and Butlin's and Warner reopened in mid May 2021. Demand for UK holidays was strong in 2021 and the Group achieved an EBITDA of £279.5m. Trading of the acquired Brands in the second half of 2021 was better than the comparable period in 2019. The Butlin's and Warner businesses were also adversely affected by the Omicron COVID variant towards the end of 2021, but this was at a time when the Haven business was already closed for winter.

Net interest payable of £116.0 million includes £84.7m on the Group's new external borrowings, £5.6m of loan refinancing costs and £25.7m on a loan from the parent undertaking, Bard Topco Limited.

The Group incurred a loss after tax of £54.7m after charging depreciation and amortisation of £177.1m.

Cash generation was strong and the net cash flow from operating activities was £335.5m, consisting of the EBITDA and favourable movements in working capital during the 10-month post acquisition period.

Guest loyalty and repeat business underpins the long-term growth of the Group. All Group companies continue to sustain high guest satisfaction ratings. During 2021 we experienced some operational challenges driven by vacancy gaps (both recruitment in the market and COVID isolation protocols impacting our Team members) although each Brand recovered significantly during the final months of the holiday season.

Capital expenditure was £99.1m in 2021 including £9.7m for the development of apps and websites to enhance the guest experience and improve efficiency. The 2021 expenditure included continued investment in hire fleet, pitches, entertainment complexes and swimming pools at Haven and expenditure on improving the guest experience and accommodation at Warner Leisure Hotels and Butlin's. It also included the ongoing conversion of Heythrop Park hotel in the Cotswolds into a Warner hotel which is due to open in the second half of 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group recognises a variety of financial and market-based risks, including the impact of COVID-19, exposure to fluctuating interest risks, changing economic conditions, technological and industry-based risks, the competitive environment and regulatory changes. These either singularly or collectively, may affect revenue, cost structure or the value of assets within the business, and are all difficult to quantify.

<u>COVID-19</u>
The Group, like many others, has been affected by the impact that the COVID-19 outbreak has had on the UK's economy, mainly through the short-term closures of some of our sites. We expect that the Group's profitability and cash flows are likely to increase further in 2022, assuming that our sites remain open. The Group's cash flow risk is mitigated by the availability of significant bank borrowings.

<u>Geo-political instability and the wider macro-economic uncertainty</u>
A key emerging risk we continue to monitor is geo-political instability and the wider macro-economic uncertainty. The implications from this risk are significantly higher inflationary pressure from changes in global supply chain capacity, labour shortages, commodity shortages and price increases, all of which could impact profitability. As a business we continue to monitor and remain compliant to trading restrictions and legislative sanctions, look for operational efficiencies to mitigate cost inflation and ensure we have flexibility in our supply chain.

<u>Financial risks</u>
The main risks arising from the Group's financial instruments are interest rate, liquidity and cash flow risk, and credit risk. Policies with respect to these risks are described below. There is no material currency exposure as all material transactions and financial instruments are in sterling.

- Interest rate risk

The Group borrows at an interest rate of 5.35% plus SONIA. The Directors regularly review the need for any financial instruments to cover the risk posed by fluctuating interest rates, thereby minimising the Group's exposure to significant changes in interest rates.

- Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The Group aims to mitigate liquidity and cash flow risk by managing cash generation by its operations. The Group also manages liquidity and cash flow risk via a super senior revolving facility and long-term debt.

- Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Other risks

- IT risk and cyber security

The Group has various IT systems and applications, the obsolescence or failure of which could impede trading. Failure to put in place adequate preventative measures, if attacked, could lead to data loss or the inability to use the IT systems for a prolonged period. The IT strategy is focused on ensuring the long-term stability of operating systems and data security, whilst keeping pace with the changing face of consumer IT expectations. We continue to strengthen IT security to mitigate the increasing risk of cyber security threats.

- People and succession

Bourne is a people business and employs over 17,000 team members at peak times. Attracting and maintaining talented team members and investing in their training and development are essential to the efficiency and sustainability of the Group. Succession planning is embedded across the Group and is proactively managed.

SECTION 172 STATEMENT - THE DIRECTORS' APPROACH

In accordance with the duties of Directors under section 172 of the Companies Act 2006, the Board considers a number of matters in its decision-making, including:

- the likely consequences of any decision on the long-term outlook;
- the risks to the Group and its stakeholders;
- the interests and wellbeing of our team;
- the impact of our businesses on the environment and the communities where we are present;
- the Group's relationships with its customers and suppliers; and
- the importance of our reputation for high standards of business conduct.

- 2022 Outlook

Following the COVID-19 pandemic and restrictions on international travel the Group saw an increase in demand for holidays within the UK which has seen the Group thrive and return a positive performance. Despite the challenges of the last 2 years the Group is in a strong position, with profitability expected to increase in 2022.

- Policies and Practices

The Directors' objectives continue to be to maximise the long-term value and revenue streams for the Group's shareholders, to create secure and rewarding employment for its people and to deliver a high-quality holiday or holiday home experience to its guests and owners of holiday homes. The Group aims to deliver sustainable and growing revenues from efficient operations and cost structures. The Group aims to grow its businesses through both organic growth and acquisitions.

- Corporate Governance

The Directors are responsible for determining the Group's strategy for managing risk and overseeing its systems of internal control. The Group maintains appropriate standards of corporate governance in order to conduct its business in a prudent and well organised manner. Further details are provided in the Corporate Governance Statement on page 9.

- Team matters

The Group seeks to recruit, retain and remain engaged with talented and versatile team members using its 'Get, Grow and Keep' model. It strives to provide an environment where team members can thrive and also to create opportunities for long, rewarding and fulfilling careers. These objectives are supported through various communication mechanisms whilst at the same time actively encouraging feedback from team members. The Group emphasises the importance of training and regularly runs a variety of well-developed training programmes. The Group is firmly committed to the principles of Diversity and Inclusion. Equally the Group places a high degree of importance on the well-being of its team members and has taken steps to ensure that they feel supported at all times particularly in relation to promoting and maintaining good mental and physical health. Various support services are in place which team members can call upon, on a strictly confidential basis, should they so wish. There are also well-established fire, health, safety and welfare policies in place.

- Social matters

The Group is firmly committed to the principle of Corporate Social Responsibility. The Group supports both local and national organisations, including national charities such as Macmillan Cancer Support, Great Ormond Street Hospital and the RNLI.

- Environmental matters

The Directors recognise that, as a responsible business, it has an obligation to operate in a manner that minimises the Group's impact on the environment. We follow relevant environmental legislation in carrying out our business and Group policy is to seek to minimise our contribution to environmental damage and maximise our contribution to safe recycling and reprocessing of waste materials.

We have an Energy and Sustainability Team which has been very successful in minimising the Group's levels of energy and water usage and CO2 emissions, with initiatives such as the replacement of lighting with low energy units and the roll out of smart electricity and gas meters.

Bourne Leisure have been accredited with 'The Planet Mark', the leading sustainability business accreditation scheme. This is an annual accreditation scheme in which we commit to a minimum reduction of 2.5% of our carbon emissions.

Our Streamlined Energy and Carbon Reporting (SECR) is within the Directors' Report below.

- Business relationships

The Group closely monitors all of its business relationships in order to allow it to provide its guests with an excellent and consistent level of service. It assesses, on an ongoing basis, the risks of adverse impact on its customers, people and the environment in which the Group operates as a result of these relationships, or as a result of its policies.

Relationships with key suppliers are closely monitored to ensure services are being provided in line with the terms of documented agreements. Performance of key suppliers, along with associated risks to the Group are regularly assessed with options for improvement considered where available. Regular reviews of adherence to key policies, such as Modern Slavery and GDPR, are undertaken.

Directors and Senior Managers are engaged when negotiating terms with key suppliers.
The Group actively engages with its guests at key points during their holiday experience and makes extensive use of feedback, in particular net promoter scores and gathers feedback on a timely and detailed basis.

- Decision making

The Directors meet monthly and make decisions which promote the success of the Group and its stakeholders. Proposals are discussed in detail, approved and documented by the Directors which ensures key decisions are taken considering the Group's risk management framework.

Decision making has been particularly important during the COVID-19 pandemic in relation to the temporary closure of our trading sites, furloughing of staff, accessing government support, and the refinancing of the business. During 2021 the Board operated holidaymaker breaks only if it was safe and legal to do so, that offered a Brand enhancing experience, creating memories that last a lifetime, and that generated more cash than the sites being closed.

In reaching its decisions, the Board was mindful of the need to seek to preserve the integrity of the Company's business so that it could trade successfully again after the impact of the COVID-19 pandemic had passed.

By order of the Board

I S MacMillan

I S MacMillan
Director

30 May 2022

Registered No. 13081881

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the period 15 December 2020 to 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the operation of holiday centres. The Company raises finance for the Group's investment activities and acts as the UK holding Company for the Group.

OWNERSHIP

The immediate controlling party is Bard Topco Limited, a company that is owned by Blackstone Group, a private equity management firm. Blackstone is one of the world's leading investment firms that seeks to create positive economic impact and long-term value for investors, the companies in which it invests, and the communities in which it works.

DIRECTORS

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

A Agarwal – appointed 29 January 2021, resigned 29 January 2021
L Y Assant – appointed 9 March 2021
L Caruso – appointed 29 January 2021
P C Flaum – appointed 7 February 2022
H Hong – appointed 15 December 2020, resigned 16 May 2022
I S MacMillan – appointed 7 February 2022
A K M Shah – appointed 9 March 2021
A N Walsh – appointed 16 May 2022

DIVIDENDS

No dividend was proposed post period end in respect of the period ended 31 December 2021.

GOING CONCERN

The Group, like many others, has been affected by the impact that the Government restrictions has had on the UK's economy, mainly through the closure of our sites for part of 2020 and 2021.

The Board has considered the impact of a severe but plausible downside scenario, including the impact of potential trading restrictions as a result of Covid-19, and the inflationary cost pressures that the hospitality industry is currently facing along with the potential reduction in consumer spending. The base case model assumes the Group continues to trade as now, with no restrictions and a confident market with trade continuing to build in line with the Group's growth strategy.

A severe but plausible downside scenario has modelled a revenue decline of 31% across the assessment period. This aims to capture the return of possible trading restrictions from Covid-19 or any potential slowdown in consumer spending influenced by the current cost of living crisis. Throughout this scenario we have assumed maintenance capital expenditure levels will continue at historical levels, no cost mitigation actions or structural changes will be made and there would be no government support. In this scenario the group would not require any additional sources of finance.

The financial statements are prepared under the going concern basis. The Directors believe this is appropriate as the Group is expected to deliver increased profitability and cash generation in 2022 whilst also being able to meet its debts as they fall due for the period to 30 May 2023, the date on which the going concern testing period ends.

The Group has a senior facilities agreement of £1,800 million which is not repayable until 26 February 2026 and a £200 million super senior revolving facility to fund the activities of the Group. Taking this and all other factors into account, the Directors believe that the Group is able to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 May 2023, the date on which the going concern testing period ends. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

EMPLOYEES

Employees are kept informed of the performance and objectives of the Group through established methods of briefing and consultations. We conduct team surveys at least annually to provide insight into the views of employees.

The Group gives disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees.

The Group continues the employment of and arranges training for employees who have become disabled persons while employed and otherwise promotes the training, career development and promotion of disabled persons.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

This section includes our mandatory reporting of greenhouse gas emissions and covers the year ended 31 December 2021 and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which came in force on 1 April 2019.

The table below shows total energy consumption and global greenhouse gas emissions for the year ended 31 December 2021 for the Group (including a period of two months prior to acquisition of the Bourne Group) totalling 320,960,474 KWh, which converts to 72,515 tCO2e (tonnes of carbon equivalent), together with an intensity metric.

	Year ended 31 December 2021	
	kWh	***CO_2e tonnes***
Fuel types:		
Natural gas	63,223,730	11,580
Electricity Grid and Renewable	118,017,237	25,059
Other fuels	137,525,739	35,332
Petrol and Diesel	2,193,768	544
	320,960,474	72,515
Greenhouse Gas Emissions Intensity Ratio		
Tonnes of CO_2e per £1m of revenue		73.1

Data has been collected in respect of the year ended 31 December 2021 and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Group is successfully certified by the Planet Mark, a sustainability certification which recognises continuous improvements, encourages action and builds an empowered community of like-minded individuals. Bourne Leisure made a commitment upon certification of the Planet Mark to achieve a minimum 2.5% reduction in its measured carbon footprint year on year.

The Group has implemented a number of energy efficiency actions to limit emissions, including the following:

- Annual Group wide targets for energy reduction, waste recycling and water use efficiency.
- Employing a Sustainability team which, along with the teams on sites, continues to drive energy efficiency initiatives across the business and ensures best practice is adopted at all locations.
- Installation of energy efficient products such as LED lighting, solar street lighting and timers.
- Ongoing development of our long-term sustainability strategy.

CORPORATE GOVERNANCE

The corporate governance statement, as required by the Companies (Miscellaneous Reporting Regulations) 2018 ("The Regulations"), is included in the Directors' Report by cross reference and can be found on page 9.

ENGAGEMENT WITH SUPPLIERS, GUESTS AND OTHERS

The Group closely monitors all of its business relationships in order to allow it to provide its guests with an excellent and consistent level of service. It assesses, on an ongoing basis, the risks of adverse impact on its guests, people and the environment in which the Company operates as a result of these relationships, or as a result of its policies.

Relationships with key suppliers are closely monitored to ensure services are being provided in line with the terms of documented agreements. Performance of key suppliers, along with associated risks to the Group are regularly assessed with options for improvement considered where available. Regular reviews of adherence to key policies, such as Modern Slavery and GDPR, are undertaken.

Directors and Senior Managers are engaged when negotiating terms with key suppliers.

The Group actively engages with its guests at key points during their holiday experience and makes extensive use of feedback, in particular net promoter scores.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' LIABILITIES

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' report.

FINANCIAL DERIVATIVES

To partly mitigate the interest risk relating to adverse movements in the interest rate on the senior facility agreement, the Group paid a premium on a notional amount of £1,350 million to cap the interest rate on the floating element at 1% with a maturity date of 25 February 2022.

POST BALANCE SHEET EVENTS

Post balance sheet events are disclosed in note 26.

AUDITOR

Ernst and Young LLP were appointed as auditor for the Company's first financial period and have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor.

By order of the Board

I S MacMillan
Director

30 May 2022

For the period 15 December 2020 to 31 December 2021, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies. These new corporate governance reporting requirements apply to company reporting for financial years starting on or after 1 January 2019. We have adopted the disclosure in our 2021 Report and Accounts and set out below is how we have applied the Principles during the period to run the business.

Principle 1 – Purpose and Leadership

The Board focuses on the delivery of the Group Mission Statement "to give our guests a great time with memories that last a lifetime", and the development and execution of the 5 Year Plans for each of the brands. This work ensures that the values, culture and strategy are all aligned.

The community of senior leaders in the business is known as 'Leadership Live'. This group is comprised of leaders across brands and functions and we recognise the importance of regular, high quality communication with this group who meet at least annually and who have virtual gatherings during the period.

Our aspiration is to achieve a team member base reflective of society at all levels, providing opportunity for all, regardless of background, gender, sexual orientation, disability or age. Our gender split across the business, using the same data as used in our gender pay reporting, shows 52% of our team members are female and 48% are male. This is split across Directors 100% male, Senior Leadership team 80% male and 20% female, both of which are not reflective of the recruitment policy across the Group, and all other roles are 48% male and 52% female.

Communication across the business is multi layered with a variety of channels and including the annual Town Hall meetings and the brand and functional conferences. Some of these were "virtual meetings" during 2021.

Principle 2 – Board Composition

The Board includes a Chief Executive Officer and Chief Financial Officer who are supported by four other Directors nominated by Blackstone Group. The size and composition of the Board is considered to be appropriate for the nature and scale of the business.

Principle 3 – Director Responsibilities

The Board has a programme of monthly meetings and governance of the Group is reviewed on a regular basis.

The Board reviews trading performance, ensuring adequate funding, setting and monitoring strategy, examining major acquisition possibilities and reporting to shareholders. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings.

The Board receives regular and timely information on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, executive forecasts, operational matters, market conditions and sustainability, all supported by Key Performance Indicators (KPIs) and a Balanced Score card for each brand and functional area.

The work of the Board and its Committees is underpinned by delegations of authority.

Principle 4 – Opportunity and Risk

The Board promotes the long-term sustainable success of the company by identifying opportunities to create and preserve value. Review of operational and financial risks is delegated to the Risk Board and strategic decision-making is reserved for the Board and some non-financial risks are reviewed.

The Board also considers all major projects (as defined by their value and risk profile) and approves them before any work is authorised. The Risk Board also considers further risks as part of the day to day management of the business.

The principal risks and uncertainties are described on page 3 of this report.

The Audit Committee is scheduled to meet twice per annum. It is responsible for reviewing a wide range of matters including the annual financial statements before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Audit and Risk Committee advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The audit committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Principle 5 – Remuneration

The Remuneration Committee's (RemCo) primary objective is to set remuneration at a level that will enhance the company's resources by securing and retaining quality senior management who can deliver the strategic ambitions in a manner consistent with both its purpose and the interests of its shareholders.

The committee meets at least twice per annum. Specifically, the RemCo considers gender pay-gap, executive pay and bonus structures and conducts regular benchmarking of salary and compensation packages throughout our business.

Principle 6 – Stakeholders

The Board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the company's brands, reputation and relationships with all our stakeholder community including shareholders, guests and holiday home owners, employees, suppliers and the local communities in which we work.

Annual team engagement surveys are performed to highlight improvements in the Group's strategic direction, optimism in the future and career opportunities.
Each brand in the group undertakes extensive, independent guest satisfaction polling and all Brands have high levels of NPS. The findings are used to improve guest and owner advocacy in line with our mission to be the UK's most loved holiday and holiday home ownership business.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). 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 the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Opinion

We have audited the financial statements of Bard Midco Limited ('the Parent Company') and its subsidiaries (the 'Group') for the period 15 December 2020 to 31 December 2021 (the 'period') which comprise the Group Income Statement, the Statement of Changes in Equity for the Group and Parent Company, the Group and Parent Company Statement of Financial Position, the Group Statement of Cash Flows and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months ending 30 May 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic operations, including health and safety, employment, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation, such as Board minutes and correspondence with authorities.
- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue to be a fraud risk.
- We performed testing of manual journals included in our testing of revenue recognition using data analytics. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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

Use of our report

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

Ernst & Young LLP

Rachel Savage (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 May 2022

GROUP INCOME STATEMENT
for the period 15 December 2020 to 31 December 2021

	Notes	*From 15 December 2020 to 31 December 2021* *£000*
TURNOVER	2	984,929
Cost of sales		(674,493)
GROSS PROFIT		310,436
Administrative expenses		(213,927)
GROUP OPERATING PROFIT	3	96,509
Interest receivable	6	8
Interest payable	6	(116,000)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,483)
Tax charge on profit on ordinary activities	7	(35,196)
LOSS FOR THE FINANCIAL PERIOD		(54,679)

All of the Group's activities are regarded as continuing.

There were no recognised gains or losses during the period other than those recognised in the income statement.

The notes on pages 20 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP
for the period 15 December 2020 to 31 December 2021

	Share capital	*Share premium*	*Profit and loss account*	*Capital contribution reserve*	*Total shareholders' funds*
	£000	*£000*	*£000*	*£000*	*£000*
Equity issued from incorporation	8,666	857,977	–	-	866,643
Loss for the period	–	–	(54,679)	-	(54,679)
Share based payment transactions	–	–	–	5,900	5,900
At 31 December 2021	8,666	857,977	(54,679)	5,900	817,864

STATEMENT OF CHANGES IN EQUITY FOR THE COMPANY
for the period 15 December 2020 to 31 December 2021

	Share capital	*Share premium*	*Profit and loss account*	*Total shareholders' funds*
	£000	*£000*	*£000*	*£000*
Equity issued from incorporation	8,666	857,977	–	866,643
Profit for the period	–	–	–	–
At 31 December 2021	8,666	857,977	–	866,643

The notes on pages 20 to 35 form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Notes	***2021*** ***£000***
ASSETS		
NON - CURRENT ASSETS		
Intangible assets and goodwill	9	1,232,779
Tangible assets	10	2,480,969
		3,713,748
CURRENT ASSETS		
Stocks	13	18,501
Debtors: amounts falling due within one year	14	125,641
Debtors: amounts falling due after one year	14	20,632
Cash at bank and in hand		214,469
		379,243
CREDITORS: amounts falling due within one year	15	(695,600)
NET CURRENT LIABILITIES		(316,357)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,397,391
CREDITORS: amounts falling due after more than one year		
Secured senior loans	16	(1,771,822)
Other creditors	16	(218)
		(1,772,040)
PROVISIONS FOR LIABILITIES	17	(533,277)
DEFERRED INCOME	18	(274,210)
NET ASSETS		817,864
CAPITAL AND RESERVES		
Called up share capital	20	8,666
Share premium account	21	857,977
Capital contribution reserve		5,900
Profit and loss account		(54,679)
EQUITY SHAREHOLDERS' FUNDS		817,864

The notes on pages 20 to 35 form part of these financial statements.

Approved by the Board and signed on its behalf by

I S MacMillan
Director

P C Flaum
Director

30 May 2022

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Notes	***2021*** ***£000***
FIXED ASSETS		
Investment in subsidiaries	12	866,543
CURRENT ASSETS		
Debtors: amounts falling due within one year	14	535,208
CREDITORS: amounts falling due within one year	15	(535,108)
NET CURRENT ASSETS		100
TOTAL ASSETS LESS CURRENT LIABILITIES		866,643
CAPITAL AND RESERVES		
Called up share capital	20	8,666
Share premium account	21	857,977
EQUITY SHAREHOLDERS' FUNDS		866,643

The Company has elected to take exemption under section 408 of the Companies act 2006 not to present the Company Income Statement. The Company did not generate any profit or loss during the period from 15 December 2020 to 31 December 2021.

The notes on pages 20 to 35 form part of these financial statements.

Approved by the Board and signed on its behalf by

I S MacMillan
Director

P C Flaum
Director

30 May 2022

GROUP STATEMENT OF CASH FLOWS
for the period 15 December 2020 to 31 December 2021

	Notes	*2021*
		£000
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit		96,509
Amortisation of intangible assets and goodwill	9	82,353
Depreciation of property, plant and equipment	10	94,752
Share based payment (equity settled)		5,900
Working capital movements:		
Decrease in stocks		5,601
Decrease in debtors		3,311
Increase in creditors		35,358
Increase in deferred income		4,312
Taxation received		7,401
NET CASH INFLOW FROM OPERATING ACTIVITIES		335,497
INVESTING ACTIVITIES		
Interest received		8
Payments to acquire intangible fixed assets		(9,735)
Payments to acquire tangible assets		(89,332)
Receipts from sales of tangible assets		9,133
Purchase of Bourne Leisure Holdings Limited, net of cash acquired	11	(1,753,598)
Purchase of subsidiary undertaking	11	(986)
Net cash flow from investing activities		(1,844,510)
FINANCING ACTIVITIES		
Interest paid		(71,997)
Issue of ordinary share capital		866,543
New long-term loan	16	1,800,000
Issue costs on new long-term loan		(33,814)
Funds used to settle acquired external debt	11	(837,250)
Net cash flow from financing activities		1,723,482
INCREASE IN CASH AND CASH EQUIVALENTS		214,469
CASH AND CASH EQUIVALENTS AT 15 DECEMBER 2020		-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2021		214,469

The notes on pages 20 to 35 form part of these financial statements.

1. ACCOUNTING POLICIES

Bard Midco Limited (the "Company) is a company incorporated by shares and domiciled in England and Wales, registration number 13081881. The registered office is 1 Bartholomew Lane, London, EC2N 2AX.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") for the period 15 December 2020 to 31 December 2021. The parent company financial statements present information about the Company as a separate entity and not about its group for the period from 15 December 2020 (date of incorporation) to 31 December 2021. The presentation currency of these financial statements is sterling and rounded to the nearest £000.

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard 102 ("FRS 102"). On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of s408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis with the exception of derivative financial instruments which are measured at fair value.

Basis of consolidation

The consolidated financial statement includes the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to COVID-19, interest rate, credit, liquidity and cash flow risk are set out in the Strategic Report above.

The Group, like many others, has been affected by the impact that the Government restrictions has had on the UK's economy, mainly through the closure of our sites for part of 2020 and 2021.

The Board has considered the impact of a severe but plausible downside scenario, including the impact of potential trading restrictions as a result of Covid-19, and the inflationary cost pressures that the hospitality industry is currently facing along with the potential reduction in consumer spending. The base case model assumes the Group continues to trade as now, with no restrictions and a confident market with trade continuing to build in line with the Group's growth strategy.

A severe but plausible downside scenario has modelled a revenue decline of 31% across the assessment period. This aims to capture the return of possible trading restrictions from Covid-19 or any potential slowdown in consumer spending influenced by the current cost of living crisis. Throughout this scenario we have assumed maintenance capital expenditure levels will continue at historical levels, no cost mitigation actions or structural changes will be made and there would be no government support. In this scenario the group would not require any additional sources of finance.

The financial statements are prepared under the going concern basis. The Directors believe this is appropriate as the Group is expected to deliver increased profitability and cash generation in 2022 whilst also being able to meet our debts as the fall due for the period to 30 May 2023, the date on which the going concern testing period ends.

The Group has a senior facilities agreement of £1,800 million which is not repayable until 26 February 2026 and a £200 million super senior revolving facility to fund the activities of the Group. Taking this and all other factors into account, the Directors believe that the Group is able to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 May 2023, the date on which the going concern testing period ends. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment
Property, Plant and Equipment are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold and long leasehold buildings	– Between 20 years and 125 years
Short leasehold buildings	– Over the term of the lease
Long life plant and machinery	– 10 years
Vehicles	– 4 years
Fixtures and fittings	– 6 years
Computer equipment	– 3 to 4 years

Land is not depreciated.

Caravans for hire are depreciated on a straight-line basis to their estimated value at the date on which they are due for replacement.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets and goodwill

Goodwill

Goodwill recognised represents the excess of the fair value of the purchase consideration over the fair values of the Group's interest in the identifiable assets, liabilities and contingent liabilities acquired. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Group Income Statement over its useful economic life of 10 years.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or the cash generating unit to which the asset has been allocated) is tested for impairment. Any impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less cost to sell and value in use.

Other intangible assets

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Brand valuations – 25 years

Development costs – 4 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Stocks
Stocks of caravans and other goods for resale are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.
Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

1. ACCOUNTING POLICIES (CONTINUED)

Deferred income
Income invoiced or cash received for site fees, holidays and other goods and services relating to future periods is included within deferred income.

Pension costs
Pension contributions are made to defined contribution schemes for certain Directors and employees. These contributions are charged to the profit and loss account as they are incurred.

Revenue recognition
Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of VAT. Revenue is measured at the fair value of the consideration received, net of discounts, rebates and value added tax. Revenue comprises:

Holiday sales
Revenue received for holiday sales is initially deferred and subsequently recognised when the holiday commences.

Caravan sales and owner services
Sales of caravans are recognised when risks and rewards have been transferred to the purchaser. Owner services include site fees which are paid annually. The fees are deferred and released across the period to which they relate.

Retail sales
Sales of goods through our onsite facilities are shown net of returns and discounts. Retail sales are generally recognised at the point of cash receipt.

Advertising and promotional activities
Expenditure is recognised as an expense when the Group receives the service.

Leasing commitments
Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

Hire purchase contracts
Amounts receivable under hire purchase contracts are included within debtors and represent the total amount outstanding under hire purchase agreements less earned income. Hire purchase income, having been allocated to accounting periods to give a constant periodic rate of return on the net cash investment, is included within turnover.

Deferred tax
Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability / (asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. ACCOUNTING POLICIES (CONTINUED)

Guaranteed Lets

On certain sales of caravans, the Group offers a guaranteed let arrangement, whereby part payment for the caravan is taken in the form of a guaranteed let, the value of which is held on the balance sheet as a debtor and released to the profit and loss account as a cost over the sub-let agreement. Revenue associated with the letting is recognised when the holiday commences.

Share - based payment awards

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss account.

The financial effect of awards by the parent company of equity-settled awards to the employees of subsidiary undertakings are recognised by the parent company in its individual financial statements. In particular, the parent company records an increase in its investment in subsidiaries with a credit to equity equivalent to the expense for the equity-settled award recognised in the group for such awards. There are no recharges to the subsidiary undertakings for such awards

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systemic basis over the periods in which the Group recognises as expenses the related operating costs for which the grants are intended to compensate.

Coronavirus Job Retention Scheme (CJRS)

Under this scheme, HMRC reimburses up to 80% of the wages of certain team members who have been furloughed. The scheme is designed to compensate for staff costs, so amounts received are recognised in the income statement over the same period as the costs to which they relate. In the income statement, operating costs are shown net of grant income received. The scheme commenced on 20 March 2020 and finished on 30 September 2021.

Business rates

Businesses in the retail, hospitality and leisure sectors were granted up to 100% business rates relief for the 2020/21 rates year and continued through to 30 June 2021 at which point a 66% relief was granted for the period from 1 July 2021 to 31 March 2022 up to a total value of £2 million.

1. ACCOUNTING POLICIES (CONTINUED)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Key accounting judgements

The following are the key judgements, apart from those involving estimates, dealt with separately below, that management have made in the process of applying the Company's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

Going concern

The directors exercise judgement when concluding on going concern as the basis of preparation of the financial statements. For further details see Going Concern on page 20.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Deferred tax

The Group recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these items differs from these estimates, such differences will have an impact on corporation tax and deferred tax provisions in the period when such determination is made. Details of the tax charge and deferred tax are set out in note 7.

Key accounting estimates

The following are the key areas of estimation uncertainty that may have the most significant effect on the amounts recognised in the financial statements.

Public liability claims

The Group recognises a provision for public liability claims relating to accidents that have occurred at its sites. Management make an estimate of the potential claim value based on guidance from lawyers, in house specialists and previous experience. The public liability provision is a liability of £18,956,000 held within accruals. Expected insurance recoveries amount to £6,825,000, giving a net liability of £12,131,000.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services, net of discounts, VAT and similar taxes. It includes £406.3m for the sale of goods and £578.6m for the sale of services. The Group operates in one principal area of activity, being the operation of holiday centres within the United Kingdom only. All operations were continuing.

Although this has not been quantified, the Group has benefitted from a reduction in the rate of VAT from 20% to 5% for the hospitality and tourism sector which was introduced by the UK Government on 15 July 2020 and lasted until 30 September 2021 after which it changed to 12.5% and was in place until 1 April 2022 when it reverted to 20%.

3. GROUP OPERATING PROFIT

This is stated after charging:

		2021
		£000
Amortisation of Brand valuation		19,286
Amortisation of goodwill		60,525
Amortisation of intangible fixed assets		2,542
Depreciation of tangible fixed assets		94,752
Auditor's remuneration	- audit of the financial statements	731
	- other services	8
Operating lease rentals	- land and buildings	3,248
	- plant and machinery	2,175

Government grants

During 2021, Government support was received in the form of the Coronavirus Job Retention Scheme which amounted to £14.9 million, a holiday on business rates worth £13.3 million and a reduction in the rate of VAT on hospitality and tourism to 5% until 30 September 2021 after which it changed to 12.5%. The VAT rate on hospitality and tourism subsequently returned to 20% on 1 April 2022.

4. STAFF COSTS

	2021
	£000
Wages and salaries	245,271
Social security costs	18,619
Other pension costs	3,163
Staff costs before Government grants	267,053
Government grant *	(14,935)
Total staff costs	252,118

The average monthly number of employees was made up as follows:

	2021
	No.
Operations	15,094
Administration	132
	15,226

The Company did not have any employees or staff costs during the period.

* The Government grant for the period ended 31 December 2021 was received in relation to the Coronavirus Job Retention Scheme to contribute to the cost of team wages and salaries, social security costs and pensions. This was introduced by the UK Government in response to the COVID-19 pandemic. The scheme commenced on 20 March 2020 and finished on 30 September 2021.

5. DIRECTORS' REMUNERATION

The Directors did not receive any remuneration during the period.

The remuneration of the key executive management following the acquisition of Bourne Leisure Holdings Limited was £1,823,000.

6. INTEREST

	2021
	£000
Interest receivable:	
Short-term deposits	8
Interest payable:	
Bank loans and overdrafts	84,625
Interest payable to parent company	25,739
Amortisation of loan refinancing costs	5,636
	116,000

7. TAX

(a) Tax on loss on ordinary activities. The tax charge is made up as follows:

	2021
	£000
Current tax	
Corporation tax at 19.0% on the loss for the period	383
Current tax	383
Deferred tax	
Origination and reversal of timing differences (Note 17)	34,813
Tax charge on loss on ordinary activities	35,196

(b) Factors affecting the total tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 19.0%. The differences are reconciled below:

	2021
	£000
Loss before taxation	(19,483)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19%	(3,702)
Expenses not deductible for tax purposes	11,575
Effect in changes of tax rate	27,323
Tax charge on loss on ordinary activities	35,196

The Group expects the unwinding of the net deferred tax balance to be £1,029,000 in 2022.

(c) Factors that may affect future tax charges

In the Budget on 2 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021 and deferred tax has been calculated at 25%.

8. COMPANY PROFIT

As permitted by section 408 of the Companies act 2006, the Company's income statement has not been included in these financial statements. The Company did not generate any profit or loss during the period from 15 December 2020 to 31 December 2021.

9. INTANGIBLE ASSETS AND GOODWILL

	Brand valuations	*Goodwill*	*Development costs*	*Total*
Group	*£000*	*£000*	*£000*	*£000*
Cost:				
Recognised on acquisition of Bourne Leisure Holdings Ltd	578,600	726,297	500	1,305,397
Additions	-	-	9,735	9,735
At 31 December 2021	578,600	726,297	10,235	1,315,132
Amortisation:				
Provided during the period	19,286	60,525	2,542	82,353
At 31 December 2021	19,286	60,525	2,542	82,353
Net book value:				
At 31 December 2021	559,314	665,772	7,693	1,232,779
At acquisition	578,600	726,297	500	1,305,397

The Brand valuations arise following the acquisition of the Bourne Leisure Holdings Limited Group and include the Haven, Butlin's and Warner Brands. The value is being amortised evenly over the Directors' estimate of the useful lives of 25 years.

Goodwill acquired through business combinations represents the excess of the fair value of the purchase consideration over the fair values to the Group's interest in the identifiable net assets and liabilities acquired

Goodwill arising on the acquisition of Bourne Leisure Holdings Limited is being amortised evenly over the Directors' estimate of its useful life of 10 years.

Development costs are amortised evenly over a period of 4 years.

The company has no intangible assets or goodwill.

10. TANGIBLE FIXED ASSETS

	Land and buildings				
	Freehold	Long leasehold	Short leasehold	Plant and equipment	Total
Group	*£000*	*£000*	*£000*	*£000*	*£000*
Cost:					
Recognised on acquisition of Bourne Leisure Holdings Ltd	2,039,653	263,291	27,965	154,225	2,485,134
Additions	35,374	5,213	2,474	46,271	89,332
Acquisition of subsidiary undertaking	10,388	-	-	-	10,388
Disposals	(668)	(110)	-	(8,355)	(9,133)
At 31 December 2021	2,084,747	268,394	30,439	192,141	2,575,721
Depreciation:					
Provided during the period	46,542	7,497	2,358	38,355	94,752
At 31 December 2021	46,542	7,497	2,358	38,355	94,752
Net book value:					
At 31 December 2021	2,038,205	260,897	28,081	153,786	2,480,969
At acquisition	2,039,653	263,291	27,965	154,225	2,485,134

The Group's senior loans were secured jointly on the Group's freehold and leasehold property.

11. ACQUISITIONS

Bourne Leisure Holdings Limited

On 26 February 2021, Bard Bidco Limited acquired the entire share capital of Bourne Leisure Holdings Limited for a consideration of £2,349 million satisfied in cash and Vendor Preference Shares in Bard Topco Limited. The acquisition was funded by external debt and the issue of shares.

A summary of the book values and fair values of the assets and liabilities acquired are as follows:

	Book value	***Fair value adjustments***	***Fair value***
	£000	***£000***	***£000***
Brands valuation	-	578,600	578,600
Intangible assets	500	-	500
Property, plant and equipment	1,386,982	1,098,152	2,485,134
Stock	24,102	-	24,102
Debtors	157,240	-	157,240
Cash	95,258	-	95,258
Creditors	(112,663)	-	(112,663)
Borrowings	(837,250)	-	(837,250)
Deferred tax	(79,276)	(419,188)	(498,464)
Deferred income	(269,898)	-	(269,898)
Net assets acquired	364,995	1,257,564	1,622,559
Goodwill generated			726,297
Purchase price satisfied by:			
Total purchase consideration			2,348,856

The goodwill is attributable to the profitability of the acquired business, its operating model and team.

Purchase consideration – cash (including £26,841,000 of transaction costs and £11,553,000 of stamp duty)	1,848,856
Purchase consideration satisfied by Vendor Preference shares in Bard Topco	500,000
Cash / Vendor Preference share consideration	2,348,856
Purchase consideration - cash	1,848,856
Less cash acquired	(95,258)
Cash consideration, net of cash acquired	1,753,598
Funds transferred to settle external debt	(837,250)
Net cash impact of the Bourne Leisure Holdings Limited acquisition	916,348

Astril Limited

On 26 February 2021, Haven Leisure Limited acquired the entire share capital of Astril Limited. Total consideration was £10.2m plus acquisition costs, £0.9m of which was satisfied in cash with the remainder satisfied by the issue of Vendor Preference Shares in Bard Topco Limited. The book value of the net assets acquired was £0.4m and the fair value of the net assets acquired was £10.2m. The difference between the book value and fair value of £9.8m has been classed as land. The Group has included the post acquisition results and balance sheet of Astril Limited using the acquisition method of accounting.

12. INVESTMENTS IN SUBSIDIARIES

Company

	2021
	£000
Bard Bidco Limited	866,543

The subsidiary undertakings, all of which are wholly owned and registered at 1 Park Lane, Hemel Hempstead, HP2 4YL (except where indicated below), comprise the following:

Owned directly	*Activities*
Bard Bidco Limited*	Holding company
Owned indirectly	*Activities*
Bourne Leisure Holdings Limited	Holding company
Foray 989 Limited	Holding company
Bourne Leisure Limited	Holding company
Colaingrove Limited	Holding company
Evergreen Finance Limited	Finance company
Guardian Shield Insurance Limited** (incorporated in Guernsey)	Insurance company
Bridge Street (Nominees) Limited	Nominee company
Melesey Limited	Administrative services
Bourne Holidays Transport Services Limited	Transportation services
Leisure Employment Services Limited	Employment services
Haven Leisure Limited	Caravan park operator
Palmhall Limited	Caravan park operator
Astril Limited ^	Caravan park operator
Celtic Haven Limited ^	Operation of holiday park
Bourne Holidays Limited	Hotel operator
Heythrop Park Limited	Hotel operator
Butlins Skyline Limited	Operation of holiday parks
Butlins Development Limited	Hotel developer
Butlins Operations Limited	Hotel operator
Butlins Property (Hotel) Limited	Property rental company
BL Park Lane Limited (incorporated in the Isle of Man)***	Property rental company
Amtree Farm Development Limited #	Dormant
B L (British Holidays) Limited #	Dormant
Berwick Holiday Centre Limited #	Dormant
Bourne Leisure (Hopton) Limited #	Dormant
Bourne Leisure Group Limited #	Dormant
Butlins Limited #	Dormant
Far Grange Park and Golf Club Limited #	Dormant
Flamborough Holidays Limited #	Dormant
Greenacres Holiday Park Limited #	Dormant
Haggerston Castle Limited #	Dormant
JPB Leisure Limited #	Dormant
Kiln Park Estates Limited #	Dormant
Lakeland Holiday Park Limited #	Dormant
Leisure Services Agency Limited #	Dormant
Rockley Sands (Estates) Limited #	Dormant
SLC (Bourne) Limited #	Dormant
Seton Sands Holiday Centre Limited #	Dormant
Warner Holidays Limited #	Dormant

* Companies denoted here have a registered address of 1 Bartholomew Lane, London, EC2N 2AX.

** Company denoted here has a registered address of Maison Trinity, Trinity Square, St Peter Port, Guernsey GY1 4AT.

*** Company denoted here has a registered address of First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF.

^ Companies denoted here have taken a parental guarantee and are not audited. The Company has guaranteed the liabilities of the subsidiaries denoted above in order that they qualify for the exemption from individual audit under Section 479A of the Companies Act 2006 in respect of the period ended 31 December 2021.

Companies denoted here are dormant subsidiaries which are exempt from the requirements relating to the audit of the accounts under Section 394 of the Companies Act 2006.

13. STOCKS

	Group	*Company*
	2021	*2021*
	£000	*£000*
Stock	18,501	–

There is no significant difference between the current replacement cost of stocks and the amounts at which they are stated in the balance sheet.

The value of stock written off in 2021 was £628,000. The value of stock purchased and expensed to the profit and loss account was £159,306,000.

14. DEBTORS

	Group	*Company*
	2021	*2021*
	£000	*£000*
Trade debtors	79,261	-
Amounts due from parent undertaking	147	100
Loan due from subsidiary	-	535,108
Net investment in hire purchase contracts	25,706	-
Corporation tax	2,927	-
Other debtors	19,183	-
Prepayments	19,049	
	146,273	535,208

Included in net investment in hire purchase contracts are amounts falling due after more than one year of £20,632,000. Most of the contracts are for a period of seven years. Unearned interest on the hire purchase contracts (excluded from the figures above) is £4,929,000.

The intercompany loan receivable of £535,108,000 is due from Bard Bidco Limited, a subsidiary undertaking. This relates to a loan provided on 1 March 2021 which is repayable on demand and incurs annual interest of 6% which is compounded annually on 31 March. Accrued interest included within the intercompany loan amounts to £25,739,000 as at 31 December 2021.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £000	*Company 2021 £000*
Loan due to parent undertaking	535,108	535,108
Trade creditors	24,851	-
Other taxes and social security	15,441	-
Other creditors	8,446	-
Accruals	111,754	-
	695,600	535,108

The intercompany loan payable of £535,108,000 is due to Bard Topco Limited, the immediate parent company, a company incorporated in Jersey. This relates to a loan provided on 1 March 2021 which is repayable on demand and incurs annual interest of 6% which is compounded annually on 31 March. The initial value of the intercompany loan was £509,369,000 and accrued interest amounts to £25,739,000 as at 31 December 2021.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000
Secured senior loans	1,800,000
Amortised value of loan issue costs	(28,178)
Secured senior loans, net of issue costs	1,771,822
Other creditors	218
	1,772,040

Analysis of loans by maturity	
Repayable as follows:	
Between two and five years	1,800,000
	1,800,000

Details of loans at the period end:

	Group 2021 £000
Secured senior loans	
Senior Term Facility repayable on 26 February 2026	1,800,000
Interest is charged at 5.35% above SONIA	
	1,800,000

On 19 February 2021 Bard Bidco Limited, a subsidiary of the Company, entered into a senior facilities agreement of £1,800 million repayable on 26 February 2026 which incurs annual interest of 5.35% plus SONIA. On 19 February 2021 Bard Bidco Limited also entered into a £200 million super senior revolving facility repayable on 26 August 2025 which incurs interest at 3.25% plus SONIA. The £200 million super revolving facility was undrawn at the year end.

The loan issue costs were £33,814,000. The amortised value at 31 December was £28,178,000 and the debt net of issue costs was £1,771,822,000.

The above senior loans were secured jointly on the Group’s freehold and leasehold property.

17. PROVISIONS FOR LIABILITIES

Group

	Deferred tax
	£000
On acquisition at 26 February 2021	79,276
Recognised on Brand valuation and property, plant and equipment uplift	419,188
Charged to profit and loss account – current period	34,813
At 31 December 2021	533,277

The Group deferred tax provided at 25% is as follows:

	2021
	£000
Accelerated capital allowances	67,123
Revaluation of property to its market value	13,240
Fair value of property, plant and equipment	270,915
Intangible fixed assets	139,828
Gains rolled over into replacement assets	53,771
Other short-term timing differences	(2,676)
Losses	(8,924)
	533,277

18. DEFERRED INCOME

Deferred income comprises income invoiced or cash received for site fees, holidays and other goods and services relating to future periods. At the balance sheet date, all deferred income is due within one year.

19. FINANCIAL DERIVATIVES

To partly mitigate the interest risk relating to adverse movements in the interest rate on the senior facility agreement, the Group paid a premium on a notional amount of £1,350 million to cap the interest rate on the floating element at 1% with a maturity date of 25 February 2022.

20. SHARE CAPITAL

	2021
	£000
Called up, allotted and fully paid:	
866,643,377 ordinary shares of £0.01 each	8,666

The Company was incorporated on 15 December 2020 with one share with a nominal value of £0.01.

In relation to the acquisition of Bourne Leisure Holdings Limited on 26 February 2021, Bard Midco Limited issued 859,896,607 ordinary shares of £0.01 each at an aggregate subscription price of £859,896,607 to its immediate parent company, Bard Topco Limited.

Furthermore, on 3 March 2021, the Company issued 2,500,000 ordinary shares at an aggregate subscription price of £2,500,000 with a nominal value of £25,000. The Company also issued 4,246,769 ordinary shares on 24 March 2021 at an aggregate subscription price of £4,246,769 with a nominal value of £42,468.

21. RESERVES

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

22. CAPITAL COMMITMENTS

	Group 2021 £000	*Company* 2021 £000
Amounts contracted but not incurred at period end	36,304	-

23. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme for certain Directors and employees and in addition has made available to all employees a stakeholder defined contributions scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund.

24. OTHER FINANCIAL COMMITMENTS

Group

The Group leases various land and buildings and plant and equipment under non-cancellable operating leases. At 31 December 2021 the Group had future minimum payments under non-cancellable operating leases as set out below:

	2021 *£000*
Amounts payable:	
Not later than one year	4,913
Later than one year and not later than five years	15,710
Later than five years and not later than ten years	19,370
Due after ten years	105,062
	145,055

Company

The Company has no operating lease commitments.

On 31 December 2021, the Group had commitments under forward contracts to purchase electricity and gas in 2022 at a contracted value of £16,655,000.

25. RELATED PARTY TRANSACTIONS

The Group paid support service fees to Revantage Europe, a company which is part of the Blackstone Group Inc (which manages and advises the funds of which the company is a subsidiary), of £280,000 during the period 15 December 2020 to 31 December 2021.

The Group paid £4 million to Blackstone Securities Partners L.P. for services relating to the raising of bank financing for the Group which is capitalised within the loan issue costs.

26. POST BALANCE SHEET EVENTS

On 18 February 2022 the Group acquired a caravan park operator, Walter John Cook and Sons Limited, a Company incorporated in Great Britain.

On 28 March 2022 the Group acquired the trade and assets of the Runnymede-on-Thames hotel.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company’s immediate parent undertaking is Bard Topco Limited, a Company incorporated in Jersey. The controlling parties are funds advised by the Blackstone Group, a private equity management firm.