



Annual Review

2019/20



Center Parcs is all about family time

Center Parcs targets the premium sector of the UK and Ireland family short break market, offering an escape from the stresses and strains of modern life and helping families come together.

All Center Parcs villages were closed to the public in March 2020 and remained closed until July 2020, in line with government guidance relating to the global COVID-19 pandemic. Prior to the closure, Center Parcs continued to benefit from market trends showing an increase in family short breaks within the UK and Ireland.

Since reopening, we have followed and, in many ways, exceeded, government guidelines to ensure we protect our guests, staff and the brand essence of the experience – family togetherness, an escape from the day-to-day, exploration, adventure and relaxation. The Center Parcs concept remains relevant in these times. Indeed, as a domestic break is proving particularly attractive to families when overseas travel is restricted, we expect to see many more families booking with us for the first time over the coming months. Combined with consistently high guest satisfaction scores and repeat business, this bodes well for the coming years.

We have continued to invest to ensure we deliver high quality service, accommodation and facilities, combined with an unrivalled array of activities that cater for the most discerning of families, as well as the most changeable of weather. There's nothing prescriptive about a short break at Center Parcs, with each family free to choose to do as little or as much as they like.

Center Parcs remains a unique proposition for families and we will continue to innovate and look for ways to enhance and freshen the guest experience and maintain our market-leading position.



Contents

■ Strategic Report

■ Business Overview	4
■ Financial Highlights	5
■ Key Performance Indicators	6
■ Chief Executive's Statement	7
■ Strategy and Objectives	8
■ Group Financial Review	10
■ Risks and Uncertainties	13
■ Corporate Responsibility	16

■ Governance Report

■ History	20
■ Ownership and Management Structure	20
■ Governance Framework	20



Strategic Report



Business Overview



Center Parcs is a leading short break business. We operate six holiday villages in the United Kingdom and Ireland:

- Sherwood Forest in Nottinghamshire;
- Elveden Forest in Suffolk;
- Longleat Forest in Wiltshire;
- Whinfell Forest in Cumbria;
- Woburn Forest in Bedfordshire; and
- Longford Forest in County Longford, Ireland.

Each village is set in a forest environment amongst approximately 400 acres of woodland and lakes and is open 365 days a year. We have around 9,800 employees located across the six villages and our Head Office in Nottinghamshire.

Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within this comfortable, quiet and family-friendly setting, the Center Parcs villages provide guests with high-quality accommodation and more than 150 leisure activities.

The focal point and key attraction of each village is an all-weather indoor Subtropical Swimming Paradise, featuring a selection of water activities including a wave pool, slides and rides, children's pools and hot tubs. Other experiences include outdoor activities such as cycling, boating and quad biking, indoor activities such as ten-pin bowling, badminton and pottery painting, and leisure amenities such as spas, restaurants and retail outlets. There are more than 4,800 lodges across the six villages.

We operate in the UK and Ireland short break market, which consists of three segments:

- (i) traditional holiday centres
- (ii) holiday parks based on caravan or lodge accommodation
- (iii) forest villages

Financial Highlights



The Year In Numbers

	2019/20*	2018/19
Occupancy (%)	88.0	97.1
Sleeper nights (m)	6.7	7.4
Number of guests (m)	1.8	2.2
Capital investment (£m)	52.9	66.1
Revenue (£m)	443.7	480.2
Adjusted EBITDA (£m)	200.0	232.6
Profit before tax (£m)	45.2	84.2
Average daily rate (£) (net of VAT)	194.91	191.74
RevPAL (£) (net of VAT)	171.54	186.08
Accommodation bookings via web (% of total)	87	86
Guest satisfaction (% of guests ranking their break as excellent or good)	96	96
Employee turnover (%)	27	29

*excluding Ireland as opened for part of the financial year

The key performance indicators above were negatively impacted by the closure of the UK villages on 20 March 2020 due to the global COVID-19 pandemic.

Key Performance Indicators



The Board of Directors and the Operating Board receive a range of management information on a periodic basis.

The principal measures used to monitor the progress and performance of the business are set out below. The key performance indicators compare the 52 weeks ended 23 April 2020 to the 52 weeks ended 25 April 2019*.

All UK villages were closed on 20 March 2020, with the village in Ireland having been closed a week earlier. All villages remained closed for the remainder of the financial year and reopened on 13 July 2020 (2020/21 financial year). Analysis of the financial results during the closure period is provided in the Group Financial Review.

Revenue

Revenue for the period was £443.7 million (2018/19: £480.2 million).

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation and exceptional/non-underlying items. Adjusted EBITDA for the period was £200.0 million (2018/19: £232.6 million).

Occupancy

Occupancy is the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 88.0% (2018/19: 97.1%) and the number of units of accommodation at 23 April 2020 was 4,323 compared to 4,317 at 25 April 2019.

ADR

ADR is the average daily rate (excluding VAT) achieved based on the total accommodation income divided by the total number of the units of accommodation nights sold. ADR for the period was £194.91 (2018/19: £191.74).

RevPAL

RevPAL is the average daily rate (excluding VAT) achieved based on the total accommodation income divided by the total available number of units of accommodation nights. RevPAL for the period was £171.54 (2018/19: £186.08).

Guest satisfaction

Guest satisfaction is tracked and obtained using online questionnaires completed by guests. For the period, 96% (2018/19: 96%) of respondents ranked their break as excellent or good.

Employee turnover

The average labour turnover for the business during the period was 27% (2018/19: 29%).

*excluding Ireland as opened for part of the financial year

Chief Executive's Statement



“ Center Parcs continued delivering excellent results during the financial year, building upon the strong foundations of investment and innovation laid in previous years. The Group was on course to deliver another set of fantastic results for the financial year prior to the impact of the COVID-19 pandemic.

We closed all of our UK villages on 20 March 2020, with the village in Ireland having closed a week earlier, and the villages remained closed for the remainder of the financial year and reopened on 13 July 2020 (2020/21 financial year). The closure of the villages meant that, overall, revenue and profit were down on the prior year.

During the pandemic, we were committed to protecting our **people**, our **guests** and our **brand** and every decision we made and action we undertook was driven by these key principles. Whilst the COVID-19 pandemic had a massive impact on our business, and the leisure and hospitality sector more broadly, we have worked tirelessly to ensure we have implemented a wide range of measures to keep our employees and guests safe.

Arguably, the domestic short break has never been as relevant as it is now, and Center Parcs remains best placed to welcome our guests with their safety and well-being remaining our highest priority. ”

A handwritten signature in white ink, appearing to read 'MD', enclosed within a white oval scribble.

Martin Dalby

Chief Executive Officer

Strategy and Objectives



Our strategy is to be the leading provider of short breaks in the UK and Ireland. During the 2019/20 financial year, we continued to fulfil our strategic aim.

COVID-19 pandemic

At the time of writing, a huge number of lives have sadly been lost to the pandemic throughout the world. Whilst it is clear that much has been done to mitigate the adverse impact of the pandemic, it is undoubtedly the case that much uncertainty remains about the ongoing impact the virus will have on all of us for the foreseeable future.

Our UK villages were closed on 20 March 2020, with our village in Ireland closing a week earlier, and we reopened all of our villages on 13 July 2020. We have worked tirelessly to ensure our villages are as safe as possible for our employees to work in and for our guests to enjoy some much-needed family time together. Some of the steps we have taken include:

- Implementing strict and clear social distancing protocols in all public spaces through the use of distance markers, clear signage and one-way systems, with 'Social Distancing Champions' on hand to ensure guests follow the protocols for their own protection and for the well-being of those around them;
- Removing cash from our business by asking our guests to pay by card and, where possible, using contactless technology;
- Restricting the number of guests we have on village at any one time and in any indoor space to ensure social distancing is maintained;
- Enhancing cleaning programmes for our accommodation and public areas, focusing on touch points such as handles, handrails, counters, tables and light switches; and
- Placing hand sanitisation stations throughout the villages, both indoors and outdoors, to encourage guests to wash and clean their hands regularly.

Our villages

During the year, we kept our focus on maintaining the high standards that we have built over the years and continued enhancing and innovating across our business. In this financial year, we invested £52.8 million in the UK villages, including £13.4 million on upgrading our existing accommodation, £6.2 million on building new accommodation and £27.5 million on maintenance.

Our guests, our people and our environment

Following the closure of all six Center Parcs villages and our Head Office facility, we utilised the UK Government's Job Retention Scheme (JRS) and the Irish Government's Temporary Wage Subsidy Scheme (TWSS). As a result, more than 95% of our staff were placed on furlough (or on the TWSS). Both schemes gave the option of a company pay top-up and we are pleased to say that we initially topped up the pay of all these colleagues to 100% of their contract pay. Subsequently, we reduced the top-up to 95% and, finally, to 90% for the duration of our participation in the schemes.

Ireland

Our sixth village, based in County Longford, Ireland, opened in July 2019 and traded throughout the financial year until it was required to close due to the COVID-19 pandemic. During the financial year, we welcomed more than 125,000 guests to Longford Forest and it is absolutely clear that the village is delivering what our guests want, with the customer satisfaction scores at Longford Forest being the highest of all locations and 26.2% of guests having already rebooked with us. Our 1,000 employees have really embraced, and contributed to, the Center Parcs culture, and this has enhanced the experience we are able to offer our guests.

Objectives and priorities for 2020/21

Undoubtedly, the 2020/21 financial year will be a challenging one for almost all businesses, with those in the leisure and hospitality sector acutely impacted by the social distancing measures and national and local lockdowns. We will continue to ensure that we put the safety and well-being of our employees and guests first in everything we do.

During this year, our objective is to ensure we remain able to adjust our operating model to comply with the latest guidance issued by the Government to keep everyone safe. We will remain agile, flexible and quick to act to comply with the latest guidance and best practice.

As well as meeting the ongoing challenges posed by the pandemic, we will continue to invest heavily in maintaining and improving our villages.

In relation to our Head Office employees, we will allow them to work in a way that suits them best, having regard to their individual circumstances and government guidelines.

Group Financial Review



Income statement

The following income statement presents the performance of the Center Parcs UK Group.

	52 weeks ended 23 April 2020*			52 weeks ended 25 April 2019		
	Before exceptional and non-underlying items (£m)	Exceptional and non-underlying items (£m)	Total (£m)	Before exceptional and non-underlying items (£m)	Exceptional and non-underlying items (£m)	Total (£m)
Revenue	443.7	-	443.7	480.2	-	480.2
Cost of sales	(127.2)	-	(127.2)	(129.1)	-	(129.1)
Gross profit	316.5	-	316.5	351.1	-	351.1
Administrative expenses	(116.5)	(2.2)	(118.7)	(118.5)	-	(118.5)
Adjusted EBITDA	200.0	(2.2)	197.8	232.6	-	232.6
Depreciation and amortisation	(60.8)	-	(60.8)	(57.7)	-	(57.7)
Total operating expenses	(177.3)	(2.2)	(179.5)	(176.2)	-	(176.2)
Operating profit	139.2	(2.2)	137.0	174.9	-	174.9
Finance income	0.3	-	0.3	0.2	-	0.2
Finance expense	(94.3)	-	(94.3)	(90.9)	(7.7)	(98.6)
Profit before taxation	45.2	(2.2)	43.0	84.2	(7.7)	76.5
Taxation	(9.7)	(10.3)	(20.0)	(15.2)	1.5	(13.7)
Profit for the period	35.5	(12.5)	23.0	69.0	(6.2)	62.8

*excluding Ireland as opened for part of the financial year

Group Financial Review



Financial review*

Impact of the COVID-19 pandemic

All villages were closed on 20 March 2020, with the village in Ireland having been closed a week earlier. All villages remained closed for the remainder of the financial year and reopened on 13 July 2020 (2020/21 financial year), with reduced accommodation capacity and guest activities. All guests who had their short breaks cancelled due to the village closures were contacted and offered either a replacement break at a later date (with a financial incentive) or a full refund of amounts paid.

At the financial period-end, approximately 95% of the Group's employees were furloughed under either the UK Government's Job Retention Scheme or the Irish Government's Temporary Wage Subsidy Scheme. The Group also benefited from the 12-month business rates holiday announced for the leisure industry, and agreed with HMRC that certain tax liabilities could be deferred.

In addition to government support measures, the business took decisive action to reduce the remaining operating costs during the period of closure. Residual operating costs of £11.0 million were incurred in the period from closure on 20 March 2020 to the financial year-end on 23 April 2020. In the subsequent period to 13 July 2020, while the villages remained closed, costs averaged between £6 million and £7 million every four weeks.

Revenue

Revenue decreased by £36.5 million or 7.6% as a result of the village closures, since no revenue was recognised during the closure period.

Cost of sales

Cost of sales decreased to £127.2 million in the year (2018/19: £129.1 million) as a result of the village closures and the impact of certain government support programmes. This was offset to some extent by increases in the National Living Wage.

Administrative expenses

Administrative expenses decreased to £116.5 million in the year (2018/19: £118.5 million) as a result of the village closures.

The £2.2 million exceptional/non-underlying administrative expenses in the current year represents £2.0 million of costs to exit a contract and £0.2 million of legal and other associated costs related to the equity contribution provided by the Group's parent company in light of the COVID-19 pandemic. Taxation on these expenses has also been treated as an exceptional/non-underlying item, as has the impact of the change in applicable deferred tax rate from 17% to 19%.

Adjusted EBITDA

As a result of the factors outlined above, adjusted EBITDA of £200.0 million was achieved during the year (2018/19: £232.6 million).

Depreciation and amortisation

Depreciation and amortisation for the 52 weeks ended 23 April 2020 was £60.8 million, an increase of £3.1 million compared to the 52 weeks ended 25 April 2019. This reflects the Group's ongoing capital investment programme.

*excluding Ireland as opened for part of the financial year

Group Financial Review



Taxation

Corporation tax paid and payments for Group relief totalled £13.5 million during the 52 weeks ended 23 April 2020, compared with £14.0 million in the 52 weeks ended 25 April 2019.

Cash inflow

As at 23 April 2020 the Group had cash and cash equivalents of £36.4 million (25 April 2019: £60.2 million) and negative working capital of £112.3 million (25 April 2019: £145.1 million). Working capital is defined as the net value of the Group's inventories, trade and other receivables and current trade and other payables (excluding taxation creditors and capital and interest accruals).

Net cash from operating activities was £151.2 million and net cash used in investing activities was £57.4 million in the 52 weeks ended 23 April 2020 (52 weeks ended 25 April 2019: £225.2 million and £66.0 million respectively).

Borrowings

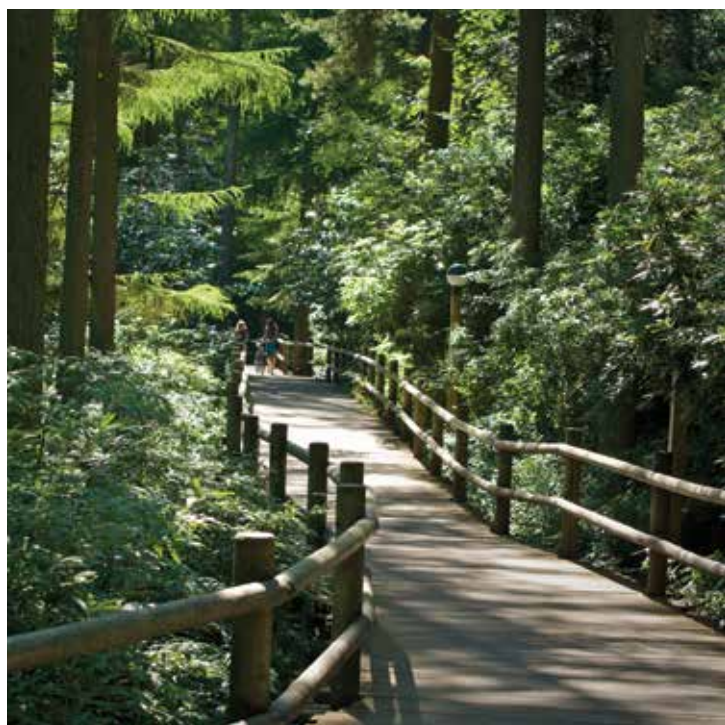
At 23 April 2020, the borrowings of Center Parcs totalled £1,889.6 million (25 April 2019: £1,889.9 million), being £1,889.5 million of secured notes and a mortgage of £0.1 million on the Head Office building.

On 20 November 2018 Center Parcs issued an additional £100.0 million of tranche A4 secured notes via a tap issue, at a premium of £3.2 million. On the same date the Group issued £379.5 million of new 3.690% Class A5 notes. Part of the proceeds of these new notes was used to settle the Group's £350.0 million of Class A3 secured notes which were due to mature in February 2020.

The £7.7 million exceptional/non-underlying finance expense in the prior year represents the premium paid on the settlement of the A3 tranche of the secured debt of £6.1 million and accelerated amortisation of deferred issue costs in respect of the A3 tranche of £1.6 million.

The secured financing agreement includes a number of covenants that Center Parcs is required to comply with, including the maintenance of certain minimum ratios of free cash flow to debt service. The borrowings are secured on the assets of the business.

Risks and Uncertainties



Center Parcs has a proactive approach to the management of potential risks and uncertainties which could have a material impact on the performance of our business and the execution of our growth strategy.

There are a number of potential risks and uncertainties which could have a material impact on Center Parcs' performance and execution of its growth strategy. These risks include, but are not limited to:

Operational Risk Factors

Health, safety and security

The health, safety and security of our guests and employees is paramount in our business. We are committed to maintaining industry-leading standards in health and safety, including fire and food safety, and we adopt a proactive approach to safety management.

All incidents are recorded and reviewed to monitor trends and capture learning points, which are then integrated into the business. The Fire, Health and Safety Steering Committee reviews major incidents, policies and procedures and is focused on continuous improvement to mitigate this risk.

Business continuity

We operate five holiday villages in the UK and one holiday village in Ireland and a significant interruption of any one would have a material impact on the business. As a result, the Risk Committee supervises comprehensive risk management arrangements, including business continuity plans, which are regularly tested with the support of external specialists.

These arrangements are supported by a broad insurance programme to mitigate this risk. The revenue loss resulting from the closure of the villages due to the COVID-19 pandemic was not covered by the business' insurance.

Supply chain

We have a large number of suppliers and pride ourselves on the quality of our product. The business could be adversely affected by a fall in the standard of goods or services supplied by third parties or by a failure of a key partner. These risks are mitigated by robust contract management processes and supplier registration systems for food and safety, and further supported by independent advisors. In addition, the Risk Committee considers supply chain contingency arrangements and takes appropriate measures.

Contractual arrangements

We have contracts with third parties for the supply of goods and services. Contracts are negotiated at arm's length and we do not enter into contracts that are outside the ordinary course of business or those which contain onerous terms. We maintain a compliance programme to ensure compliance with all material contractual commitments. There is no single contractual counterparty that is critical to the running of the business. The failure of any critical contractual counterparty is managed through supply chain contingency arrangements (*see supply chain*).

Employees

Our performance depends largely on our employees, both on the villages and at Head Office. The resignation of key individuals or the inability to recruit employees with the right experience and skills could adversely impact the business' results. To mitigate these issues, we have invested in training programmes and have a number of bonus schemes, linked to the business' results and guest satisfaction, that are designed to reward and retain individuals.

Input price increases

The business' margin could be adversely affected by an increase in the price of key costs to the business due to general economic conditions and the uncertainty surrounding Brexit. This could impact wages, overheads and utilities. We take proactive steps to manage any such increases, including cost control, forward buying and budgeting for any increase.

Brand

The Center Parcs brand could be adversely affected by a serious incident, accident or similar occurrence, or just a slow decline in the brand's appeal to consumers. We mitigate this risk by maintaining industry-leading health and safety systems and standards of training. The risk of a slow decline in the brand's appeal is managed through continuous product investment and innovation, marketing campaigns and brand development.

Risks and Uncertainties



Fraud

Risk of fraud exists in misappropriation of assets, including banking, theft of stock and theft of cash takings. We mitigate this risk through the management structure and regular financial reviews with, and extensive use of, business systems. In addition, our internal audit function undertakes regular reviews of financial controls, with particular focus on cash and stock transactions. Center Parcs is also subject to regular external audits.

Market Risk Factors

General economic conditions

The disposable income of our guests and/or their holiday preferences are affected by changes in the general economic environment, including the uncertainty surrounding Brexit. This may result in a fall in the number of guests and/or a decrease in on-village expenditure. We regularly review our product offering and engage with guests to ensure we provide value for money to meet guests' needs and expectations.

Brexit

Until the terms of the UK's formal exit from the European Union are finalised, it remains difficult for businesses to predict the impact it will have on them and their financial performance. Thus far, the formal exit has not had a material impact on the business of Center Parcs. However, we will continue to monitor political and economic developments and have plans in place for all eventualities.

Competition

The Center Parcs brand is synonymous with high-quality short breaks in a forest environment, but we compete for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. This risk is mitigated by the strength of the Center Parcs brand and continual investment in the accommodation and central facilities (including retail outlets and restaurants), coupled with innovation amongst the leisure activities and the responsiveness to guest surveys.

Technology and cyber security

We rely heavily on systems and technologies for reservations, revenue management and property management. Failure to keep up to date with technology in these areas could have an adverse impact on the business. To mitigate this risk, we have programmes focused on ensuring the long-term stability of IT operating systems, data protection and cyber security. The Operating Board receives regular updates on these programmes.

Seasonality and weather

The demand for short breaks is linked to the main seasonal holiday periods. Our reservation and revenue management systems encourage demand outside of these peak periods in order to mitigate the seasonality risk. The weather could impact our business as the villages are located within forest environments and there are a significant number of outdoor activities. However, there are a wide mixture of indoor and outdoor activities to mitigate this risk and our systems encourage advance bookings, which are not weather dependant.

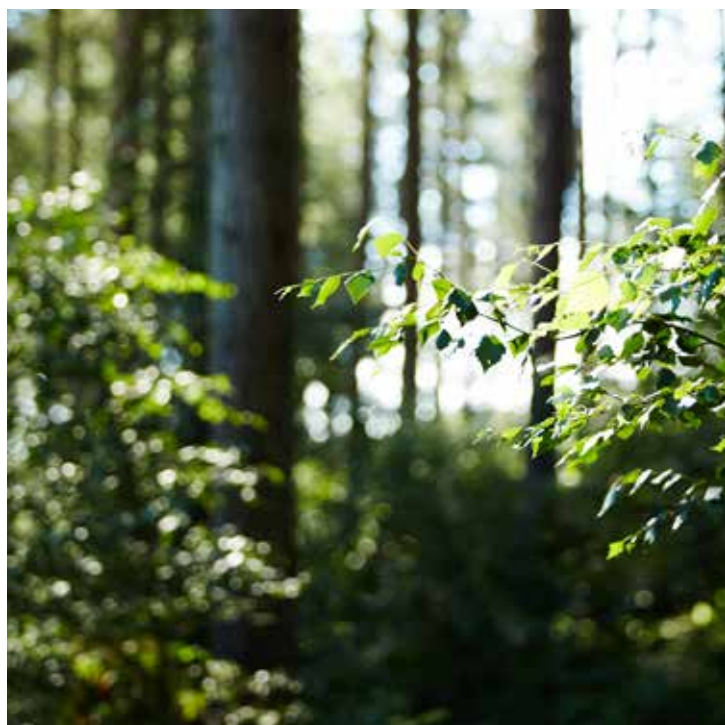
COVID-19 pandemic

Starting with the closure of the villages in March 2020, the COVID-19 pandemic has had a significant impact on the business. Whilst the villages have now reopened, the situation continues to evolve with government advice being regularly updated. The measures mandated by the government are outside of our control. However, we have experienced teams who are capable of managing the impact on guests, colleagues and other key stakeholders.

These teams put in place procedures to ensure the safe reopening of the villages and continue to monitor changing advice and implement further procedures as required.

Although the villages are now open, it is not clear how long government restrictions and social distancing measures will last, or whether tighter restrictions will be reintroduced, resulting in one or more villages having to close again. It is therefore not certain how quickly operations will return to pre-crisis levels.

Risks and Uncertainties



Financial Risks

The Board of Directors and the Operating Board regularly review the financial requirements of the business and the associated risks. Center Parcs does not use complicated financial instruments and, where financial instruments are used, they are used to reduce interest rate risk. The business does not hold financial instruments for trading purposes.

The business finances its operations through a mixture of retained earnings and borrowings as required. Historically, Center Parcs has sought to reduce its cost of capital by refinancing and restructuring the business' funding using the underlying asset value.

All tranches of the secured debt are subject to financial covenants. On 17 July 2020 Center Parcs launched a consent solicitation requesting bondholders to agree to certain amendments of the current terms and conditions on the loan notes, including a request for a waiver of the FCF DSCR covenant calculations. Subsequent to this, the resolutions proposed were passed, resulting in the waiver of the next three calculation dates (August 2020, February 2021 and August 2021).

Interest rate risk

As at 23 April 2020, principal sources of borrowing are fixed interest rate loan notes.

Liquidity risk

The business maintains sufficient levels of cash to enable it to meet its medium-term working capital and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored and surplus cash is invested in interest-bearing accounts.

Currency risk

Whilst no borrowings at 23 April 2020 were denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible the business enters into supply contracts denominated in Sterling. Center Parcs does not operate a hedging facility to manage currency risk as it is not considered to be material.

Credit risk

Cash balances are held on deposit with a number of UK banking institutions. Credit risk in respect of revenue streams is limited as the vast majority of customers pay in advance.

Financial reporting risk

The financial systems are required to process a large number of transactions securely and accurately. Any weaknesses in the systems could result in the incorrect reporting of financial results and covenant compliance. This risk is mitigated by the production of detailed management accounts, which are regularly compared to budgets and forecasts. Center Parcs is also subject to an annual external audit.

Corporate Responsibility



Center Parcs has a strong commitment to acting responsibly in our relationships with our guests, employees, suppliers, neighbours, shareholders and regulators and making a positive contribution to the communities surrounding our villages. This includes:

- Ensuring high levels of guest satisfaction;
- Managing our environmental impact;
- Being an employer of choice; and
- Supporting the community and charities.

Our guests

Our guests are at the heart of our business and we cannot achieve our objectives without them. We remain focused on ensuring that each of our villages maintains a very high level of guest satisfaction. During the year, we welcomed approximately 2.0 million guests to Center Parcs and 96% of those guests said that their holiday was either excellent or good (including guests to Longford Forest). Whilst these levels of guest satisfaction are excellent, and demonstrate the fantastic work undertaken by all of our employees, we continue to strive to deliver higher standards in everything we do, and the passion and motivation of our people is key to this.

After each visit we invite our guests to complete an online satisfaction questionnaire and to share their experience via TripAdvisor. We really are interested in our guests' views and we ask them to rate all areas of our business and provide feedback to help us improve our service and facilities. We use the results to reward our employees for delivering excellent service and to recognise areas where additional training and support is required.

Our environment

With six villages located in two countries, we have an even greater opportunity to truly influence our environment for the better, taking actions that reflect our core values, stated aims and the expectations of our guests.

More than ever, providing a service is not enough, and we are working hard to ensure our imprint on the natural world is a light as practicably possible.

We have a clear commitment to further reduce our use of natural resources, including water consumption and carbon fuels, embracing existing technology and exploring new ideas to help us achieve our goals. Initiatives to reduce our carbon emissions include greater use of solar energy to supplement our existing bio-fuel Energy Centre, further anaerobic digestion facilities, greater sub-metering of energy use and the provision of a network of electric charging points for both guest and company vehicles.

We are setting new targets relating to the reduction of waste produced, and the amount that is subsequently recycled, through careful procurement which reduces non-sustainable resources, such as reliance on single-use plastics, and further reducing any impact upon the biodiverse environment in which our villages are located.

We recognise that every small contribution adds up to a significant reduction in the use of natural resources, and through our commitment to the ISO14001 Environmental Standard certification, we have a focus at all levels, from the village EMS task groups through to our Board of Directors.

We believe that together we can share our aims, commitments and successes and make a difference. We can all play our part in a journey towards a more sustainable future for the well-being of our guests, employees, local communities and wider society.

Corporate Responsibility



Our people

We continued to deliver the key objectives of our People Strategy and have had great success with our management development programmes.

Management development

A brand new 'Roots to Management' programme was developed to give our managers the right knowledge and skills to be a great leader at Center Parcs. This programme complements our 'Branching Out to Management' modules and the combined suite of workshops ensure that our managers have the right skills in place to support and grow our people.

Apprenticeships

Our apprenticeship programme continued its momentum with more than 150 colleagues in areas such as finance, retail, housekeeping, data & analytics, customer service, construction and digital technology solutions completing an apprenticeship programme. New for this year was our participation in the Production Chef apprenticeship programme.

During the year we saw many successes, including all seven of our second Fast Track Management Apprentice cohort achieving their Level 3 Management qualification with a distinction, 25 of our managers successfully completing their Level 5 Institute of Leadership and Management Apprentice qualification and 12 of our chefs achieving their Production Chef and Senior Production Chef qualifications.

Diversity and inclusion

After the success of our pilot, we launched our second Women's Development Programme, where 36 aspiring women from across the business came together to develop more confidence in themselves, to ensure they feel empowered and able to apply for promotions confidently.

We continued our strategy to normalise mental health discussions and, over the year, provided more mental health first aid and saw a great uptake in colleagues accessing health services, including counselling, via our well-being hub.

We also launched two new pilot programmes in Mediation and Coaching, both leading to formal qualifications for the individuals who participated.

People Framework

In spring 2019, we launched our new Center Parcs People Framework, which included a new approach to carrying out appraisals: 'Let's Talk, Natural Conversations'.

When reviewed in November 2019, 79% of our colleagues told us they had had a CheckIn conversation with their manager, and 75% told us they had regular and natural conversations with their manager. We were also delighted to see 81% of people saying they were proud to work at Center Parcs.

Systems and technology

As planned, we started two major projects – the first was a workforce management solution and the second a learning management solution. These technological advances will further develop the processes that underpin our People Strategy.

Longford Forest

We attracted thousands of candidates to our business and successfully recruited, trained and developed more than 1,000 colleagues in time for a highly celebrated launch of Center Parcs in Ireland.

Gender reporting

The table below provides a breakdown of the gender of Directors, senior managers and employees during the financial year, in accordance with the gender reporting requirements:

	2019/20		2018/19	
	Male	Female	Male	Female
Board of Directors ⁽¹⁾	4	1	4	1
Operating Board ⁽²⁾	6	0	6	0
Senior Managers ⁽³⁾	15	8	15	11
All other employees	2,737	7,023	2,484	6,425

(1) Directors of the UK holding company, Center Parcs (Holdings 1) Limited

(2) The management team responsible for day to day operations within the Group

(3) We have defined senior managers as those managers who report directly to a member of the Operating Board

Corporate Responsibility



Our charities

Center Parcs has a proud history of supporting charities that make a difference to families. We are passionate about supporting organisations that share our ethos of bringing and keeping families together.

Since June 2016, our corporate charity partner in the UK has been Together for Short Lives, a national charity for children living with life-limiting conditions and their families, making sure they get the very best care and support so they can make the most of every moment together. We are proud to match-fund donations made by our guests when booking a break with Center Parcs UK and also donate 25 Center Parcs breaks each year to the charity.

As well as national support, each Center Parcs village fundraises for their local children's hospice, which are listed below:

Whinfell Forest – Jigsaw Children's Hospice

Sherwood Forest and Head Office – Bluebell Wood Children's Hospice

Elveden Forest – East Anglia's Children's Hospices

Woburn Forest – Keech Hospice Care

Longleat Forest – Children's Hospice South West

At the time of writing, with the help of our staff and guests, we have raised more than £1,000,000 for Together for Short Lives.

Our communities

We have an extremely close relationship with the communities surrounding our villages, with 82% of our UK employees living within 15 miles of a Center Parcs village, as well as our commitment to using local suppliers wherever possible.

Our Community Fund allows each of our villages and Head Office to sponsor local projects, whether delivered by our colleagues or members of the community. This ensures that the local area further reaps the benefit of our involvement in the communities that surround our villages. During this year, the Community Fund distributed approximately £11,000 to worthy causes based in our local communities, making a tangible difference to the lives of local people.

Since May 2019, our corporate charity partner in Ireland has been Barretstown, a charity that offers free, specially designed camps and programmes for children and families living with a serious illness. They are recognised as a centre of excellence in childhood cancer care and other serious illnesses. We are proud to match-fund donations made by our guests when booking a break with Center Parcs Ireland and also donate 10 Center Parcs breaks each year to the charity.

At the time of writing, with the help of our staff and guests, we have raised more than €100,000 for Barretstown.

Alongside our corporate partnerships, we also support several local and national charities helping children and families who are going through difficult times. By donating a number of breaks each year, we give these families the chance to enjoy some quality time together. Last year, we donated short breaks to the value of more than £40,000.

Whilst our villages were closed due to the COVID-19 pandemic (March-July 2020), our teams worked hard to donate surplus food to local organisations, such as food banks, hospitals and even providing fruit and vegetables to feed animals. We also donated PPE, toiletries and tea and coffee to the national effort, supporting frontline workers, as well as providing free accommodation for workers and families who weren't able to remain at home.

Governance Report



Ownership and Management Structure



History

- **1968** – the first Center Parcs village opened in the Netherlands
- **1987** – the first UK village, Sherwood Forest in Nottinghamshire, opened
- **1989** – the second UK village, Elveden Forest in Suffolk, opened
- **1994** – the third UK village, Longleat Forest in Wiltshire, opened
- **2001** – the fourth UK village, Whinfell Forest in Cumbria, was acquired
- **2001** – Center Parcs' Europe and UK businesses were split and the UK business was sold to Deutsche Bank Capital Partners
- **2003** – the UK business was floated on the London Alternative Investment Market
- **2005** – the UK business moved to a main London stock market listing
- **2006** – the Center Parcs UK business was acquired by funds advised by the Blackstone Group
- **2014** – the fifth UK village, Woburn Forest in Bedfordshire, opened
- **2015** – the option was acquired over a site in Ireland for the sixth Center Parcs village
- **2015** – the Blackstone Group sold Center Parcs UK to Brookfield, a Canadian global asset management company
- **2016** – land was acquired for the sixth Center Parcs village, Longford Forest in Ireland
- **2017** – construction commenced on Longford Forest
- **2019** – the sixth village, Longford Forest, opened in the Republic of Ireland

Ownership

The Center Parcs business is owned by investment funds advised by Brookfield Asset Management Inc., a Canadian global asset management company.

As at the end of the financial year the ownership split was:

Funds managed by Brookfield Asset Management Inc.	99.36%
Management	0.64%

Governance Framework

The company's governance framework is based on the Wates Corporate Governance Principles for Large Private Companies (the Principles).

Details of how we have applied the Principles during this year are set out in the financial statements for Center Parcs (Holdings 1) Limited which are available at www.centerparcs.co.uk/company-information/corporate.

