

Registered number: 12254895

PRIESTHOLM MIDCO LTD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Registered number: 12254895

PRIESTHOLM MIDCO LTD

Company Information

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PRIESTHOLM MIDCO LTD

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PRIESTHOLM MIDCO LTD

Strategic Report

Introduction

The Directors present their Strategic Report for the year ended 30th September 2025.

The Directors consider that the financial statements comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

Business Model

During FY25, Forge Holiday Group has four main trading divisions: UK Core Cottage Agency (Sykes Cottages Group inclusive of Sykes Cottages Ltd and trading brands listed in Subsidiaries note 19), International (Bachcare), Specialist Operator (Forest Holidays) and Caravans (UKCaravans4Hire.com Limited). On 24th September 2025 UKCaravans4Hire.com Limited was hived up into UK Core Cottage Agency, forming one combined UK Agency division. The decision was made to align the divisional structure with the rest of the group, benefitting from synergies, including the centralisation of digital products and support for owners and more choice for guests.

The UK Agency division is dedicated to providing a holiday letting agency service in the UK and Ireland, with the International division providing a comparable agency service in New Zealand.

Through an environmentally sensitive development process, the Specialist Operator provides short-term holiday lets of eco-cabin sites in the UK's forests.

UK Agency & International Division

For guests, the Group provides a booking service and access to a portfolio of quality holiday properties, enabling the introduction of customers to our property owner business partners. The group also provides guest support services during and after travel.

For our portfolio of holiday property owners, the Group provides marketing, booking and payment services, alongside the provision of fully managed services in specific regions.

From a Group Head office in Chester, combined with an international office in Auckland, and dedicated regional teams, the business secures contracts to book and market properties across our geographical target areas.

The holiday letting market is competitive with regards to price, holiday options and stock acquisition. To ensure the agency divisions remain competitive, the prices of holiday properties and other products are dynamically managed, and the Group ensures it maintains strong relationships with its property owners.

Both divisions utilise technology and digital marketing expertise to deliver a market leading proposition to both owners and customers alike. For UK owners, Sykes Cottages Regional offices deliver a full-service proposition in specific areas, maintaining a local presence and community ties, and for guests it provides them with local access to a wide range of properties to suit all budgets.

The agency divisions have 4 main revenue streams: booking fees, commission, insurance and managed services income.

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Strategic Report (Continued)

Business Model (Continued)

UK Agency & International Division (continued)

Booking fees

Variable Booking fees are charged per booking to guests, increasing in increments with the property rental, the income being recorded on the confirmation of the booking. The booking fee is charged as the Agency divisions act as a booking agent by arranging the holiday let and providing property details to guests.

Commission

A commission fee is charged to property owners for the sales and marketing services provided. Commission is earned and recognised at the point of booking confirmation through arranging and facilitating letting of holiday cottages for the property owners.

Insurance

The company acts as an appointed representative of a regulated insurance provider (Towergate, underwritten by Allianz) and commission is earned for the sale of travel insurance and damage protection products.

Managed Service income

Managed service income is earned mainly in New Zealand and in the regional UK brands. It provides owners with a full in-house offering with local cleaning, maintenance and property management. For other owners, Sykes Cottages Group leverages its outsourced network of approved suppliers to provide services to owners independently and in a cost-effective manner.

Specialist Operator Division

Forest Holidays provides high-quality cabin breaks in stunning forest locations across the UK, allowing customers to get back to nature, whilst supporting the long-standing aims of the UK's National Forestry Commissions with a commitment to biodiversity and public access to Britain's public forest estate. The business retains a strong working relationship with Forestry England, Forestry & Land Scotland and Natural Resources Wales who act in the capacity of landlord.

The specialist operator division has 2 main revenue streams: cabin rental and ancillary services.

Cabin rental

Cabin rentals are charged per booking to guests, the income is recorded on delivery of the holiday, with Forest Holidays acting as a principal, as it provides the holiday.

Ancillary services

Ancillary services are charged to guests at the point of purchase. Forest Holidays provides in cabin entertainment, activities and food and beverages at its sites. The income is recognised at the point the good or service is provided.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Our Business

Forge Holiday Group is a fast growing and diverse provider of self-catering holiday services in the UK and New Zealand.

The Group's mission is to create 4 million extraordinary UK experiences annually through a curated collection of 30,000 unique properties powered by an engaged team of experts and cutting-edge technology, by 2030.

The foundations of our group are built around our core values: One Business, One Team, Keep It Simple, Grow & Learn, Sustainable Impact.

These values represent the core of our business philosophy encouraging our employees to act ethically and with integrity when dealing with colleagues and third parties with whom we do business.

The divisions within the group have a long history of creating memories and delivering exceptional service. This, together with a focus on our environmental and social impact will lead the group to stand tall and help deliver its purpose. The Forge Holiday Group wants to bring people together as a leading holiday group to create lasting memories with a positive impact on people and planet.

Company Strategy

The core business strategy is to continue to drive organic growth in revenue in all our Group brands. UK Agency and International division organic growth is through the acquisition and retention of property stock with competitive, market leading propositions. The return to our owners and the group is then maximised through technology-based yield managed pricing resulting in competitive prices for our consumers.

The Specialist Operator division's organic growth will continue with the valued partnerships with the Forestry commissions, to locate and develop new and existing sites with an environmentally "forest-centred" approach to development. In addition, private site opportunities are also being sought.

The Forge Holiday Group has consistently invested in people, product and infrastructure to create a leading platform in the vacation rental sector, capable of driving material long term growth.

The Forge Holiday Group strategy is transparently set out for all staff and stakeholders in its "house model", which provides guidance and alignment for all our stakeholders.

There are various keyways which underpin the Group purpose and mission, which are evolving as the Group matures. These are:

Excellent Talent

The Forge Holiday Group acknowledges that its employees are key to the success and growth of the business. Employees play an important role in creating and maintaining consumer platforms, generating new products and delivering great services to both guests and property owners. The Forge Holiday Group plans to continue to invest in its employees to ensure they are engaged and provide them with the tools to drive excellence and a culture of continuous improvement. The Forge Holiday Group and its brands strive to be an employer of choice.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Company Strategy (continued)

Curated Collection

Forge Holiday Group acknowledges, for its agency divisions, the importance of its partnerships with property owners and therefore strives to provide excellent service to owners, through market-leading products and best-in-class occupancy and yield, which will enable it to retain its highly valuable property portfolio.

For the Specialist Operator division, innovation, particularly in cabin design, is essential for sustainable site development and long-term growth. The Group remains dedicated to enhancing customer experiences through ongoing product and service improvements, a strategy that is increasingly vital in today's evolving market. This division strives to develop the "site of the future" by integrating industry-leading innovation with a strong commitment to sustainability and responsible growth.

Unforgettable Experiences

The Forge Holiday Group acknowledges that customers drive our revenue, therefore the aim is to provide an excellent service which will enable it to retain its highly valuable property portfolio and offer customers an unmatched staycation choice creating holidays to remember, under the Forge Group umbrella. On top of excellent service, the group strives to provide "Unreasonable hospitality", going that extra mile to make holiday experiences special and memorable.

The group invests in numerous initiatives to facilitate efficient booking journeys through the web, app and the call centre, while also collecting and monitoring feedback on all bookings to enable positive change.

AI Driven

The Forge Holiday Group is embarking on an ambitious, business-wide transformation that is positioning us for a new era of efficiency, innovation and growth. By harnessing the power of AI and next-generation technologies, we are streamlining operations and reimagining key customer touchpoints - most notably delivering a smarter, faster and more intuitive checkout experience. Equally important, we are equipping our people with the tools and confidence to embrace AI as a core part of how we work. This shift in mindset reflects our commitment to continuous improvement and sets the foundation for a more agile, digitally empowered organisation ready to seize the opportunities ahead.

Business Review

The profit and loss account is set out on page 39, showing an operating profit for the year ended 30th September 2025 of £9,394,000 (2024: loss of £75,427,000) inclusive of £15,632,000 (2024: £86,009,000) of exceptionals and asset/goodwill impairment).

The asset/goodwill impairment totalled £13,865,000 in the year and relates to the Specialist Operator, Caravans and New Zealand divisions. The asset/goodwill impairment is due to lower than expected forecasted profits as a result of the current economic conditions. Despite the impairment, the divisions continue to generate strong levels of EBITDA for the group and the Specialist Operator division has continued to grow through the addition of new sites and cabins.

The metric used by stakeholders for assessment of performance is Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). The EBITDA before exceptional costs and asset impairments for the year ended 30th September 2025 is £69,432,000 (2024: £64,124,000). The loss before tax is £93,800,000 (2024: £117,822,000).

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Business Review (Continued)

UK Core Agency Division

The Agency division has performed well despite the challenges of a highly competitive market. There has been a continuation of the trends towards imminent departures, short breaks and flexibility, with demand remaining strong, reflecting consumer confidence in our offerings. The division has managed to maintain consistently strong occupancy rates and competitive pricing, which has contributed to its overall success. Through diligent cost monitoring and control, the division has successfully delivered against budgeted EBITDA targets whilst maintaining operational stability and resilience.

International Division

The International division (New Zealand) has encountered macro economic headwinds, including the ongoing effects of a country wide recession and a persistently challenging trading environment. Additional pressures, such as the platform tax, have compounded these difficulties. Nevertheless, initiatives, such as targeted localised managed service hubs and strategic aggregator marketing management have enabled the division to control key costs and drive operational efficiencies, which are critical to navigate through the economic downturn in the region.

Specialist Operator Division

The Specialist Operator division has followed a similar trend to the Agency division. High occupancy levels and a bias towards last-minute bookings have been key contributors to this success. By continuing to focus on cost efficiency and operational excellence, the division commands a robust position in a dynamic market.

Caravan Division

The Caravan's division has achieved significant EBITDA growth year-on-year, driven by a strategic focus on marketing and operational costs. The incorporation of Caravan Parks into our operations has further strengthened our portfolio, allowing us to enhance our value proposition to customers. On 24th September the division was hived up into UK Agency division, providing the owners access to the Group website and booking system plus additional marketing channels.

Financial Review of the Group's Position

On 30th September 2025, the Forge Holiday Group had cash of £45,367,000 (2024: £65,976,000) and loans and borrowings (excluding preference shares) at fair value of £610,800,000 (2024: £620,800,000). The reduction in cash in the short term is the result of strategic investments in technology, alongside debt reduction and debt servicing cost management. This continued investment combined with cost control through divisional re-structuring, unlocks future growth, driving long-term profitability and cashflow.

Forge Holiday Group is funded through a combination of borrowing facilities via carefully selected preferred partners, preference shares and ordinary shares.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Financial Review of the Group's Position (Continued)

Borrowing facilities

The key terms of the Forge Holiday Group borrowing facilities are summarised as follows:

	Nominal Interest rate	Year of maturity	Facility Limit		Fair Value	
			2025	2024	2025	2024
			£000	£000	£000	£000
Ares Facility B	Sonia+7.25%	2028	448,397	448,397	448,397	448,397
Ares PIK Facility	Sonia+10.75%	2029	143,100	143,100	143,100	143,100
NatWest RCF	Sonia+3%	2027	30,000	30,000	19,303	29,303
			621,497	621,497	610,800	620,800

Reconciliation of net debt

Facility	2024	Drawdown /Repayment	2025
	£000	£000	£000
Ares Facility B	£432,000	-	£432,000
Ares PIK Facility	£143,100	-	£143,100
NatWest RCF	£29,303	(£10,000)	£19,303

For changes in liabilities arising from financing activities refer to Note 25.

Preference shares

The Forge Holiday Group is also funded by preference shares which were issued on the 28th October 2019, Priestholm TopCo Ltd as part of the acquisition of Sykes Cottages Holdings Limited. Additional preference shares were issued on 18th December 2019 to fund the acquisition of Potter TopCo Limited (Pure Cottages Group) and on 27th April 2022 as management of Canopy HoldCo Limited (Forest Holidays Group) invested in the Forge Holiday Group.

The split of preference shares are summarised as follows:

Preference Shares Type	2025	2024
	£000	£000
A shares	254,290	254,290
B shares	20,829	20,829

The preference share interest is accrued monthly and rolls annually. The accrued interest outstanding at 30th September 2025 is £232,665,000 (2024: £182,134,000).

Share capital

The Forge Holiday Group is also funded by Share Capital and Share Premium in Priestholm TopCo Ltd which totals £9,769,000 (2024: £9,769,000). For the split between types of shares and the split between Capital and Premium please see Priestholm TopCo Ltd statutory accounts.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Trends and Factors Affecting Future Performance

The Group envisages the following challenges and opportunities to continue into the following year:

Cost-of-living increases

During FY25 the United Kingdom and New Zealand continued to experience inflationary pressures and relatively high levels of interest rates. Cost increases and persistently high interest rates impact the Forge Group in a number of ways.

Interest rates started to reduce during the year although still high compared with recent years. As the previous hedge neared its termination date, the Group implemented a new cap and collar hedge during the year to effectively manage interest rate exposure.

Forge Holiday Group expects these challenges to remain throughout 2026, although we do not foresee a significant effect on demand.

The Group's experience through the likes of Covid and during times of increased cost of living, clearly indicates that holidays are still seen as an "essential" spend in the modern economy, rather than a luxury. The current property portfolio offers a wide variety of holidays at varying price levels to meet the changes in customer behaviour and demand.

Leisure & travel competition

The leisure & travel market is competitive with numerous players and a variety of options. The Group has a diversified portfolio, allowing it to provide its guests with a wide variety of options. This variety, and the Groups digital technology base and dynamic pricing capabilities means that the Group remains well placed and competitive in the market to drive growth.

The Agency business operates in a large, competitive market with global players such as Airbnb and Booking.com, right as well as smaller regional competitors in specific parts of the UK. Similarly, in the Specialist Operator division, there are a number of smaller regional competitors, along with one main large national player, being Centre Parks.

The Forge Holiday Group digital technology base, dynamic pricing capabilities and proven track record in acquisition integration, means that the business remains well placed and competitive in the market to drive growth. To ensure the Forge Holiday Group remains competitive in the future, it is continually investigating further growth opportunities where relevant.

Site development

Site development is key to driving long-term sales growth within Forest Holidays. The division continues to utilise Group staff and expertise to assist with future site development in a proactive and sustainable fashion to meet the demands of the market, whilst continuing to support rural communities, people and wildlife.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Financial Key Performance Indicators

Revenue

Definition

Revenue is predominately generated through booking fees and commission for UK Agency, International and Caravan division, recognised when a booking is confirmed. Revenue for the Specialist operator division is predominantly Cabin rentals recognised when the holiday takes place.

Year	£000
2025	221,161
2024	208,179
2023	208,328

Performance

Group revenue has increased by 6% compared to prior year, primarily due to higher capacity in UK Core Agency and Specialist Operator divisions. UK Core Agency revenue rose, driven by an increase in properties resulting from improved property retention and in year additions. Despite a competitive environment both occupancy levels and prices remained consistent with prior year. The Specialist Operator division revenue increased year on year as benefited from 11 months of the Glentress site being in operation as it opened in November 2024 plus a full year of the Strathyre infill as opened in June 2024. International revenue decreased in New Zealand due to trading pressures primarily caused by the economic climate, with New Zealand experiencing a prolonged recession. Caravans' division revenue also decreased year on year as a result of difficult trading conditions and a reduced stock base.

Gross Profit Margin

Definition

This represents gross profit divided by revenue. It measures the Group's underlying profitability before administrative expenses.

Year	%
2025	64
2024 (<i>Restated</i>)	68
2023	60

Performance

The reduction in Gross Profit Margin in 2025 principally relates to the Group strategy to expand marketing channels.

EBITDA Margin

Definition

This represents earnings before interest, tax, depreciation, amortisation and exceptional items divided by revenue. This is a key metric for the Group as the core profitability measure.

Year	%
2025	31
2024	31
2023	29

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Strategic Report (Continued)

Financial Key Performance Indicators (continued)

EBITDA Margin (continued)

Performance

EBITDA margin has remained steady year-on-year in 2025. Given the current economic environment all divisions have managed and controlled costs where possible. The Group benefited from a full year of central services and continuing to align the staff base to current demand and sales levels.

Non-financial Key Performance Indicators

Guest and Owner satisfaction

All guests who stay at a Forest Holidays site or a cottage where the Sykes Cottages Group or Bachcare have acted as an agent are asked to complete a Guest Satisfaction Survey, the survey covers all areas of the guest experience, the aim being to attain a generally accepted benchmark metric of NPS (Net promoter Score). This allows the company to compare its service levels over time and across the travel industry.

Guest Net promotor score (NPS)	2025	2024	2023
Sykes Cottages	74.18	74.17	73.66
Forest Holidays	64.9	62.5	59
Bachcare	52	47	45

Although NPS at an owner level is inherently statistically less reliable we do have a very strong focus on owner performance and satisfaction.

Stock numbers

Stock numbers underpin the Groups trading capability, ensuring we can provide a credible selection of quality cottages and caravans (standard and location) across the United Kingdom, Ireland and New Zealand.

The number of Cottages, Caravans and Cabins at the current year end and previous are noted below.

	2025	2024	2023
UK Core Agency	23,353	22,647	23,122
International	1,711	1,961	2,166
Specialist Operator	773	718	705
Caravans	3,872	5,927	6,928
Total	29,709	31,253	32,921

UK Agency stock levels have increased in the current year due to a combination of a highly competitive commercial proposition, supported by investment in technology platforms, alongside a transition to an owner account-based service model, which has improved retention. The model allows the division to provide an enhanced service to our property owners while maximising their returns and providing a wide choice of quality properties to suit all budgets. The stock recruitment funnel remains healthy for the year ahead.

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Strategic Report (Continued)

Non-financial Key Performance Indicators (Continued)

Stock numbers (continued)

Cottage stock levels in New Zealand have reduced in the current year mainly due to the recessionary environment with a number of owners have moving out of the holiday letting sector or having sold their properties for personal reasons. The attrition allows the division to focus efforts on properties that align to demand trends.

Cabins at the Specialist operator division have increased during the year due to the opening of the Glentress site.

Caravan division stock levels have reduced in the year as a result of a strategic decision to proactively “churn” a number of properties alongside a transition to one Core UK Agency division, with the caravan stock being consolidated into the Sykes Cottages platform with a standardised remuneration structure. Moving to one Core UK Agency division will allow owners greater access to guests through the UK Group website and booking system and will enable guests to enjoy a wider variety of property options.

Employee turnover and engagement

The Forge Holiday Group values its employees and actively engages with them on a regular basis as they are key to the Group’s growth and future success. Key measures of this are Employee Attrition Rates and Employee response rate from our regular employee surveys. The Forge Holiday Group are confident the views expressed in the surveys represent the work force as a whole and therefore are used to drive follow up actions.

	2025	2024	2023
Employee Attrition Rate	47.23%	74.57%	45.28%
Employee response rates	51%	69.5%	77%

The attrition rate for 2024 reflects the impact of the Group wide restructuring undertaken during the year. In 2025, the attrition rate is influenced by the ongoing transformation programme, as Forge Holiday Group continues to shape its business for the future. It is important to note that 74.7% of our workforce is employed in operational roles i.e. housekeeping, where higher levels of employee turnover are in line with industry norms.

Financial Risks

The Group's activities expose it to a number of financial risks including price risk, liquidity risk, cash flow risk, credit risk, interest rate risk, foreign currency risk and taxation risk.

Price risk

The travel industry is highly competitive and is comprised of a large number of companies specialising in providing short-term holiday rental. Competition may reduce fee structures, which may adversely impact profits. New competitor business models may put pressure on the Group to change existing business models in order to remain competitive. To mitigate the risk, the prices of the Group’s products are dynamically managed, and the Group continues to invest in R&D to ensure its technology platform remains market leading.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Financial Risks (Continued)

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current and future financial obligations as they fall due or is only able to do so at excessive cost. This risk can arise from factors such as tighter lending criteria, increased borrowing costs, or reduced credit availability in the market.

To mitigate this, the Group actively manages its cash balances and deposits to strike a balance between optimising interest returns and ensuring sufficient access to working capital. Strong relationships with lenders and investors are maintained, and funding options are regularly reviewed to support future investment needs. The Group also ensures that short-term deposits remain flexible and readily accessible.

Ongoing monitoring of working capital requirements is in place, and the Directors currently consider the risk in this area to be low.

Cash flow risk

Cash flow risk is the risk to which future cash flows fall short of expectations as a consequence of changes in market variables. The Directors consider that the main risk concerning cash flow relates to unexpected reductions in demand, unpaid credit balances and change in interest rates. The Group maintains a flexible cost structure that the Directors believe would mitigate the demand risk and unpaid credit balances and interest rate risk are constantly monitored. The Group also employs a continuous forecasting and monitoring process to manage risk and ensures the Group complies with its financial and covenant obligations.

Credit risk

Credit risk is the possibility of default on a debt that may arise from a borrower failing to make required payments. The Group's principal financial assets are cash balances and deposits and Trade debtors.

The Group's credit risk is mainly attributable to its Trade Debtors who are made up of a large number of small customers balances. Finance reviews any outstanding debtors on a daily basis and will chase where required. If the customer does not pay in a timely manner, then the holiday is cancelled as full payment is required before the holiday is taken mitigating the Group's credit risk.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

Interest rate risk

Interest rate risk is the risk that an unexpected change in interest rates increases the Group's cost of borrowing significantly. Preference share interest is fixed and charged at the rate per the Articles of Association. NatWest and Ares Management interest is currently charged at variable rates above base rate depending on leverage. The interest rate risk is monitored regularly, and an interest cap and collar has been put in place in relation to part of the third-party debt.

Foreign currency risk

Foreign currency risk is the risk losses could be incurred on international financial transactions due to the fluctuation in currency. The Group makes purchases and receives monies from sales denominated in foreign currency, but the amounts involved do not generally present a significant risk. In order to mitigate the risk of movements in foreign currency rates, the Group, where applicable, enters into foreign currency derivative contracts based on the forecast for the year ahead.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Financial Risks (Continued)

Taxation risk

Given the nature of our business with high organic growth and growth through acquisition, risks will inevitably arise from time to time in relation to the interpretation of tax law and the nature of our compliance arrangements.

As a Group with volume-based transactions both income and cost related, the Group seeks to minimise its exposure to tax risk – the incorrect interpretation or tax treatment of transactions - through the use of a cross functional team with representations from financial reporting and payroll working together with our external advisors.

We will seek to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's risk appetite. When there is significant uncertainty or complexity in relation to a risk, external advice will be sought. Areas of significant or complex tax risk will be passed to the Board for approval and ongoing review. The level of risk the Group accepts in relation to UK taxation is consistent with its objective to achieve certainty in its tax affairs.

Fraud risk

Risks associated with fraudulent activity can result in financial loss and operational disruption. The Group addresses fraud risk via governance through monthly fraud committee meetings. The meetings cover risk exposure and mitigation through internal controls, regular monitoring of financial transactions, and staff training to raise awareness of potential fraud schemes. Processes are in place to detect and respond to suspicious activity across the trading sphere, ensuring appropriate action is taken when required.

Principal Risks and Uncertainties

The Group regularly reviews its operational risks via the maintenance of a Group wide risk register, based on the probability and impact of each risk. Risks are assessed via management and reviewed by the internal risk committee, comprising of senior managers representing all business functions. Where required, the business will implement changes to reduce the risk to manageable levels and to ensure it aligns to the Directors appetite for risk.

The principal risks and uncertainties facing the company are:

Changes in Macroeconomic Environment

The Group is exposed to risks arising from changes in the wider economic environment, including fluctuations in interest rates, inflation, customer confidence, and global events. These factors can influence demand for products and services, impact cost structures, and affect overall financial performance. The Group undertakes regular financial forecasting, scenario analysis, and monitors market developments, enabling management to respond promptly to changing conditions and adjust operational plans as required.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Principal Risks and Uncertainties (Continued)

Customer Demand

Variability in customer demand can impact revenue, resource utilisation, and profitability. Factors influencing demand include market trends, competitive activity, changes in customer preferences, and pressures on consumer finances due to the economic climate. The Group monitors market conditions, diversifies its product and service offering, and invests in marketing and technology to maintain customer engagement and adapt to changing requirements, with a focus on delivering value to customers and property owners.

Stock (Properties)

Maintaining sufficient property stock is important to meet customer demand and support business growth. The Group's stock comprises properties it owns and lets, as well as properties it lets on behalf of third parties. Risks include delays in acquiring new properties, planning or regulatory constraints, and fluctuations in market supply. The Group regularly reviews its property portfolio, invests in product development, and streamlines onboarding processes to optimise availability and respond to market needs, prioritising the needs of customers and property owners.

Third Party Supply Chain

Reliance on external suppliers introduces risks related to continuity of supply, quality, and pricing. The Group mitigates these risks by monitoring supplier performance, diversifying sources where possible, and maintaining contingency plans to address potential interruptions.

People – Recruitment and Retention

The ability to attract, retain, and develop talented employees is important to the Group's ongoing success. The Group manages these risks through recruitment initiatives, training and development programmes, and regular engagement with employees to support wellbeing and motivation.

Innovation

The pace of change in the industry requires ongoing innovation in products, services, and processes. Risks include falling behind competitors, failing to meet customer expectations, and missing opportunities for growth. The Group encourages a culture of continuous improvement, invests in research and development, and sensibly adopts new technologies, including artificial intelligence, to drive innovation across the business.

Platform and IT Systems

Operational efficiency and scalability depend on the reliability and performance of IT systems and platforms. Risks include system outages, integration challenges, and limitations in technological capability. The Group invests in technology upgrades, monitors system performance, and implements processes to support ongoing operational resilience and responsiveness to business needs.

Artificial Intelligence

The rapid development of artificial intelligence introduces uncertainty for Forge Holiday Group, particularly around data governance, regulatory change and the risk of competitors adopting new technologies more quickly. While these shifts could disrupt existing processes and capabilities, they also present a significant opportunity. By investing in responsible AI adoption and upskilling our teams, the Group can enhance personalisation, improve operational efficiency and strengthen its competitive position.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Principal Risks and Uncertainties (Continued)

Cyber Security

The Group's use of digital systems and various online platforms exposes it to risks associated with cyber threats, including unauthorised access, data breaches, and operational disruption. These risks are managed through investment in security technologies, regular system reviews, staff training on cyber awareness, and established incident response procedures to ensure prompt action in the event of a security breach.

Regulatory Environment

Changes in laws, regulations, and government policies can affect the Group's operations, cost base, strategic direction, and may also impact the Group's customers. Risks include the introduction of new compliance requirements, changes to tax regimes, and sector-specific regulations. The Group monitors regulatory developments, engages with relevant authorities, and adapts internal policies and procedures to ensure ongoing compliance and readiness for change. The Group also engages with property owners to support them through regulatory transitions.

Capacity to Trade Suspended

Unforeseen events, such as extreme weather or pandemics/epidemics, could temporarily suspend trading activities. The Group maintains contingency plans, conducts regular risk assessments, and engages with relevant stakeholders to support business continuity and minimise disruption.

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company

The Directors believe they have acted at all times to promote the success of the Group and Company for the benefit of its members as a whole.

The Board is responsible for leading stakeholder engagement. Considering stakeholders when making decisions of strategic importance is fundamental to the execution of our strategy and critical in achieving long-term sustainable success.

The Board understands the needs of our different stakeholders to ensure that the long-term consequences of any decisions are well considered. It is not always possible to provide positive outcomes for all stakeholders and the Board is mindful when making decisions based on the competing priorities of stakeholders.

The Board considers its key stakeholders to be its employees, guests, suppliers, property owners, local communities in which it operates, the environment, Governments and industry bodies and its shareholders.

The Board has considered the interest of a range of stakeholders impacted by the Group, as well as having regard for the matters set out in section 172(1) of the UK Companies Act 2006, namely:

- the likely consequences of any decisions in the long term;
 - the interests of the Group's employees;
 - the need to foster the Group's business relationships with suppliers, customers and others;
 - the impact of the Group's operations on the community and the environment;
 - the desirability of the Group maintaining a reputation for the high standards of business conduct; and
 - the need to act fairly between members of the Group
-

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company (Continued)

Board and decision-making process

The Group operates under four fundamental values, that are considered in all decision-making processes at Board, strategic and operational levels

- One Business, One Team
- Keep It Simple
- Grow & Learn
- Sustainable Impact

Board meetings are held regularly at both a Group and divisional level. On a monthly basis, reports are distributed including:

- Summary of key initiatives and their progress
- Topical strategic topic(s)
- Operations and marketing updates
- IT update, including operational and strategic objectives
- Monthly Financials including budgets/forecasts

Executive Board members meet on a weekly basis, alongside key senior management to provide day to day oversight on strategic and operational objectives, with significant changes and decisions referred to the formal Board of Directors.

Key Stakeholders

Directors utilise a full range of communication channels to engage with stakeholders; these include face to face meetings, events, reports and other written materials, as well as through public relations activity, targeted digital content and social media.

The Directors have identified the following as key stakeholders of the Group, as they are either directly affected or benefit from the success of the Group.

- **Guests** – The Group provides a diverse range of quality holiday properties to over 1 million guests each year in the United Kingdom, Ireland and New Zealand. Guests are engaged initially through targeted marketing initiatives and via contact to our UK and New Zealand based call centres. During and post travel, customers have access to our customer services support, online, via social media and telephone. Feedback is gathered through satisfaction surveys.
 - **Property Owners** – The Group provides property management, marketing and booking services to approximately 20,000 owners who have c.26,000 holiday properties. A dedicated Owners team with the assistance of a nationwide network of Property Consultants service the needs of property Owners in the UK and New Zealand.
 - **Workforce** – The Group employs approximately 1,700 people across the UK and New Zealand. The Group places considerable value on the involvement of its employees, therefore it ensures information on matters of concern is provided and where appropriate the employees are consulted so their views are taken into account when making decisions. This is achieved through monthly briefings, intranet and e-mails to employees' work addresses. Employee involvement in the Group is encouraged through regular employee surveys.
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PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company (Continued)

Key Stakeholders (continued)

- **Suppliers** – The Group engages with key suppliers and settles invoices in a timely manner and within the agreed credit terms. Forest Holidays Ltd has a working partnership with Forestry England, Forestry Land Scotland and National Resources Wales to deliver environmental, social and economic benefits for multiple stakeholders.
- **Community and Environment** – The Group participates in several community-based initiatives through fund raising events and commitment of resources. The Group supports various charities as it enables the local offices to choose who they raise funds for. During the year the Group has raised money for Hospice of The Good Shepherd, Derbyshire Mind, The Wave Project, The Trussell Trust and Lake District Search and Mountain Rescue. The Group looks to minimise its carbon footprint where possible, reducing the use of paper through technical developments and maximising recycling of paper/plastics/metals via central recycling points across Specialist Operator locations and numerous in-office recycling collection points across the Group. In the specialist operator division, Forest Holidays employ a Forest Ranger at each of their locations across the UK, helping to connect guests with nature whilst also protecting and enhancing the forests where we are based through a long-term biodiversity enhancement strategy and active woodland and landscape management plans. Forest Holidays are also Forestry England's first major biodiversity corporate partner, expanding their existing long-term partnership and they also delivered a key partnership with the UK's National Parks connecting over 20,000 young people with nature.
- **Shareholders and Lenders** – The ultimate parent company of the Forge Holiday Group and the Company is Priestholm TopCo Ltd. The ultimate controlling party of Priestholm TopCo Ltd and the Forge Holiday Group is Vitruvian Partners LLP, which is a private equity investment company. The Group has also entered into a Loan Facility and Revolving Credit Facility with external lenders. Both Vitruvian Partners LLP and lenders receive monthly financial updates as standard, with ad hoc initiatives and key developments reported as required.
- **Governments (and tax authorities) and Industry Bodies** - The Group has processes in place to monitor new regulations and compliance requirements that may impact the business – including for example, product regulations, financial accounting and reporting updates and tax accounting and reporting compliance.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company (Continued)

Key decisions

The Directors have identified the below as the key decisions made in the year. Key decisions have been determined as anything with strategic importance to the Group or that have taken a significant amount of management and Board time.

Decision 1

Group Wide Transformation Programme

During the year, the Board made the strategic decision to start a Group wide Transformation Programme to ensure the Group is a business built for the future. The objective of this programme was to ensure that the Group's structure and operations are optimally aligned to support long-term growth, scalability, and operational resilience.

The Transformation Programme involves a detailed evaluation of existing processes and resources, with changes implemented to better position the Group for future opportunities and challenges.

Outcomes and impact on key stakeholders (where applicable):

- **Guests/Customers** – The revised operating model is designed to enhance efficiency and service quality, enabling the Group to respond more effectively to customer needs and deliver improved experiences.
- **Employees** – The Board placed a strong emphasis on employee welfare throughout the transformation, ensuring transparent communication and fair processes. Support mechanisms were established to assist those affected by changes, and employee feedback was actively encouraged and considered.
- **Shareholders and Lenders** – The Board communicated the rationale and anticipated benefits of the Transformation Programme, highlighting its alignment with the Group's growth strategy and its expected contribution to sustainable value creation.

Decision 2

UK agency business consolidation

During the year the board made the strategic decision to consolidate operations of UK Core Agency and Caravan division. On 24th September 2025 UKCaravan4Hire.Com Limited transferred the trade and assets of the company to Sykes Cottages Limited.

Outcomes and impact on key stakeholders (where applicable):

- **Guests** - Able to offer a wider variety of property options to the whole Group through the nationwide marketing capacity of the Group, over multiple websites and marketing channels.
 - **Property owners** - Communication was made to owners early, so they understand how they will be impacted. The dedicated Owners team clearly describe any changes and how this will affect the owner. They will also advise the owner of the benefits of being part of the Sykes Cottages website.
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PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company (Continued)

Key decisions (continued)

Decision 2

UK agency business consolidation (continued)

Outcomes and impact on key stakeholders (where applicable):

- **Employees** - Clear plans are put into place and communicated through updates and written notices to staff. Expected synergies related to the consolidation are highlighted alongside career opportunities that may result.
- **Shareholders & Lenders** - Notification to both parties explaining the rationale for the hive up and expected benefits, which is part of the formal board communication.

Decision 3

Investment in Technology

The strength of the underlying technology is key to the future growth of the business. During the year, we embarked on a major centralisation and transformation project, including platform consolidation, adoption of AI and efficiency improvements to support future growth.

Some of the development highlights include:-

- **Enhanced marketing channel management** – enabling new distribution channels, streamlined processes and automation of property onboarding.
- **Digital Owner onboarding** – Improved new owner onboarding journey, incorporating self-serve tools and compliance automation
- **Agency app & portal architecture** – Major upgrades, including new commercial tools, self service features and enhanced reporting
- **Forest Holidays Mobile app** – development and deployment of a dedicated mobile application for Forest Holidays guests, supporting digital engagement and operational efficiency
- **Multi-Unit Site platform** – Enables the integration of holiday parks onto the core agency platform

We have also empowered our workforce to embrace the power of AI, with over 50% of staff now utilising approved applications. This cultural shift underscores our commitment to innovation and operational excellence.

PRIESTHOLM MIDCO LTD

Strategic Report (Continued)

Directors' Statement of Compliance with Duty to Promote the Success of the Group and the Company (Continued)

Key decisions (continued)

Decision 3

Investment in Technology

Outcomes and impact on key stakeholders (where applicable):

- **Guests** – The rollout of multi-distribution channels across the Group, including the integration of Forest Holidays onto the Sykes website and enhanced use of targeted marketing partners, enhances accessibility and convenience for our customers, aligning with our vision of seamless service delivery, and diversifies our customer acquisition strategy.
- **Property Owners** – The Agency app improvements allow property owners to communicate more efficiently by providing a faster and easier way to get in touch.
- **Employees** – Utilisation of AI and advance technologies have made day-to-day tasks more efficient freeing up time for improved management and value-added activities.
- **Shareholders and Lenders** - Notification to both parties explaining the rationale for the investment and expected benefits was made, which is part of the formal board communication.

This report was approved by the board on 11th March 2026 and signed on its behalf.

Signed by:

—9A4A63D5E0D441E...
Charlotte Owen
Director

PRIESTHOLM MIDCO LTD

Directors' Report

Principal Activity

The Group's principal activity is the provision of short-term holiday lets through its eco-cabin sites or through its holiday letting agency and marketing service, which are located in the UK, Ireland and New Zealand.

Results and Dividends

The loss for the year, after taxation, amounted to £86,826,000 (2024: £145,237,000).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the period were:

Graham Donoghue
Charlotte Owen (Appointed on 21 March 2025)

Board Composition

The board of Priestholm TopCo Ltd the Governing Company and Parent Company of Priestholm MidCo Ltd consists of two Non-Executive Statutory Directors appointed following the acquisition by Vitruvian Partners LLP and two Statutory Executive Directors.

The Forge Holiday Group board is comprised of the Priestholm TopCo Ltd statutory board members and an additional Non-Executive Director of a Group subsidiary company – Forge Holiday Group Ltd.

Graham Donoghue | *Group Chief Executive Officer*

- Graham joined the Sykes Cottages Group in 2016 as Chief Executive Officer. Graham was appointed to the board of Priestholm TopCo Ltd on 28th October 2019 as part of the acquisition of Sykes Cottages Holdings Limited (Sykes Cottages Group) by Vitruvian LLP. Graham also has two external directorships as follows:
 - Moorings Rentals Limited (Co. No.:13014078)
 - UK Short Term Accommodation Association (STAA) (11578113)
- Graham's previous roles consist of Chief Product Officer at Moneysupermarket Group plc and Managing Director and board roles at Moneysupermarket and TUI. This has provided Graham with over 20 years' experience in digital transformation, covering product innovation, technology, general management, digital marketing and operations.

Charlotte Owen | *Group Chief Financial Officer*

- Charlotte joined the Forge Holidays Group in 2018 and was appointed to the board of Priestholm TopCo Ltd on 22nd May 2024. Previously, Charlotte was Finance Director of the Agency business, the largest division in the Group. In addition to the Group, she served as a Trustee for Koala North West during the period and resigned as a Director on 29 September 2025.
 - Charlotte is a chartered accountant, bringing previous experience from roles at Sky, PwC and Grosvenor, and holds a First Class Masters from the University of Cambridge
-

PRIESTHOLM MIDCO LTD

Directors' Report

Board Composition (Continued)

Ben Johnson | *Non-Executive Director – Partner at Vitruvian Partners*

- Ben is a Partner and a member of the founding team of Vitruvian Partners LLP. Ben has served on the Board of Priestholm TopCo Ltd since 18th October 2019, following the acquisition of Sykes Cottages Group by Vitruvian Partners LLP. In addition to the Group, he currently serves on the boards of OAG, Travel Counsellors and Great Rail Journeys.
- Ben leads the Consumer Technology and Data and Analytics teams at Vitruvian. Prior to joining Vitruvian Partners LLP in 2007, Ben was at Cinven and Goldman Sachs International. Prior investments include Skyscanner, Trustpilot, JacTravel and Tinopolis. Ben read Philosophy, Politics and Economics at Magdalen College, Oxford University. He was a member of the Future Fifty, TechNation Advisory Panel 2017-24.

Charles Hardwick | *Non-Executive Director – Managing Director at Vitruvian Partners*

- Charles is a Managing Director at Vitruvian Partners Limited. Charles has served on the Board of Priestholm TopCo Ltd since 28th April 2021. He also serves on the Board of Blue Light Card, MPB, Twinkl and Sciensus.
- Charles focuses on the Consumer Internet and Technology sectors at Vitruvian. Prior to Vitruvian, Charles was at UBS Investment Bank in the EMEA Technology, Media and Telecoms Investment Banking team. Prior investments include Global-e, Skyscanner and Trustpilot. He holds an MEng in Engineering Science from St Catherine's College, Oxford University and an MBA from the Wharton School of the University of Pennsylvania.

Shane Corstorphine | *Non-Executive Director – Founder, Scale Up Consulting Limited*

- Shane has worked with high growth and scale up technology companies for more than a decade. He is a Non-Executive Director for Simple Online Healthcare Limited, for OAG Aviation Limited and Chairman of CreateFuture. He is also a Scale Up Coach to a number of CEOs within high growth organisations.
- Shane is a former CFO and SVP Growth for travel search technology company Skyscanner, playing a key role in helping it scale from c.80 people to 1,500 people and an eventual sale to Ctrip for \$1.8bn in 2016. Prior to Skyscanner and Scale Up Consulting, Shane was with Barclays and RBS Leveraged Finance. He is a Qualified Accountant (PWC) and has a Masters in Engineering from Durham University.

Ultimate Controlling Party

On 18th October 2019, Priestholm TopCo Ltd was incorporated and majority funded by Vitruvian Partners LLP through its investment fund Vitruvian Investment Partnership III. Vitruvian Partners LLP is an international investment firm that supports the most ambitious and talented entrepreneurs and companies to achieve their goals.

Vitruvian provide strategic guidance and value-added operational services to the Forge Holiday Group, through a combination of monthly board meetings, strategic reviews and via Vitruvian Partners' international network of contacts, advisors and preferred partners.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Ultimate Controlling Party (Continued)

Incorporated on 10th October 2019, Priestholm BidCo Ltd was used as the vehicle to acquire 100% share capital of Sykes Cottages Holdings Limited on 28th October 2019, as the company's Ultimate Parent Company is Priestholm TopCo Ltd. The acquisition of Sykes Cottages Holdings Limited (Sykes Cottages Group) by Priestholm BidCo Ltd resulted in the Ultimate Controlling Party changing to Vitruvian Partners LLP from the previous private equity firm LivingBridge LLP. The Sykes Cottages Group secured its first private equity investment from LivingBridge LLP in 2015. LivingBridge LLP continues to retain a minority shareholding in the Group.

Under the Vitruvian ownership the Forge Holiday Group has continued on its trajectory as a fast-growing technology-driven service business, hosting more than a million holidaymakers in 2025 and supporting the growth of the Group into other complementary markets.

Political Contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Future Developments

An indication of likely future developments in the business and particulars of significant events, which have occurred since the end of the financial year, have been included in the Strategic Report.

Financial Instruments

Objectives and policies

The Group does not use derivative financial instruments for speculative purposes. The Group enters into financial derivative contracts to mitigate financial risk and details are included above in the Strategic Report under the relevant risk heading.

Going Concern

To conclude on going concern for the company, the Directors have considered going concern at the Group level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. The Group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group has also considered the status of working capital for the assessment of going concern. Although working capital is in a negative position as at the balance sheet date, the Group has sufficient headroom in its covenants based on the sensitivities performed.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Going Concern (Continued)

Forecasts are produced at least once a quarter, to include latest known trends or environment changes, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed severe stress testing, which includes adjusting the key levers to the model as follows:

- A 5% shortfall in bookings per property (Agency divisions)
- A 5% shortfall in property recruitment (Agency divisions)
- A 5% reduction in average income per booking
- A 5% increase in marketing costs to acquire bookings (Agency divisions)
- A 5% shortfall in occupancy (Specialist Operator division)
- A 5% increase in site operating costs (Specialist Operator division)

The Directors are confident that that they have a reasonable basis upon which to conclude that the Group is able to continue as a going concern to 31st March 2027.

With cash at the end of September of 2025 of £45,367,000 the Group had sufficient liquidity headroom at the start of 2025 for the year ahead. This has been reviewed during December 2025 and liquidity headroom remains sufficient for the period up to 31st March 2027. In addition, Forge Holiday Group has flexible financing arrangements in place with its external lenders, to support strategic growth.

The Directors of the Company during their going concern assessment have confirmed the ability of its parent company to provide continued support and access to cash to ensure the day to day running of the Company. The board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Ltd who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31st March 2027.

Environmental Matters

Our approach

At Forge Holiday Group, championing UK Escapes whilst making a positive social and environmental impact is at the heart of what we do. We're fully committed to strengthening environmental stewardship and reducing impacts on climate, water, land and biodiversity.

Given the diversity of our divisions and their different stages of maturity and sustainability progress, we assess environmental impacts at both divisional and Group level. Tailored KPIs are set where appropriate, while aligning around shared Group goals. This enables meaningful divisional progress alongside a consolidated contribution to environmental performance.

We continue to build on these foundations as we transition to a Group-wide Impact Strategy that aligns divisional activity around shared environmental goals.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Environmental Matters (Continued)

Environmental goals

Our UK-based divisions have set ambitious targets to limit their impact on and create positive change for the planet. Each division contributes to three core environmental goals:

- Achieve Net Zero across our operations by 2050
- Actively contribute to a Nature Positive UK
- Educate, engage and enable all of our stakeholders to have a positive environmental impact

Greenhouse gas emissions

The Forge Holiday Group principal activity is short term holiday lets through its eco-cabin sites or through its holiday letting agency and marketing service, which are located in the UK, Ireland and New Zealand.

Forge Holiday Group agency divisions (UK Agency, International and Caravans) have a number of local offices across the UK and New Zealand, which assist in providing managed services to Owners. As the Group's agency division business is primarily online, with a few retail footprints, our carbon emissions from these divisions is relatively small.

The specialist operator within the Forge Holiday Group currently has thirteen forest locations where guests can take short holiday breaks. Forest Holidays takes a forest-centred approach to development, design and integration which uses extremely low impact and ecological sensitive methods and techniques.

Our GHG reporting approach

Our GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO₂e) for the year ending 30th September 2025, and the comparative is reported for the year ending 30th September 2024.

Our approach to reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard. In line with the guidance on SECR, we have included the energy consumption and emissions from leased facilities we operate from, but are outside our financial control.

We have calculated our Scope 1 and 2 greenhouse gas emissions in accordance with the reporting requirements set out in the Companies Act 2006 (Strategic Report and Directors' Reports) Regulation 2013.

We have used the latest Defra emissions factors, and our gross emissions total in the table applies the 'location based' accounting methodology for grid electricity emissions.

We have chosen the intensity measure in tCO₂e per full time equivalent employee, as our activity is predominantly office based.

Forge Holiday Group's emissions have increased year on year due to the growth through expansion within Forest Holidays. Forest Holidays is a principal holiday provider that is primarily responsible for heating, lighting and power of its eco-cabins and Forest locations. The diversification into providing eco-cabin holidays has fundamentally changed the group's energy usage. All divisions within the Forge Holiday Group are dedicated to reducing carbon emissions.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Environmental Matters (Continued)

Our GHG reporting approach (continued)

Forge Holiday Group Energy Consumption and Associated Greenhouse Gas Emissions

Consumption	Unit	2025	2024
Total energy consumption (electricity)	kWh	14,279,938	14,270,645
Total energy consumption (gas)	kWh	11,013,524	10,341,916
Total vehicle fuel consumption	kWh	1,030,690	1,384,729
Total generator fuel consumption	kWh	1,104,422	-
Total other heating oil consumption	kWh	110,434	140,963
Total biomass consumption	kWh	1,844,593	1,481,825

Emissions	Unit	2025	2024
Total energy consumption (electricity – location based)	Tonnes CO ₂ e	2,527	2,955
Total energy consumption (gas)	Tonnes CO ₂ e	2,548	1,661
Total vehicle fuel consumption	Tonnes CO ₂ e	265	336
Total generator fuel consumption	Tonnes CO ₂ e	319	-
Total other heating oil consumption	Tonnes CO ₂ e	29	35
Total biomass consumption	Tonnes CO ₂ e	21	16
Total sewage sludge emissions	Tonnes CO ₂ e	19	14
Relative intensity by full time equivalent (FTE)*	Tonnes CO ₂ e	3.99	4.40

*Full time equivalent calculation assumes Part time employees are 0.5 FTE.

Forge Holiday Group has provided an energy consumption and associated greenhouse gas emissions analysis for the UK Core Cottage Agency and Specialist Operator divisions to provide a more meaningful year on year comparison.

Forest Holidays Energy Consumption and associated greenhouse gas emissions

Consumption	Unit	2025	2024
Total energy consumption (electricity)	kWh	13,708,074	13,589,466
Total energy consumption (gaseous fuels)	kWh	10,592,402	9,728,084
Total vehicle fuel consumption	kWh	553,862	905,531
Total generator fuel consumption (FY25)	kWh	1,104,422	-
Total other heating oil consumption	kWh	76,188	82,630
Total biomass consumption	kWh	1,844,593	1,481,825

Emissions	Unit	2025	2024
Total energy consumption (electricity – Location based)	Tonnes CO ₂ e	2,426.3	2,813.7
Total energy consumption (gaseous fuels)	Tonnes CO ₂ e	2,462.5	1,548.8
Total vehicle fuel consumption	Tonnes CO ₂ e	143.2	215.1
Total generator fuel consumption	Tonnes CO ₂ e	319.4	-
Total other heating oil consumption	Tonnes CO ₂ e	19.8	19.6
Total biomass consumption	Tonnes CO ₂ e	21.2	16.1
Total sewage sludge emissions	Tonnes CO ₂ e	18.9	14.4
Relative intensity by full time equivalent (FTE)*	Tonnes CO ₂ e/FTE	9.65	7.83

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Environmental Matters (Continued)

Our GHG reporting approach (continued)

Forest Holidays' FY25 Scope 1 footprint increased significantly compared to FY24, primarily due to biopropane being recategorised as LPG in FY25, and LPG having a much higher emissions factor. This recategorisation was necessary as the supplier confirmed a mass-balance approach (MBA) was being used for the supplied biopropane, and best practice is not to include MBA in a footprint calculation. The new Glentress site also used diesel generators for the first six months of FY25. Diesel for vehicle fuel consumption has fallen significantly compared to FY24. This is understood to be due to the fuel used for construction purposes at Glentress in FY24 (note: it is possible that some generator fuel was classified as vehicle fuel in FY24).

Conversely, Forest Holidays FY25 Scope 2 emissions have decreased compared to FY24. Emissions from electricity have reduced due to a significantly lower government carbon emission factor for electricity in FY25. Forest Holidays used 100% renewable electricity at all locations in FY25 for the full year; therefore, under the market-based methodology, Scope 2 emissions are zero. In comparison, in FY24, Forest Holidays used a 100% renewable tariff for almost all locations but only for part of the year, meaning the market-based Scope 2 emissions for FY24 totalled 352 tCO₂e, reflecting those sites not on a renewable tariff during this period.

UK Agency Energy Consumption and associated greenhouse gas emissions

Consumption	Unit	2025	2024
Total energy consumption (electricity)	kWh	571,864	681,179
Total energy consumption (gas)	kWh	421,122	613,832
Total vehicle fuel consumption	kWh	476,828	479,198
Total other heating oil consumption	kWh	34,246	58,333
Total biomass consumption	kWh	-	-

Emissions	Unit	2025	2024
Electricity consumption	Tonnes CO ₂ e	101	141
Gas consumption	Tonnes CO ₂ e	85	112
Vehicle fuel consumption	Tonnes CO ₂ e	122	121
Total other heating oil consumption	Tonnes CO ₂ e	9	15
Total biomass consumption	Tonnes CO ₂ e	-	-
Total sewage sludge emissions ³	Tonnes CO ₂ e	-	-
Relative intensity by full time equivalent (FTE)*	Tonnes CO ₂ e	0.73	0.83

The energy consumption of the UK Core Cottage Agency has decreased mainly due to the outsourcing of laundry services at several sites, with a smaller consumption of electricity and gas being the result.

The UK Core Cottage Agency Vehicle fuel consumption grew again from an already increased point at the end of FY24.

Supporting biodiversity in the UK and overseas

The Group is committed to protecting and enhancing our natural environment and landscapes. We support regional habitat protection projects across the country through funding and volunteering, including work with Wildlife Trusts and a number of community projects to restore and protect habitats.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Environmental Matters (Continued)

Our GHG reporting approach (continued)

Forest Holidays are also stewards of 273 hectares of the nation's forests. We lease the land our locations occupy from Forestry England, Forestry and Land Scotland and Natural Resources Wales. We're a trusted partner to manage the land for conservation and create unforgettable experiences in nature for all.

Employee Matters

Our employees are woven into our purpose, mission, and everything we do. Therefore, our commitment to the employee experience and ensuring we attract and retain the very best talent can be seen throughout our employee journey, from recruitment to development and engagement. We believe that a positive employee experience directly influences the customer, guest and owner experience and makes our people intrinsic to business success.

Below we have set out how our People Journey ensures we recruit the most qualified employees, regardless of age, sex, race or disability, and how we develop, engage and communicate with colleagues to create organisational success based on a unique consumer first approach, which can only be created by our people.

Recruitment

The Forge Holiday Group continues to invest in market-leading talent through inclusive and accessible recruitment practices.

As a Disability Confident Committed Employer (Level 1), we:

- Ensure recruitment is free from discrimination, supported by training in our "Management Essentials" programme.
- Offer reasonable adjustments throughout the entire recruitment process.
- Advertise vacancies across diverse channels using the Disability Confident badge.
- Review recruitment processes for accessibility, including gender-neutral advert screening (in place since September 2023).

In financial year 2025, we have strengthened our diversity partnerships by streamlining engagement with Supported Employment Services and local colleges to support candidates with autism and learning disabilities. These efforts help bridge the gap between neurodiverse individuals and meaningful employment.

Where possible, Forge Holiday Group supports young people in gaining valuable work experience, including exposure to live projects across our Head Office functions. These opportunities aim to provide insight into the working environment and help build confidence and practical understanding in a supportive setting.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Employee Matters (Continued)

Communication & Engagement

Forge Holiday Group remains committed to meaningful communication with colleagues across the business. In financial year 2025, we expanded our intranet platform to serve the entire Group, creating a unified and accessible hub for all employees. This ensures that everyone stays informed and connected, with streamlined access to policies, benefits, people news, and recognition.

Dedicated areas for Wellbeing, Impact, and People continue to support a healthy, engaged workforce that delivers best-in-class service to our customers, guests, and owners.

We encourage regular feedback through an in-house employee engagement survey platform, which consistently receives strong response rates. Survey results are reviewed at both executive and team levels, with action plans developed and communicated to drive continuous improvement. In financial year 2025, we made the survey platform accessible across the Group, enabling a more aligned and inclusive employee experience and making feedback easier and more impactful.

We hold regular awareness and wellbeing days/weeks throughout the year, sharing resources, involving colleagues in activities, and raising awareness of topics which impact our colleagues and their families. During the year, we actively supported key awareness initiatives including Mental Health Awareness Week, Neurodiversity Celebration Week, and International Women's and Men's Days, among others

Our shared values underpin the "how" we do things at the Forge Holiday Group. These values are a focus for our recognition programme which includes peer nominated awards based on our values, public peer to peer recognition and annual awards ceremonies with awards based on values, performance and outstanding achievements, amongst others.

Benefits & Discounts

The Forge Holiday Group continues to offer a competitive benefits package and are committed to reviewing our offering to ensure it is not only in line with the market but represents a true value to our colleagues and their loved ones.

We have strengthened our wellbeing offering by refreshing our virtual GP service, now available 24/7, 364 days a year, for colleagues and their loved ones. Engagement with this benefit has been positive. We also launched a new Employee Assistance Programme (EAP) through UNUM, called Help@Hand, which provides access to mental health support, bereavement counselling, recovery advice, and a range of other services. In addition, we continue to work with the Retail Trust across the Group to offer further wellbeing support, including financial assistance, counselling, and resources to promote mental and physical wellness. Along with this, we have also enhanced our family-friendly leave policies such as; maternity, paternity, & adoption policies. Additionally, we have also introduced increased annual leave entitlements linked to length of service.

We continue to provide access to multiple retail discount portals which colleagues and their family can benefit from. As well as continuing to offer local discounts in areas we operate in.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Employee Matters (Continued)

Policies & Procedures

Forge Holiday Group continues to review all of its policies to ensure existing policies are fit for purpose and create new policies where appropriate and beneficial for our People and the business. Policies have been aligned under the One-Business Approach, establishing a unified and consistent framework across all Group companies. This ensures clarity, reduces duplication, and promotes seamless collaboration by applying the same standards, expectations, and governance across the entire organisation.

This year, several new policies have been introduced to enhance governance, wellbeing, and operational clarity. These include a revised Travel & Expenses Policy, a Fraud Policy aligned with new legislation, and an AI in the Workplace Policy to guide ethical use of AI tools.

Learning & Development

We continue to put a focus on management development, corporate induction and coaching, ensuring all colleagues understand our culture, values and the support available to them.

In our Corporate Induction we look at the benefits of Equality, Diversity, and Inclusion (EDI), and how we can support it (as well as mentioning our recently formed EDI Steering Group, the steps we have taken so far, and how people can get involved). We also discuss how people can get involved in Impact activities and wellbeing benefits such as The Retail Trust, and our 24/7 Virtual GP service.

We launched our new Learning Management System, THRIVE, across the entire Group - marking a major step forward in how we support personal and professional development. THRIVE is a one-stop platform for everything learning and development. It empowers colleagues to take control of their growth, with the ability to request bespoke training and explore content tailored to their roles. This launch reflects our commitment to building a learning culture that connects people, encourages collaboration, and helps everyone be the best version of themselves.

To support digital adoption across the Group, we've introduced AI-specific training through our new Learning Management System. This training is designed to build foundational understanding and confidence in using AI tools, with short, engaging modules that cover everyday applications, ethical use, and practical skills like smart prompting and scenario simulation. It is part of our commitment to responsible innovation and is mandatory for all colleagues, ensuring a consistent baseline of AI literacy across the organisation.

We've evolved our leadership development approach to strengthen capability and drive meaningful conversations across the Group. A key part of this is our Future Leaders programme, which equips emerging talent with the skills and confidence to lead with purpose. Following graduation, many participants have gone on to launch their own peer-led initiative, Trailblazers. This network supports continued growth, shared learning, and cross-functional collaboration, and plays a vital role in our succession planning strategy. Trailblazers focus on developing leadership styles, enhancing communication, and building commercial awareness - key capabilities that support career development and prepare future leaders to thrive in a fast-paced, people-focused environment.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Employee Matters (Continued)

Learning & Development (continued)

As part of our commitment to developing our managers and leaders of the future, this financial year we have delivered a comprehensive suite of training modules designed to strengthen people-management capability across the business. The programme covers core areas such as Recruitment (ensuring fair and inclusive hiring practices, effective interview techniques, and legal compliance), Bullying and Harassment (how to recognise, prevent, and address unacceptable behaviours, and foster a respectful workplace culture), and Dealing with Special Leave (supporting managers in applying policies consistently and compassionately). We have also provided training in handling Grievances and Flexible Working Requests, equipping managers with the skills to conduct sensitive conversations, balance operational needs, and make decisions in line with legal obligations.

In addition, modules on Performance Management and Disciplinary and Investigations give managers practical tools for setting clear expectations, giving feedback, and conducting formal processes with fairness, consistency, and confidence. Our dedicated Sickness & Absence module takes this a step further by focusing on early intervention and support, helping managers to understand the adjustments available to colleagues, how to facilitate a successful return-to-work, and where to signpost individuals to additional wellbeing resources such as the Retail Trust. Importantly, the training also provides guidance on managing absence related to protected characteristics under the Equality Act 2010, particularly disability and pregnancy, ensuring that managers are not only compliant but also empathetic and inclusive in their approach.

Together, these modules are designed to give managers practical knowledge, confidence, and tools they can apply immediately in their day-to-day roles, while building a stronger leadership pipeline for the future.

Another part of our commitment to developing our managers and leaders is managing performance, where we focus on having regular, consistent conversations around performance with all team members to praise, stretch, develop and support (not just those who are under-performing). We also look at the causes of underperformance and the types of support we can offer. We consider bias when measuring performance - in particular, unconscious bias, and how to use both objective and subjective performance indicators to get a full and reliable picture.

Gender Diversity Information

Forge Holiday Group is committed to ensuring equal opportunities and fair treatment for all colleagues. Our focus is to build an inclusive workplace where individuals can contribute fully and progress on merit. This commitment aligns with our core value of "One Team, One Business" and supports our long-term ambition to strengthen capability, improve retention, and widen the diversity of thought within the organisation.

During the year, we continued to take an expert-led and evidence-based approach to equality, diversity and inclusion (EDI), prioritising the quality and consistency of employee experience over purely metric-driven targets. A key development was the launch of UNITY, our EDI Steering Group. UNITY brings together colleagues from across the business under clear governance to embed inclusive practices into policies, decision-making and day-to-day culture. Its remit is to focus on actions that improve colleague experience and to provide transparent oversight to the Executive team and Board.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Gender Diversity Information (Continued)

We also introduced several initiatives aimed at strengthening inclusion and supporting gender equality. These included doubling the length of paid maternity leave and increasing paternity leave, reflecting our commitment to supporting working parents. We launched a monthly external speaker series, bringing diverse leaders into the business to share perspectives on leadership, culture, and inclusion. In addition, female leaders from across the Group participated in a range of networking and development programmes, including those delivered by WiHTL, Storyhouse and WITSEND, to support capability building and future leadership pipeline development.

We remain conscious of our role in setting higher standards within our sector. The Group is confident that its gender pay gap does not arise from paying men and women differently for the same or equivalent work. Instead, the gap reflects the distribution of roles across the organisation and the market rates those roles attract. We recognise that addressing this structural mix requires sustained action over time. Transparency and accountability remain central to our approach.

The Forge Holiday Group are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather the gender pay gap is the result of the different roles in which men and women work within the organisation and the salaries that these roles attract.

We recognise the importance of transparency and accountability in addressing our gender pay gap, and we are committed to taking meaningful action. The Forge Holiday Group is dedicated to fostering an inclusive workplace where everyone has the opportunity to thrive. Our latest report reflects the progress we've made and highlights areas where we can improve further.

The Forge Holiday Group has excellent entry level salaries for team colleagues that are above the national minimum wage, and the company is looking to further enhance its proposition to employees.

At the Forge Holiday Group, we also offer our employees an extensive range of family friendly leave provisions and benefits including enhanced maternity leave. Forge Holiday Group regularly performs a benchmarking process of its roles to ensure that our teams are being paid in line with the market we operate in.

As part of our commitment, we are proud to continue our partnership with WiHTL, which supports our efforts to promote diversity and inclusion across the industry. These initiatives, alongside our ongoing efforts, are steps towards creating a more equitable environment where all our employees can succeed.

The table below shows the breakdown of roles by gender:

	2025			2024		
	Parent Company Directors*	Senior leadership team	Employees	Parent Company Directors*	Senior leadership team	Employees
Female	1	6	1,099	-	6	1,142
Male	3	19	659	3	17	673
Gender Diverse	-	-	1	-	-	1

* The Parent Company is Priestholm Topco Ltd and had 4 Statutory Directors.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Social, Community and Human Rights Issues

Our approach

Forge Holiday Group is committed to creating a positive impact in the communities where we operate, recruit and source from. During the year, this included continued growth of our support for others through colleague volunteering, fundraising for charity partners, donation of holiday stays to families in need, and support for local community initiatives.

Building on this foundation, the Group is transitioning to a Group-wide Impact Strategy to align divisional activity and deliver measurable social outcomes to align with our 'One-Business' approach.

Social and Community goals

Each division within the Group contributes to three core social and community goals:

- Provide every person within the Group with the opportunity to volunteer
- Donate holidays to families coping with severe challenges
- Increase our support and fundraising each year for charities and community initiatives

Social and Community highlights

In FY25 we donated 3,683 hours of our time and over £144,500 to our charity and community partners, some of the key activities we delivered were:

- 491 volunteering days supporting over 40 organisations, making a difference to charities and communities across all regions in which we operate in.
- Over £15,000 was donated to local causes including community groups in Cheshire, Dorset and Devon, Hospice of the Good Shepherd and Derbyshire Mind.
- As an official sustainability partner of Chester Pride for the third year we continued to build on our partnership to include raising awareness of the organisation and allyship, staff volunteering and helping them to reach their carbon reduction goals to halve emissions by 2025, alongside our shared commitment towards promoting equality, inclusivity and diversity.
- Fundraising including the second annual Sykes Aid Charity Football match, marathons, coastal walks and mountain hikes, bake sales and raffles; raising £31,205 for our charity partners.
- Working with charity partner Time Away, Forge Holiday Group enabled 100 families to go on holiday who wouldn't otherwise have been able to do so, with donations from Sykes Owners and donated stays at six Forest Holiday locations.
- Support given to nature projects, ranged from community led projects including beaver conservation, sea wilding and woodland projects, to continuing support of Chester Zoo and National Parks on a 3-year partnership to improve nature networks and our five-year journey with Forestry England to improve biodiversity.

Human rights and modern slavery

The Forge Holiday Group conducts its business fairly, ethically and with respect to fundamental human rights. We are fully committed to the prevention of all forms of slavery, forced labour or servitude, child labour and human trafficking, both in our business and in our supply chains. We will not tolerate it. The Group makes appropriate checks on all employees, recruitment agencies, and suppliers to know who is working for, or on its behalf.

Forge Holiday Group is committed to providing equal opportunities and to avoiding unlawful discrimination in employment. Our Equality and Diversity policy is intended to assist the Group to put this commitment into practice. We strive to ensure that everyone is treated with dignity and respect and hold a separate Dignity at Work policy, which deals with these issues.

PRIESTHOLM MIDCO LTD

Directors' Report (Continued)

Social, Community and Human Rights Issues (Continued)

Human rights and modern slavery (continued)

We also operate a Whistleblowing Policy which encourages staff to report any wrongdoing which extends to human rights violations including Modern Slavery and human trafficking. All reports will be fully investigated, and appropriate remedial actions taken.

Disclosure of Information to Auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post Year End Events

Group

In line with the Transformation Programme to bring Forge Holiday Group together as a unified business and position it for future and long-term growth, the board made the decision to re-structure the Group.

The formal restructuring consultation process, which began in late September 2025, advanced through several phases during the first quarter of Financial Year 2026 and was ultimately completed by December 2025.

These consultations formed part of the Group's strategic restructuring initiatives to align operations and resources with its long-term objectives.

There have been no other significant events affecting the Company and the Group since the year end.

Company

There have been no other significant events affecting the Company since the year end.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11th March 2026 and signed on its behalf.

Signed by:

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Charlotte Owen
Director

PRIESTHOLM MIDCO LTD

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare consolidated financial statements for each financial period. Under that law they have elected to prepare the consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Under company law the Directors must not approve the consolidated 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 the consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent Auditor's Report to the Members of Priestholm MidCo Ltd

Opinion

We have audited the financial statements of Priestholm Midco Ltd ('the parent company') and its subsidiaries (the 'group') for the year ended 30 September 2025 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and the Parent Company Statement of Financial Position, the Consolidated and the Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 36, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 30 September 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 to 31 March 2027.

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.

Independent Auditor's Report to the Members of Priestholm MidCo Ltd (Continued)

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.

Independent Auditor's Report to the Members of Priestholm MidCo Ltd (Continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 34, 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 regulations related to Companies Act 2006, International Accounting Standards in conformity with the requirements of the Companies Act 2006, FRS 101 and regulations related to tax legislation.
- We understood how Priestholm Midco Ltd is complying with those frameworks by making enquiries of management to understand how the Group maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by internal team conversations and inquiry of management and those charged with governance.

Independent Auditor's Report to the Members of Priestholm MidCo Ltd (Continued)

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

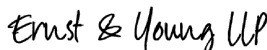
- We identified a risk that management might override controls including certain key processes in order to achieve a desired financial reporting outcome. We determined that the area most susceptible to any such override was revenue recognition, particularly the manual journal posted to revenue.
- We designed audit procedures to address the identified risk in relation to revenue recognition. These procedures included but were not limited to, obtaining an understanding of the accounting policies and controls relevant to the identified risk and performing tests of detail for a sample of transactions. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. 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 non-compliance with such laws and regulations. Our procedures involved making enquiries of Legal Counsel and Group management for their awareness of non-compliance with laws and regulations. We enquired about policies that have been established to prevent non-compliance with laws and regulations and about the Company's methods of enforcing and monitoring compliance with such policies. In addition, we completed procedures to conclude on the compliance of the disclosures in financial statements with the requirements of the relevant accounting standards and UK legislation.

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.

Signed by:



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Tehseen Ali

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

11 March 2026

PRIESTHOLM MIDCO LTD

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2025

		2025	2024 <i>(Restated)</i>
	Note	£000	£000
Revenue	7	221,161	208,179
Cost of sales		<u>(79,781)</u>	<u>(66,966)</u>
Gross profit		141,380	141,213
Other operating income	8	-	16
Administrative expenses		(116,354)	(130,647)
Tangible asset impairment and loss on revaluation	16	(3,925)	(62,106)
Intangible asset impairment	17	(1,896)	(18,317)
Goodwill impairment	18	(8,044)	(4,393)
Exceptional items	15	(1,767)	(1,193)
Operating profit/(loss)	9	9,394	(75,427)
Finance income	13	2,239	3,058
Finance expense	13	(105,433)	(105,513)
Loss before tax		(93,800)	(177,882)
Tax credit	14	6,974	32,645
Loss for the year		(86,826)	(145,237)
Other comprehensive income:			
Exchange differences arising on translation on foreign operations		(58)	(38)
Total comprehensive loss for the year		(86,884)	(145,275)

Revenue and operating loss are derived wholly from continuing operations.


The financial statements include the notes on pages 45 to 98.

PRIESTHOLM MIDCO LTD

Consolidated Statement of Financial Position as at 30 September 2025

		2025	2024 (Restated)
	Note	£000	£000
Assets			
Non-current assets			
Investments		12	12
Tangible fixed assets	16	218,498	222,662
Intangible fixed assets	17	92,689	118,549
Goodwill	18	230,426	238,470
		<u>541,625</u>	<u>579,693</u>
Current assets			
Inventories	20	547	439
Trade and other receivables	21	22,898	24,498
Cash and cash equivalents	32	45,367	65,976
		<u>68,812</u>	<u>90,913</u>
Total assets		<u>610,437</u>	<u>670,606</u>
Non-current liabilities			
Loans and borrowings	25	(740,511)	(692,051)
Deferred tax liabilities	14	(2,739)	(9,908)
Derivative financial liabilities	22	(335)	(2,252)
		<u>(743,585)</u>	<u>(704,211)</u>
Current liabilities			
Trade and other liabilities	23	(80,478)	(68,335)
Contract liabilities	24	(13,736)	(12,657)
Derivative financial liabilities	22	-	(4,349)
Loans and borrowings	25	(53,825)	(75,357)
		<u>(148,039)</u>	<u>(160,698)</u>
Total liabilities		<u>(891,624)</u>	<u>(864,909)</u>
Net assets		<u>(281,187)</u>	<u>(194,303)</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	26	274,605	274,605
Foreign currency translation reserve		446	504
Retained earnings	27	(556,238)	(469,412)
Total equity		<u>(281,187)</u>	<u>(194,303)</u>

The financial statements on pages 39 to 98 were approved and authorised for issue by the board of Directors on 11th March 2026 and were signed on its behalf by:

Signed by:

 Charlotte Owen
 Director

PRIESTHOLM MIDCO LTD

Company Statement of Financial Position as at 30 September 2025

	Note	2025 £000	2024 £000
Assets			
Non-current assets			
Investments	19	<u>274,605</u>	<u>274,605</u>
		<u>274,605</u>	<u>274,605</u>
Current assets			
Trade and other receivables	21	<u>6,774</u>	<u>5,624</u>
		<u>6,774</u>	<u>5,624</u>
Total assets		<u>281,379</u>	<u>280,229</u>
Current liabilities			
Trade and other liabilities	23	<u>(6,774)</u>	<u>(5,624)</u>
		<u>(6,774)</u>	<u>(5,624)</u>
Total liabilities		<u>(6,774)</u>	<u>(5,624)</u>
Net assets		<u>274,605</u>	<u>274,605</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	26	274,605	274,605
Retained earnings	27	-	-
Total equity		<u>274,605</u>	<u>274,605</u>

The financial statements on pages 39 to 98 were approved and authorised for issue by the board of Directors on 11th March 2026 and were signed on its behalf by:

Signed by:

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Charlotte Owen
Director

PRIESTHOLM MIDCO LTD

Consolidated Statement of Changes in Equity For the Year Ended 30 September 2024

	Share capital	Foreign currency translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 October 2023	274,605	542	(324,175)	(49,028)
Loss for the year	-	-	(145,237)	(145,237)
Foreign currency translation reserve	-	(38)	-	(38)
Total comprehensive loss for the year	-	(38)	(145,237)	(145,275)
At 30 September 2024	274,605	504	(469,412)	(194,303)

Consolidated Statement of Changes in Equity For the Year Ended 30 September 2025

	Share capital	Foreign currency translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 October 2024	274,605	504	(469,412)	(194,303)
Loss for the year	-	-	(86,826)	(86,826)
Foreign currency translation reserve	-	(58)	-	(58)
Total comprehensive loss for the year	-	(58)	(86,826)	(86,884)
At 30 September 2025	274,605	446	(556,238)	(281,187)

The financial statements include the notes on pages 45 to 98.

PRIESTHOLM MIDCO LTD

**Company Statement of Changes in Equity
For the Year Ended 30 September 2024**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 October 2023	274,605	-	274,605
Loss for the year	-	-	-
Total comprehensive loss for the year	-	-	-
At 30 September 2024	<u>274,605</u>	<u>-</u>	<u>274,605</u>

**Company Statement of Changes in Equity
For the Year Ended 30 September 2025**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 October 2024	274,605	-	274,605
Loss for the year	-	-	-
Total comprehensive loss for the year	-	-	-
At 30 September 2025	<u>274,605</u>	<u>-</u>	<u>274,605</u>

The financial statements include the notes on pages 45 to 98.

PRIESTHOLM MIDCO LTD

Consolidated Statement of Cashflows For the Year Ended 30 September 2025

		2025	2024 <i>(Restated)</i>
		£000	£000
Cash flows from operating activities	Notes		
Loss before tax		(93,800)	(177,882)
Adjustments for:			
Depreciation of tangible fixed assets	16	13,829	16,831
Amortisation of intangible fixed assets	17	30,577	36,711
(Profit)/loss on disposal		(24)	46
Tangible asset impairment and loss on revaluation	16	3,925	62,106
Intangible asset impairment	17	1,896	18,317
Goodwill impairment	18	8,044	4,393
Finance income	13	(2,239)	(3,058)
Finance expense	13	105,433	105,513
Net foreign exchange gain		(24)	(10)
RDEC credits		(106)	(171)
		<u>67,511</u>	<u>62,796</u>
Movements in working capital:			
Decrease/(increase) in trade and other receivables		1,242	(3,248)
(Increase)/decrease in inventories		(112)	58
Increase/(decrease) in trade and other liabilities		13,435	(3,233)
Cash generated from operations		<u>82,076</u>	<u>56,373</u>
Income taxes paid		197	1,384
Net cash from operating activities		<u>82,273</u>	<u>57,757</u>
Cash flows from investing activities			
Purchases of tangible fixed assets	16	(9,878)	(23,711)
Capitalised development expenditure	17	(6,613)	(8,079)
Interest received		2,239	3,518
Net cash used in investing activities		<u>(14,252)</u>	<u>(28,272)</u>
Cash flows from financing activities			
Proceeds from bank borrowings	25	-	24,724
Repayment of debt instruments		(16,756)	(4,504)
Interest paid on bank borrowings		(70,288)	(55,725)
Payment of lease liabilities		(1,364)	(1,216)
Net cash used in financing activities		<u>(88,408)</u>	<u>(36,721)</u>
Net cash decrease in cash and cash equivalents		<u>(20,387)</u>	<u>(7,236)</u>
Cash and cash equivalents at the beginning of year	32	65,976	73,360
Exchange gains on cash and cash equivalents		(222)	(148)
Cash and cash equivalents at the end of the year	32	<u>45,367</u>	<u>65,976</u>

The financial statements include the notes on pages 45 to 98.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

1. Corporate Information

Priestholm MidCo Ltd ("the Company or the Parent") is a Limited Liability Company incorporated and domiciled in United Kingdom. The registered office is located at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

Priestholm MidCo Ltd and its subsidiaries (collectively, the Group) is principally engaged in providing short term holiday lets through its eco-cabin sites or through its holiday letting agency and marketing service, which are located in the UK, Ireland and New Zealand. Information on the Group's structure is in note 19. Information on other related party relationships of the Group is provided in note 31.

Parent Company Guarantee

Priestholm MidCo Ltd has issued a parent company guarantee pursuant to Section 479 (C) of the UK Companies Act 2006 for the financial year 2025 on behalf of the subsidiary companies registered in England (see list below). The parent company guarantee applies to all outstanding liabilities for the subsidiaries at the balance sheet date until the obligations have been fulfilled. The subsidiaries have applied the exemption from statutory audit provided in Section 479 (A) of the UK Companies Act 2006.

Subsidiaries:

- Fisherbeck Management Limited – 01672804
- Canopy MidCo Limited – 11070388
- Forest Holidays Group Limited - 08159281
- UKCaravans4Hire.com Limited – 07061010
- Sykes Cottages Holdings Limited – 09346246
- Go-Sykes Limited – 09329266
- Potter TopCo Limited – 11076957
- Canopy HoldCo Limited – 11070222
- Canopy BidCo Limited - 11070472

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

2. Basis of preparation

The financial reporting framework that has been applied in the preparation of the group consolidated financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice".

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

These consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

2. Basis of preparation (continued)

Going Concern

To conclude on going concern for the company, the Directors have considered going concern at the group level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. The group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group has also considered the status of working capital for the assessment of going concern. Although working capital is in a negative position as at the balance sheet date, the Group has sufficient headroom in its covenants based on the sensitivities performed.

Forecasts are produced at least once a quarter, to include latest known trends or environment changes, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed severe stress testing, which includes adjusting the key levers to the model as follows:

- A 5% shortfall in bookings per property (Agency divisions)
- A 5% shortfall in property recruitment (Agency divisions)
- A 5% reduction in average income per booking
- A 5% increase in marketing costs to acquire bookings (Agency divisions)
- A 5% shortfall in occupancy (Specialist Operator division)
- A 5% increase in site operating costs (Specialist Operator division)

The Directors are confident that that they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to 31st March 2027.

With cash at the end of September of 2025 of £45,367,000 the group had sufficient liquidity headroom at the start of 2026 for the year ahead. This has been reviewed during December 2025 and liquidity headroom remains sufficient for the period up to 31st March 2027. In addition Forge Holiday Group has flexible financing arrangements in place with its external lenders, to support strategy growth.

The Directors of the Company during their going concern assessment have confirmed the ability of its parent company to provide continued support and access to cash to ensure the day to day running of the Company. The board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Ltd who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31st March 2027.

Financial statement approval

The consolidated financial statements of Priestholm MidCo Ltd and its subsidiaries (collectively, the Group) for the year ended 30th September 2025 were authorised for issue in accordance with a resolution of the board of Directors on 11th March 2026.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

3. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Standards issued not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1st January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements as they do not have a material effect on the Company's financial statements.

The following amended standards are not expected to have a significant impact on the Company's financial statements:

- Lack of Exchangeability - Amendments to IAS 21

5. Significant Accounting policies

5.1 General

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

5.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30th September 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive income (OCI) attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

5.3 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.3 Business Combinations (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

5.4 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

5.5 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.5 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5.6 Revenue

Revenue represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

IFRS 15 Revenue from Contracts with Customers is a principle-based model of recognising revenue from customer contracts. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer. The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The following paragraphs describes the types of contracts, when performance obligations are satisfied, and the timing of revenue recognition.

UK Agency

The UK Agency provides arranging and facilitating letting of holiday cottages for its property owners and receives a commission fee for the services provided. The Group remits the gross rental fee received from the guest to the property owner, net of the Group's commission. Commission is recognised when the performance obligation of arranging and facilitating the customer to enter into individual contracts with property owners is satisfied, usually on delivery of the booking confirmation.

Booking fees are earned from the guest as the Group acts as a booking agent by arranging the holiday let and providing owner details. Booking fee is recognised when the performance obligation of arranging and providing the property details to the customer has been satisfied, usually on delivery of the booking confirmation.

Commission on travel insurance products which is taken out by guests is recorded net as the Group acts as an agent. The commission earned is recognised on delivery of the booking confirmation.

Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

In some cases, the Group also provides additional services to the property owners (e.g. property management); the revenue attributed to these services is recognised when the services are provided.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.6 Revenue (continued)

International

The International division arranges and facilitates letting of holiday cottages for its property owners and receives a commission fee for the services provided. The division remits the gross rental fee received from the guest to the property owner, net of the division's commission. The majority of the commission is recognised when the performance obligation of arranging and facilitating the customer to enter into individual contracts with property owners is satisfied, usually on delivery of the booking confirmation. The remaining commission is recognised when the performance obligation of pre-stay property check and guest meet and greet is satisfied, usually on the departure date of the holiday.

Booking and service fees are earned from the guest as the division acts as a booking agent by arranging the holiday let and providing owner details. Booking fee is recognised when the performance obligation of arranging and providing the property details to the customer has been satisfied, usually on delivery of the booking confirmation.

Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

In some cases, the division also provides additional services to the property owners (e.g. property management); the revenue attributed to these services is recognised when the services are provided. The division also provides other guest services e.g., cleaning and linen which are recognised on the departure date of the holiday as this is when the services are provided.

Specialist Operator

Revenue relating to the Specialist Operator division comprises of receipts for short break stays at cabin sites and ancillary services provided to guests which are recognised at the point the service is provided, with all deposits deferred until this point as the Specialist Operator division acts as a principal. Refunds are provided to guests in line with the cancellation policy detailed on the relevant company website.

Caravans

The Caravan division earn Booking fees from the guest as the division acts as a booking agent by arranging the caravan holiday let and providing owner details. Booking fee is recognised when the performance obligation of arranging and providing the caravan details to the customer has been satisfied, usually on delivery of the booking confirmation. Booking fee revenue is recognised net of a provision for expected refunds which are provided in line with the cancellation policy detailed on the relevant company website.

Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.7 Exceptional items

The Group presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Finance income and expenses

Finance expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Finance income comprises of interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

5.10 Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all the related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released as income by equal annual amounts over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Furlough amounts received, if any, represent government grants of a revenue nature and accounted for accordingly.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.11 Foreign currencies

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

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

5.12 Employee benefits

Short term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Defined contribution schemes

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

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

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

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

5.14 Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group recognises a right of use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.14 Leases (continued)

Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Equipment, Fixtures and fittings 5 - 33% per annum on cost
- Land and Buildings 1.33 to 22% per annum on cost

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section(s) Impairment of non-financial assets.

Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

The Right of use assets are included in the Tangible Fixed Assets in the Statement of Financial Position.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities are included in 'Loans and borrowings' on the Statement of Financial Position'.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.14 Leases (continued)

Short term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate. The weighted average rate applied is between 6.75% and 13.5757% for lease liabilities in the UK Agency division, 12.8% and 14% for those in International division and weighted average rate applied ranges between 7% to 14% for lease liabilities, depending on asset classification in the Specialist Operator division.

As a practical expedient, IFRS 16 permits a lessee not to separate non lease components, and instead account for any lease and associated non lease components as a single arrangement. The Company has used this practical expedient.

The Group as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

5.15 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses except the completed sites which are held at fair value.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.15 Tangible fixed assets (continued)

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|-----------------------------------|------------------------------|
| • Equipment, Fixture and fittings | 20 to 33% per annum on cost |
| • Long-term leasehold property | 22% per annum on cost |
| • Completed sites | 1.33 to 5% per annum on cost |

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

Planning costs that are directly attributable in bringing a new, or extended, site into use are capitalised into property, plant and equipment as incurred. These are not depreciated but are reviewed annually for impairment by the Board.

When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

5.16 Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.16 Intangible fixed assets (continued)

The estimated useful lives are as follows:

- | | |
|--|-------------|
| • Brands (acquired) | 10 years |
| • Owner contracts (acquired) | 5 - 9 years |
| • Customer database (acquired) | 5 years |
| • Framework Agreement | 25 years |
| • Capitalised software development costs | 3 - 5 years |

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in administrative expenses. During the period of development, the asset is tested for impairment annually.

5.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

Inventory consists of food, beverages and health and beauty products.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.17 Inventories (continued)

At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

5.18 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and liquid cash readily available to withdraw.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

5.19 Forest Holidays Membership Club

The Forest Holidays Membership Club is now a closed scheme. It was set up as an exclusive scheme whereby members paid advanced amounts of money in return for membership points which they can then redeem against holidays over several years. Accrual and matching concepts are applied to this revenue stream, both income and associated costs are recognised in the profit and loss at the point that the service is provided, and members utilise their points. Receipts and directly attributable costs are deferred until this point.

5.20 Provisions

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

5.21 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- | | |
|---|---------|
| • Disclosures for significant assumptions | Note 6 |
| • Tangible fixed assets | Note 16 |
| • Right of use assets | Note 16 |
| • Intangible assets | Note 17 |
| • Goodwill with indefinite lives | Note 18 |

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.21 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 30 September and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 September at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are recognised on the trade date which is the date it commits to purchase the instruments. Loans are recognised when the funds are advanced. All other financial instruments are recognised on the date that they are originated. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value, with the exception of trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one year of receiving them. For financial assets which are not held at fair value through the income statement, transaction costs are also added to the initial fair value. Trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one year of receiving them are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into the following categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

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

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.22 Financial instruments (continued)

i. Financial assets (continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when;

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset

Impairment

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

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.22 Financial instruments (continued)

i. Financial assets (continued)

Impairment (continued)

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

ii. Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

5. Significant Accounting policies (continued)

5.22 Financial instruments (continued)

ii. Financial Liabilities (continued)

Financial liabilities at amortised cost (loans and borrowings) (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.23 Derivative financial instruments and hedging

Derivative financial instruments

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

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

6. Accounting estimates and judgements

In the application of the Group's accounting policies, which are described in Note 5, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

The most critical accounting policies in determining the financial condition and results of the Group are those requiring the greatest degree of subjective or complex judgements and estimation. The Directors have had to make the following judgements:

Capitalisation of internal development costs

Due to the inherent uncertainty involved in determining whether costs are capital or expenditure this is considered a critical judgement. The judgement used in the capitalisation of internal development costs are considered to have a significant risk of causing a material misstatement, specifically; the judgement on the related development as capital in nature i.e. enhancement or expenditure i.e. operational or maintenance.

Classification as operating lease or finance lease

New lease agreements entered into by the Group as either a lessor or a lessee require an assessment to determine whether they meet the definition of an operating or a finance lease. The decision depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Agent vs principal

Determining whether an entity is acting as a principal or as an agent requires judgement and has a significant effect on the timing and amount (gross or net basis) of revenue by the Group. As an agent, revenue is recognised at the point of booking on a net basis. As a principal, revenue is recognised on a gross basis over the duration of the holiday.

In line with IFRS 15, management have concluded that revenue in the Group will continue to be treated as an agent on the basis that the performance obligation is to arrange for the Property Owners to provide the goods or services. This assessment has given consideration that there is no inventory risk and limited discretion in establishing prices.

Carrying value of planning costs

The Company has a number of different sites where planning permission is being sought at any one time. The costs incurred in this process are held on the balance sheet as a non-current asset. The stage of planning consent varies significantly. In some cases the sites have already obtained planning enquiries have just commenced. At each period end management assess the likelihood of planning consent being achieved on a site by site basis, which is based on the best evidence available at the time, make a judgement and ensure that costs are only capitalised where planning consent is expected to be achieved or has actually been achieved.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

6. Accounting estimates and judgements (continued)

Period-end carrying value of property, plant and equipment

The board consider that the key area of estimation uncertainty in the financial statements is the valuation of the completed sites category of property, plant and equipment. The completed sites were valued on a fair value basis in September 2025 by an external independent valuer who has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation was performed in accordance with the RICS Valuation Standards.

The key assumption used in the valuations is considered to be the multiple applied to EBITDA forecasts to arrive at the valuation, which is determined primarily with reference to comparable transactions in the leisure and holiday sector, as well as local and national economic factors.

Leases – Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates.

The Directors have had to make the following estimates:

Valuation of intangibles arising on acquisition

Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is considered a critical estimate. The estimates used in the valuation of the intangible assets are considered to have a significant risk of causing a material misstatement, specifically; the estimation of future cash flows, the useful economic life of the asset, the use of the most appropriate valuation methodology and the selection of a suitable discount rate.

Impairment indicators

An assessment is performed to determine whether there are any indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Provision for expected credit losses of trade receivables

Recognition of credit losses is made by considering a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group applies the IFRS 9 simplified model of recognising expected credit losses for all trade receivables on the basis that no distinction is required between 12 month and lifetime expected credit losses with over 98% of trade receivables as at year end due to be paid within the following 12 months.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

6. Accounting estimates and judgements (continued)

Provision for expected credit losses of trade receivables (continued)

In measuring the expected credit losses, the trade receivables have been grouped based on whether the expected credit loss relates to a property owner or customer who has an outstanding balance on their booking. Expected credit losses have been calculated based on historic loss rates where applicable. Adjustments to take into account known circumstances at year end which may have a material effect on the historic rates used are also made if required.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21.

Other key sources of estimation and uncertainty is:

Useful life of Tangible fixed assets

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Useful life of Intangible fixed assets

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

7. Revenue

The following is an analysis of the Group's revenue for the period from continuing operations split by division:

	2025	<i>2024</i>
	£000	<i>£000</i>
UK & International Cottage Agency	144,161	<i>135,711</i>
International	9,419	<i>11,253</i>
Specialist Operator	65,883	<i>59,163</i>
Caravans	1,698	<i>2,052</i>
	<u>221,161</u>	<i><u>208,179</u></i>

Analysis of revenue by country of destination:

	2025	<i>2024</i>
	£000	<i>£000</i>
United Kingdom	209,647	<i>194,797</i>
Rest of Europe	2,095	<i>2,129</i>
Rest of the world	9,419	<i>11,253</i>
	<u>221,161</u>	<i><u>208,179</u></i>

Timing of revenue recognition:

	2025	<i>2024</i>
	£000	<i>£000</i>
Goods and services transferred at a point in time	219,454	<i>206,232</i>
Goods and services transferred over time	1,707	<i>1,947</i>
	<u>221,161</u>	<i><u>208,179</u></i>

Income from all goods and services except for Annual membership is recognised at the point of booking confirmation or the point at which the service is provided. This is when the transfer of control of the goods or services transfers to the customer. Income relating to Annual membership is recognised evenly over the year as this is when the customer has control of the service.

8. Other operating income

	2025	<i>2024</i>
	£000	<i>£000</i>
Merchant services rebate	-	<i>16</i>
	<u>-</u>	<i><u>16</u></i>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

9. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2025	2024
	£000	£000
Depreciation (note 16)	13,829	16,831
Amortisation (note 17)	30,577	36,711
Tangible asset impairment and gain on revaluation (note 16)	3,925	62,106
Intangible asset impairment (note 17)	1,896	18,317
Goodwill impairment (note 18)	8,044	4,393
Exceptional administrative expenses (note 15)	1,767	1,193
Foreign exchange (gain)/loss	(24)	(10)
Defined contribution pension cost (note 11)	<u>1,936</u>	<u>2,838</u>

10. Auditor's remuneration

	2025	2024
	£000	£000
Audit of these consolidated financial statements	61	53
Audit of financial statements of subsidiaries of the company	<u>336</u>	<u>322</u>
	<u>397</u>	<u>375</u>

The auditor's remuneration is borne by the indirect wholly owned subsidiaries Sykes Cottages Ltd, Forest Holidays Limited and Bachcare Limited.

11. Employee benefit expenses

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Employee benefit expenses (including Directors) comprise:				
Wages and salaries	48,225	49,190	-	-
National insurance	4,654	4,084	-	-
Defined contribution pension cost	1,936	2,838	-	-
	<u>54,815</u>	<u>56,112</u>	<u>-</u>	<u>-</u>

The monthly average number of persons, including the Directors, employed by the Group during the period was as follows:

	Group		Company	
	2025	2024	2025	2024
	No.	No. (Restated)	No.	No.
Administration	445	520	-	-
Operations	1,314	1,296	-	-
	<u>1,759</u>	<u>1,816</u>	<u>-</u>	<u>-</u>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

11. Employee benefit expenses (continued)

During the financial year ended 2025, the Group initiated a transformation project which included a review and subsequent enhancement of its organisational structure in order to better align with the Group's value of 'One business, One team'. As a result, management has reassessed the allocation of employee headcount across operating categories. Consequently, headcount is now presented by Administration and Operations, rather than by Administration and Sales as previously disclosed. Management considers that this revised classification more accurately reflects the current business operations. This change is a reclassification for presentation purposes only and does not constitute a change in accounting policy. The total employee headcount remains unchanged for FY24.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, including the Directors of the Company listed on page 20.

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Wages and salaries	1,766	1,754	-	-
Defined contribution pension cost	40	38	-	-
	<u>1,806</u>	<u>1,792</u>	<u>-</u>	<u>-</u>

12. Directors' remuneration

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Directors' emoluments	1,095	1,614	-	-
Defined benefit scheme costs	15	31	-	-
	<u>1,110</u>	<u>1,645</u>	<u>-</u>	<u>-</u>

The Directors' remuneration is borne by the indirect wholly owned subsidiaries Forge Holiday Group Ltd.

Highest paid Director

	Group	
	2025 £000	2024 £000
Directors' emoluments	416	397
Defined benefit scheme costs	10	13
	<u>426</u>	<u>410</u>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

13. Finance income and expense

	2025 £000	2024 £000
Finance income		
Bank deposits	1,694	2,599
Interest receivable from group companies	<u>545</u>	<u>459</u>
Total finance income	<u>2,239</u>	<u>3,058</u>
Finance expense		
Bank interest payable	(3)	(7)
Interest on lease liabilities	(8,266)	(7,888)
Bank loan interest payable	<u>(97,164)</u>	<u>(97,618)</u>
Total finance expense	<u>(105,433)</u>	<u>(105,513)</u>
Net finance expense recognised in loss	<u>(103,194)</u>	<u>(102,455)</u>

14. Tax credit

14.1 Income tax recognised in profit or loss

	2025 £000	2024 £000
Current tax		
Adjustments in respect of prior periods	(9)	46
Other	<u>204</u>	<u>197</u>
	<u>195</u>	<u>243</u>
Deferred tax expense		
Origination and reversal of timing differences	(7,253)	(32,226)
Adjustments in respect of prior periods	<u>84</u>	<u>(662)</u>
Total deferred tax	<u>(7,169)</u>	<u>(32,888)</u>
Total tax credit		
Tax credit	<u>(6,974)</u>	<u>(32,645)</u>
	<u>(6,974)</u>	<u>(32,645)</u>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

14. Tax credit (continued)

14.1 Income tax recognised in profit or loss (continued)

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2025 £000	2024 £000
Loss for the year	(86,826)	(145,237)
Tax credit	<u>(6,974)</u>	<u>(32,645)</u>
Loss before tax	<u>(93,800)</u>	<u>(177,882)</u>
Tax using the Company's domestic tax rate of 25% (2024: 25%)	(23,450)	(44,471)
Expenses not deductible for tax purposes, other than goodwill, amortisation, and impairment	10,694	16,212
Income not taxable for tax purposes	(206)	(1)
Deferred tax not recognised	960	2,017
Adjustments to tax charge in respect of prior periods	(9)	46
Adjustments to tax charge in respect of previous periods - deferred tax	83	(662)
Other tax adjustments, reliefs, transfers	(1)	-
Fixed asset differences	3,758	(1,663)
Difference in deferred tax rate - UK v NZ	(2)	(125)
Timing differences not recognised in the computation	468	11
Remeasurement of deferred tax for changes in tax rates	716	(4,017)
R&D expenditure credits	15	8
Total tax credit	<u>(6,974)</u>	<u>(32,645)</u>

Changes in tax rates and factors affecting the future tax charges

Since 1 April 2023, the UK corporation tax rate has been 25% (substantively enacted on 24 May 2021). As no further changes to the UK corporation tax rate have been announced (nor substantively enacted), the company's future profits are expected to be taxed at this rate. The deferred tax asset/liability at 30 September 2025 has been calculated based on the 25% rate, reflecting the expected timing of the reversal of the related timing differences.

14.2 Current tax assets and liabilities

	2025 £000	2024 £000
Current tax (liabilities)/assets		
Corporation tax	<u>(78)</u>	<u>176</u>
	<u>(78)</u>	<u>176</u>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

14. Tax credit (continued)

14.3 Deferred tax balances

The following is the analysis of deferred tax liabilities presented in the consolidated statement of financial position:

	2025 £000	2024 £000
Deferred tax liabilities	<u>(2,739)</u>	<u>(9,908)</u>
	<u>(2,739)</u>	<u>(9,908)</u>

	Opening balance £000	Recognised in profit or loss £000	Acquisitions/ disposals £000	Other £000	Closing balance £000
2025					
Provisions	9,908	(7,169)	-	-	2,739
	<u>9,908</u>	<u>(7,169)</u>	<u>-</u>	<u>-</u>	<u>2,739</u>
2024					
Provisions	42,796	(32,888)	-	-	9,908
	<u>42,796</u>	<u>(32,888)</u>	<u>-</u>	<u>-</u>	<u>9,908</u>

15. Exceptional items

	2025 £000	2024 £000
Share acquisition fees*	-	75
Covid-19 related costs**	(57)	(336)
One off consultancy	140	125
Onerous contracts	58	4
Restructuring costs (including refinancing costs) ***	991	1,325
Site Transformation	635	-
	<u>1,767</u>	<u>1,193</u>

* Share acquisition fees in the prior year related to aborted acquisition costs.

**Covid-19 related costs consist of funds uncollected on bookings cancelled due to the pandemic, refunds of rental on behalf of owners and legal fees.

*** Restructuring costs in the current year relate to Group wide restructuring program and one-off consultancy fees relating to the refinancing of the Senior Facility agreement. Restructuring costs in the prior year mainly relate to the Group wide restructuring program.

PRIESTHOLM MIDCO LTD**Note to the Financial Statements****16. Tangible fixed assets**

Group	Long-term leasehold property £000	Completed sites £000	Planning £000	Equipment, fixtures and fittings £000	Assets under construction £000	Right of use assets £000	Total £000
Cost							
At 1 October 2024	2,791	235,380	7,909	4,231	22,317	69,095	341,723
Additions	11	2,282	1,795	101	5,689	980	10,858
Transfers	-	20,156	(6)	-	(20,150)	-	-
Reassessments	-	-	-	-	-	2,843	2,843
Disposals	(214)	(1)	-	(321)	-	(1,066)	(1,602)
Exchange adjustments	(1)	-	-	(25)	-	(68)	(94)
At 30 September 2025	2,587	257,817	9,698	3,986	7,856	71,784	353,728
Accumulated depreciation and impairment							
At 1 October 2024	1,623	98,626	4,565	3,191	1,753	9,303	119,061
Charge for the year – owned assets	425	9,437	-	555	-	-	10,417
Charge for the year – finance assets	-	-	-	-	-	3,412	3,412
Transfers	-	1,753	-	-	(1,753)	-	-
Reassessments	-	-	-	-	-	(30)	(30)
Disposals	(214)	-	-	(310)	-	(1,003)	(1,527)
Impairment	-	1,073	5,133	-	3,629	62	9,897
Revaluation	-	(5,972)	-	-	-	-	(5,972)
Exchange adjustments	-	-	-	(19)	-	(9)	(28)
At 30 September 2025	1,834	104,917	9,698	3,417	3,629	11,735	135,230
Net book value							
At 30 September 2025	753	152,900	-	569	4,227	60,049	218,498
At 30 September 2024	1,168	136,754	3,344	1,040	20,564	59,792	222,662

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

16. Tangible fixed assets (continued)

16.1 Assets held under leases

Information about right of use assets is summarised below:

Net book value

	2025 £000	2024 £000
Long term leasehold property	58,988	58,880
Equipment, fixtures and fittings	1,061	912
	<u>60,049</u>	<u>59,792</u>

Depreciation charge for the period ended

	2025 £000	2024 £000
Long term leasehold property	2,841	2,786
Equipment, fixtures and fittings	571	536
	<u>3,412</u>	<u>3,322</u>

Additions to right-of-use assets

	2025 £000	2024 £000
Additions to right-of-use assets	<u>980</u>	<u>4,802</u>

The details for the lease liabilities relating to the right-of-uses assets are disclosed in note 29.

16.2 Impairment losses recognised in the year

The Group has revalued the completed sites in the year and have recognised a revaluation gain of £5,972,000 (2024 loss: £55,788,000) in the income statement. The Group has recognised an impairment loss of £9,897,000 (2024: £nil) relating to Completed sites, Planning, Assets under construction and Right of use assets in the income statement. The asset impairment is due to lower than expected forecasted profits as a result of the current economic conditions. Despite the impairment, the divisions continue to generate strong levels of EBITDA for the group.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

17. Intangible fixed assets

Group

	Framework agreement £000	Customer database £000	Owner contracts £000	Brands £000	Computer software £000	Total £000
Cost						
At 1 October 2024	33,483	27,113	137,676	68,236	37,345	303,853
Additions - internal	-	-	-	-	6,613	6,613
Disposals	-	-	-	(1,701)	(596)	(2,297)
At 30 September 2025	33,483	27,113	137,676	66,535	43,362	308,169
Accumulated amortisation and impairment						
At 1 October 2024	9,510	26,258	82,281	46,112	21,143	185,304
Charge for the year – owned assets	1,063	626	16,965	4,207	7,716	30,577
Impairment	-	-	86	-	1,810	1,896
Disposals	-	-	-	(1,701)	(596)	(2,297)
At 30 September 2025	10,573	26,884	99,332	48,618	30,073	215,480
Net book value						
At 30 September 2025	22,910	229	38,344	17,917	13,289	92,689
At 30 September 2024	23,973	855	55,395	22,124	16,202	118,549

Amortisation and impairment charge

The amortisation charge is recognised in administrative expenses in the income statement.

The impairment charge is recognised in the income statement.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

18. Goodwill

Group

	2025 £000	2024 £000
Cost	415,464	415,464
Accumulated impairment	<u>(185,038)</u>	<u>(176,994)</u>
	<u>230,426</u>	<u>238,470</u>
		Goodwill £000
Cost		
At 1 October 2024 and 30 September 2025		415,464
Impairment		
At 1 October 2024		176,994
Impairment (note 18.1)		8,044
At 30 September 2025		<u>185,038</u>
Net book value		
At 30 September 2025		<u>230,426</u>
At 30 September 2024		<u>238,470</u>

18.1 Impairment losses recognised in the year

Goodwill is allocated to the Group's cash generating unit as follows:

	2025 £000	2024 £000
Sykes Cottages	229,630	229,630
New Zealand	-	5,406
Forest Holidays	-	-
UKCaravans4Hire	796	3,434
	<u>230,426</u>	<u>238,470</u>

The Group performed its annual impairment test as at 30th September 2025.

An impairment has been recognised against New Zealand and UKCaravans4Hire during the current year, following the annual impairment review which used a fair value less cost to dispose method.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

18. Goodwill (continued)

18.2 Allocation of goodwill to cash generating units

Cash Generating Unit (CGU)	Discount Rate	Average growth rate	Year 4 growth rate	Year 5 growth rate	Perpetuity
Sykes Cottages	11.7%	18%	2%	2%	2%
New Zealand	11.3%	60%	2%	2%	2%
UKCaravans4Hire	11.7%	(117%)	2%	2%	2%

The recoverable amount of the CGU as at 30th September 2025 has been determined from a value in use calculation that uses cash flow forecasts derived from the most recent financial budgets and forecasts approved by management, covering a three-year period. Budgets and forecasts are based on expectations of future outcomes taking into account past experience, adjustments for anticipated revenue growth and taking into consideration external economic factors.

Cash flows for the three-year period have applied an average growth rate with the rate mainly stepping down in years 4 and 5. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 2% into perpetuity. The growth rate does not exceed the long-term average growth rate for the markets in which the CGU operates.

The pre-tax discount rate is based on the CGU weighted average cost of capital adjusted for specific principal risks and uncertainties. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor reflecting the average beta for the Group and comparator companies which are used in deriving the cost of equity.

The Board acknowledges that there are additional factors that could impact the risk profile of the CGU, which has been considered by way of sensitivity analysis performed as part of the annual impairment test. Significant headroom exists in all CGU's except New Zealand and UKCaravans4Hire. The level of headroom may change if different growth rate assumptions or a different pre-tax discount rate were used in the cash flow projections, however there are no reasonably possible changes to these assumptions that would result in an impairment. As a result of this analysis, management has not recognised an impairment in CGU's Sykes Cottages. An impairment has been recognised for New Zealand and UKCaravans4Hire in the income statement.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

19. Subsidiaries

The Group and Company have the following investments in subsidiaries:

Company	Country of incorporation	Registered numbers	Class of shares held	Ownership	
				2025	2024
Directly held					
Priestholm MidCo II Ltd*	UK	12255081	Ordinary	100%	100%
Indirectly held					
Forge Holiday Group Ltd**	UK	12255564	Ordinary	100%	100%
Sykes Cottages Employee Benefit Trust	Guernsey			100%	100%
Sykes Cottages Holdings Limited*	UK	9346246	Ordinary	100%	100%
Go-Sykes Limited*	UK	9329266	Ordinary	100%	100%
Sykes Cottages Ltd**	UK	4469189	Ordinary	100%	100%
Self Catering Travel Ltd*	UK	7730563	Ordinary	100%	100%
Sykes Cottages EBT Limited*	UK	10253138	Ordinary	100%	100%
Potter TopCo Limited*	UK	11076957	Ordinary	100%	100%
Heart of the Lakes Limited*	UK	11617441	Ordinary	100%	100%
Traditional Lakeland Cottages Limited*	UK	4120468	Ordinary	100%	100%
Character Cottages Holidays Limited*	UK	5519222	Ordinary	100%	100%
Rock Estates (Cornwall) Limited*	UK	986821	Ordinary	100%	100%
Maid In the Cotswolds Limited*	UK	7979374	Ordinary	100%	100%
Fisherbeck Management Limited*	UK	1672804	Ordinary	100%	100%
Lake District Lodge Holidays Limited*	UK	8451719	Ordinary	100%	100%
Printcater Limited*	UK	2779888	Ordinary	100%	100%
Coast & Country Holidays Limited*	UK	6495419	Ordinary	100%	100%
Cornish Cottage Holidays Limited*	UK	4717186	Ordinary	100%	100%
Complete Cottage Holidays Limited*	UK	6980918	Ordinary	100%	100%
Devonshire Cottage Holidays Limited*	UK	6980919	Ordinary	100%	100%
Dorset Cottage Holidays Limited*	UK	7494512	Ordinary	100%	100%
Holiday Cottage Housekeeping Limited*	UK	8859641	Ordinary	100%	100%
Holiday Cottage Experts Limited*	UK	8870393	Ordinary	100%	100%
Helpful Holidays (Holdings) Limited*	UK	8632456	Ordinary	100%	100%
Helpful Holidays Limited*	UK	3800436	Ordinary	100%	100%
West Country Cottages Limited*	UK	3741255	Ordinary	100%	100%
Cottage Holidays (Carlisle) Limited*	UK	7463275	Ordinary	100%	100%
Cornwall Holiday Cottages Limited*	UK	4924028	Ordinary	100%	100%
Coast & Country Cottages (Holdings) Limited*	UK	8739127	Ordinary	100%	100%
Coast & Country Cottages (South West) Limited*	UK	4073439	Ordinary	100%	100%
Manor Cottages UK Company Limited*	UK	5750184	Ordinary	100%	100%

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

19. Subsidiaries (continued)

Company	Country of incorporation	Registered numbers	Class of shares held	Ownership	
				2025	2024
Indirectly held					
Manor Cottages Laundry Services Limited*	UK	10315174	Ordinary	100%	100%
Manor Cottages Property Services Limited*	UK	7675654	Ordinary	100%	100%
Manor Cottages Property Services (South) Limited*	UK	9084982	Ordinary	100%	100%
Hideaway Holiday Cottages Limited*	UK	10439904	Ordinary	100%	100%
La Manga Direct Limited*	UK	3727523	Ordinary	100%	100%
DCL NewCo Limited*	UK	11421216	Ordinary	100%	100%
Dream Cottages Limited*	UK	3665465	Ordinary	100%	100%
Menai Holiday Cottages Limited*	UK	4947297	Ordinary	100%	100%
Best of Suffolk Ltd*	UK	6356234	Ordinary	100%	100%
Abersoch Quality Homes Limited*	UK	11569733	Ordinary	100%	100%
NZ Bachcare HoldCo Limited***	NZ	7313436	Ordinary	100%	100%
Bachcare Limited***	NZ	1466155	Ordinary	100%	100%
Large Holiday Houses Limited****	Scotland	SC257194	Ordinary	100%	100%
Northumbria Coast and Country Cottages Limited*	UK	3916403	Ordinary	100%	100%
Lyme Bay Holidays Limited*	UK	4528647	Ordinary	100%	100%
Canopy Holdco Limited*	UK	11070222	Ordinary	100%	100%
Canopy Midco Limited*	UK	11070388	Ordinary	100%	100%
Canopy Bidco Limited*	UK	11070472	Ordinary	100%	100%
Forest Holidays Group Limited*	UK	8159281	Ordinary	100%	100%
Forest Holidays Limited**	UK	8159308	Ordinary	100%	100%
FH England LLP*	UK	OC318816	Ordinary	100%	100%
Forest Holidays (Scotland) LLP****	Scotland	SO300880	Ordinary	100%	100%
UKcaravans4hire.com Limited*	UK	7061010	Ordinary	100%	100%
The Holiday Home Company Limited***	NZ	8413648	Ordinary	100%	100%

Registered office

* 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT

** Sykes Cottages Ltd One City Place, Queens Road, Chester, Cheshire, United Kingdom, CH1 3BQ

*** Pricewaterhousecoopers, Level 26 Pwc Tower, 15 Customs Street West, Auckland, 1010, New Zealand

**** 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

19. Subsidiaries (continued)

Company

	2025 £000	2024 £000
Investments in subsidiary companies	274,605	274,605
	274,605	274,605

20. Inventories

Group

	2025 £000	2024 £000
Finished goods and goods for resale	547	439
	547	439

21. Trade and other receivables

Group

	2025 £000	2024 (Restated) £000
Trade receivables - gross	14,935	15,914
Allowance for expected credit losses	(4,476)	(4,470)
Trade receivables - net	10,459	11,444
Amounts owed by group undertakings	6,774	5,624
Total financial assets other than cash and cash equivalents classified as loans and receivables	17,233	17,068
Prepayments and accrued income	4,192	4,458
Other receivables	1,473	2,796
Corporation tax (note 14)	-	176
Total trade and other receivables	22,898	24,498
Total current portion	(22,898)	(24,498)
Total non-current portion	-	-

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The Amounts owed by group undertakings is repayable on demand.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

21. Trade and other receivables (continued)

Company

	2025 £000	2024 £000
Loan to parent company	6,774	5,624
Total financial assets other than cash and cash equivalents classified as loans and receivables	6,774	5,624
Total current portion	(6,774)	(5,624)
Total non-current portion	-	-

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The Loan to parent company is repayable on demand.

22. Derivative financial liabilities

Group

	2025 £000	2024 £000
Derivative financial liabilities		
Derivatives not designated as hedging instruments		
Interest rate hedge	(335)	(6,601)
Total derivatives not designated as hedging instruments	(335)	(6,601)
Total derivative financial liabilities	(335)	(6,601)
Total current portion	-	4,349
Total non-current portion	(335)	(2,252)

The Group utilises interest rate derivative to manage a portion of its interest rate exposure.

An interest rate cap was entered into in October 2022, with a maturity date in October 2025. The Group uses counterparty valuation statements for the valuation of its derivatives. As at September 2025, the fair value of the derivative liability associated with the interest rate cap is £nil (2024: £6,601,000), with the loss on remeasurement to fair value recognised in profit or loss.

A new interest rate floor and cap was entered into in June 2025, with a maturity date in October 2027. The Group uses counterparty valuation statements for the valuation of its derivatives. As at September 2025, the fair value of the derivative liability associated with the interest rate cap and floor is £335,000 (2024: £nil), with the loss on remeasurement to fair value recognised in profit or loss.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

23. Trade and other liabilities

Group

	2025	2024
	£000	(Restated) £000
Trade payables	51,709	42,099
Amounts owed to group undertakings	7,771	8,062
Other payables	2,768	3,945
Onerous lease	-	18
Accruals	13,842	10,572
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	76,090	64,696
Other payables - tax and social security payments	4,310	3,639
Corporation tax (note 14)	78	-
Total trade and other liabilities	80,478	68,335
Less: current portion - trade payables	(51,709)	(42,099)
Less: current portion - amounts owed to group undertakings	(7,771)	(8,062)
Less: current portion- other payables	(7,078)	(7,584)
Less: current portion - onerous lease	-	(18)
Less: current portion - accruals	(13,842)	(10,572)
Less: current portion - corporation tax	(78)	-
Total current portion	(80,478)	(68,335)
Total non-current portion	-	-

The carrying value of trade and other liabilities classified as financial liabilities measured at amortised cost approximates fair value.

The Amounts owed to group undertakings are repayable on demand.

Company

	2025	2024
	£000	£000
Amounts owed by group undertakings	6,774	5,624
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	6,774	5,624
Total current portion	(6,774)	(5,624)
Total non-current portion	-	-

The carrying value of trade and other liabilities classified as financial liabilities measured at amortised cost approximates fair value.

The Amounts owed by group undertakings are repayable on demand.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

24. Contract liabilities

Group

	2025	<i>2024</i> <i>(Restated)</i>
	£000	<i>£000</i>
Balance at 1 October	12,657	<i>12,306</i>
Deferred during the year	61,850	<i>56,812</i>
Recognised as revenue during the year	(60,703)	<i>(56,416)</i>
Foreign exchange	(68)	<i>(45)</i>
Balance at 30 September	<u>13,736</u>	<i><u>12,657</u></i>

UK Agency division

Contract liabilities relate to annual membership for property owners. The annual membership fee is invoiced fully on anniversary of go live and the revenue is recognised evenly over the year. The contract liability relates to the deferral of the annual membership revenue.

International division

Contract liabilities relate to annual membership, commission for property owners and cleaning, linen and pet services for guests. The annual membership fee is invoiced fully on anniversary of go live and the revenue is recognised evenly over the year. The commission is recognised at the holiday start date. The Guest experience levy is recognised two weeks after the guest has departed the bach. The cleaning, linen and pet services are paid by the guest before the holiday takes place and the revenue is recognised when the service has been provided which is the holiday start date. The contract liability relates to the deferral of the annual membership revenue, commission, guest experience levy cleaning, linen and pet revenue.

Specialist Operator division

Contract liabilities relate to annual membership points for guests and future rental income on bookings. The membership points liability relates to points purchased between 2008 and 2010 which can be redeemed against future breaks based on a fixed points price list set at the time of purchase. In 2013 the membership points were fair valued to represent the true revenue value of the points on redemption. The revenue from the membership points is recognised when they are redeemed and the holiday is taken. Future rental income on bookings is recognised at the point the service or holiday is provided.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

25. Loans and borrowings

Group

	2025 £000	2024 £000
Non-current		
Bank loans	676,268	631,547
Capitalised arrangement fee	(8,878)	(12,152)
Lease liabilities	73,121	72,656
	740,511	692,051
Current		
Bank loans	44,644	67,446
Lease liabilities	9,181	7,911
	53,825	75,357
Total loans and borrowings	794,336	767,408

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

The currency profile of the Group's loans and borrowings is as follows:

	2025 £000	2024 £000
GBP	793,548	766,578
NZD	788	830
	794,336	767,408

Terms and debt repayment schedule

	Nominal Interest rate	Year of maturity	2025		2024	
			Fair value £000	Fair value £000	Fair value £000	Carrying value £000
Ares Facility B	Sonia+7.25%	2028	448,397	473,113	448,397	472,893
Ares PIK Facility	Sonia+10.75%	2029	143,100	227,871	143,100	195,752
NatWest RCF	Sonia+3%	2027	19,303	19,928	29,303	30,348
			610,800	720,912	620,800	698,993

The carrying amount of debt includes interest accrued at the year end.

Ares Facility B

On the 27 April 2022, £432,000,000 of the Ares Facility B loan was drawn down as part of refinancing of the Forge Holiday Group due to the acquisition of Canopy HoldCo Limited (Forest Holidays Group). Also included in the fair value of Ares Facility B loan as at 30 September 2025 is £24,217,000 relating to accrued interest and £499,000 relating to accrued facility fee for the Committed Acquisition Facility.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

25. Loans and borrowings (continued)

Group

Ares PIK Facility

On the 27 April 2022, £118,000,000 of the Ares PIK Facility was drawn down as part of refinancing of the Forge Holiday Group due to the acquisition of Canopy HoldCo Limited (Forest Holidays Group), A further £13,600,000 on 23rd October 2023, £6,100,000 on 31st January 2024 and £5,400,000 on 23rd April 2024 was drawn down. Also included in the fair value of Ares PIK Facility at 30 September 2025 is £84,771,000 relating to accrued interest.

NatWest RCF

On the 3 August 2022, £28,354,000 of the NatWest RCF was drawn down. On 19 June 2023, £949,000 of the NatWest RCF was drawn down. The RCF limit was increased as part of refinancing of the Forge Holiday Group due to the acquisition of Canopy HoldCo Limited (Forest Holidays Group). On 11 August 2025, £10,000,000 of the Natwest RCF was repaid. Also included in the fair value of NatWest RCF at 30 September 2025 is £625,000 relating to accrued interest.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

25. Loans and borrowings (continued)

Group

Changes in liabilities arising from financing activities

	2025						
	1st October 2024 £000	Repayment of loans and borrowings £000	Proceeds from loans and borrowings	Capitalised arrangement fee £000	New leases £000	Other £000	30th September 2025 £000
Current							
Bank loans	67,446	(10,000)	-	-	-	(12,802)	44,644
Lease liabilities	7,911	-	-	-	-	1,270	9,181
Non-current							
Bank loans	619,395	-	-	-	-	47,995	667,390
Lease liabilities	72,656	-	-	-	980	(515)	73,121
	<u>767,408</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>980</u>	<u>35,948</u>	<u>794,336</u>
	2024						
	1st October 2023 £000	Repayment of loans and borrowings £000	Proceeds from loans and borrowings	Capitalised arrangement fee £000	New leases £000	Other £000	30th September 2024 £000
Current							
Bank loans	62,767	-	-	-	-	4,679	67,446
Lease liabilities	8,458	-	-	-	-	(547)	7,911
Non-current							
Bank loans	551,130	-	25,100	(376)	-	43,541	619,395
Lease liabilities	64,024	-	-	-	4,802	3,830	72,656
	<u>686,379</u>	<u>-</u>	<u>25,100</u>	<u>(376)</u>	<u>4,802</u>	<u>51,503</u>	<u>767,408</u>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

26. Share Capital

Group and Company

Authorised, Issued and fully paid

	2025		2024	
	Number	£000	Number	£000
Shares treated as equity				
Ordinary shares A shares of £1.00 each	<u>274,605,442</u>	<u>274,605</u>	<u>274,605,442</u>	<u>274,605</u>
	<u>274,605,442</u>	<u>274,605</u>	<u>274,605,442</u>	<u>274,605</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

27. Reserves

Foreign exchange reserve

The foreign currency translation reserve relates to the New Zealand subsidiaries. The foreign exchange adjustment arises from the translation of the profit and loss account and balance sheet into the presentational currency of the group.

Retained earnings

Retained earnings includes all current and prior year retained profits and losses.

28. Employee benefits

Group

Defined contribution plans

The group operates a number of defined contribution plans.

The total expense relating to these plans in the current period was £1,936,000 (2024: £2,838,000).

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

29. Leases

Group

i. Leases as a lessee

The Group has leases for property, motor vehicles, offices, fixture and fittings and IT equipment. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right of use asset shown within tangible assets and a lease liability as shown below.

Lease liabilities are due as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Contractual undiscounted cash flows due		
Not later than one year	9,181	<i>7,911</i>
Between one year and five years	35,251	<i>27,030</i>
Later than five years	37,870	<i>45,626</i>
	<u>82,302</u>	<i><u>80,567</u></i>
Lease liabilities included in the Consolidated statement of financial position at 30 September	<u>82,302</u>	<i><u>80,567</u></i>
Non-current	73,121	<i>72,656</i>
Current	<u>9,181</u>	<i><u>7,911</u></i>

The following amounts in respect of leases have been recognised in profit or loss:

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest expense on lease liabilities	8,266	<i>7,888</i>
Expenses relating to short-term leases	<u>73</u>	<i><u>26</u></i>

The details for the right of use assets relating to the lease liabilities above are disclosed in note 16.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

29. Leases (continued)

i. Operating leases - lessor

One of the companies within the Group leases an office and partly sublets this to another company. Any risk of costs incurred to the business due to dilapidation are mitigated by the fact that the tenant is required to maintain the property and no alterations are permitted without prior consent.

The following table summarises the undiscounted lease payments receivable after the reporting date.

	2025	<i>2024</i>
	£000	<i>£000</i>
Not later than one year	24	<i>24</i>
Between one and two years	24	<i>24</i>
Between two and three years	24	<i>24</i>
Between three and four years	24	<i>24</i>
Between four and five years	-	<i>24</i>
Later than five years	-	<i>-</i>
	<u>96</u>	<i><u>120</u></i>

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

	2025	<i>2024</i>
	£000	<i>£000</i>
Lease income	<u>24</u>	<i><u>24</u></i>

30. Financial instruments - fair values and risk management

Group

30.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

30. Financial instruments - fair values and risk management (continued)

Group

30.1 Accounting classifications and fair values (continued)

	Note	2025 Carrying amount			Fair Value			Total £000
		Mandatorily at FVTPL - others £000	Amortised cost £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	
Financial assets not measured at fair value								
Trade and other receivables	21	-	22,898	22,898	-	-	22,898	22,898
Foreign Currency Cash and cash equivalents		2,498	-	2,498	2,498	-	-	2,498
		<u>2,498</u>	<u>22,898</u>	<u>25,396</u>				
Financial liabilities measured at fair value								
Interest rate hedge	22	(335)	-	(335)	-	(335)	-	(335)
		<u>(335)</u>	<u>-</u>	<u>(335)</u>				
Financial liabilities not measured at fair value								
Bank loans	25	-	(720,912)	(720,912)	-	(610,800)	-	(610,800)
Financial lease liabilities	29	-	(82,302)	(82,302)	-	-	(82,302)	(82,302)
Contract liabilities	24	-	(13,736)	(13,736)	-	-	(13,736)	(13,736)
Trade payables	23	-	(80,478)	(80,478)	-	-	(80,478)	(80,478)
		<u>-</u>	<u>(897,428)</u>	<u>(897,428)</u>				

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

30. Financial instruments - fair values and risk management (continued)

Group

30.1 Accounting classifications and fair values (continued)

	Note	2024 (Restated) Carrying amount			Fair Value			Total £000
		Mandatorily at FVTPL - others £000	Amortised cost £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	
Financial assets not measured at fair value								
Trade and other receivables	21	-	24,498	24,498	-	-	24,498	24,498
Foreign Currency Cash and cash equivalents		3,684	-	3,684	3,684	-	-	3,684
		<u>3,684</u>	<u>24,498</u>	<u>28,182</u>				
Financial liabilities measured at fair value								
Interest rate hedge	22	(6,601)	-	(6,601)	-	(6,601)	-	(6,601)
		<u>(6,601)</u>	<u>-</u>	<u>(6,601)</u>				
Financial liabilities not measured at fair value								
Bank loans	25	-	(698,993)	(698,993)	-	(620,800)	-	(620,800)
Financial lease liabilities	29	-	(80,567)	(80,567)	-	-	(80,567)	(80,567)
Contract liabilities	24	-	(12,657)	(12,657)	-	-	(12,657)	(12,657)
Trade payables	23	-	(68,335)	(68,335)	-	-	(68,335)	(68,335)
		<u>-</u>	<u>(860,552)</u>	<u>(860,552)</u>				

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

30. Financial instruments - fair values and risk management (continued)

Group

30.1 Accounting classifications and fair values (continued)

Change in Fair Value Hierarchy Presentation

As part of the preparation of these financial statements, the Group has refined the presentation of fair value disclosures for certain financial instruments in accordance with IFRS 13 Fair Value Measurement. These refinements relate to the classification within the fair value hierarchy and do not affect the carrying amounts, financial position, or performance of the Group. Cash and cash equivalents now comprises only foreign currency balances, as these instruments have an observable market. Accordingly, the fair value hierarchy classification has been revised from Level 3 to Level 1, as foreign currency cash and cash equivalents are measured using quoted exchange rates observable at the reporting date. For Bank Loans the fair value hierarchy classification has been updated from Level 3 to Level 2. This reflects that the determination of fair value incorporates observable market inputs, including interest rate curves, rather than relying solely on unobservable inputs.

Group

30.2 Financial risk management objectives

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The company has a large number of small customers, but the Directors believe that credit risk is mitigated by the fact that customers are required to pay before the holiday is taken.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's cash balances and deposits are managed to provide a balance between maximising interest rate returns and maintaining access to working capital. We ensure our short-term deposits are flexible and accessible if required. Working capital requirements are monitored on an ongoing basis, so the Directors do not consider there to be a significant risk in this area.

30.3 Market risk

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

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

30. Financial instruments - fair values and risk management (continued)

Group

30.4 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	2025		2024 (Restated)	
	Liabilities £000	Assets £000	Liabilities £000	Assets £000
New Zealand Dollar	(4,329)	4,057	(5,661)	5,442
	<u>(4,329)</u>	<u>4,057</u>	<u>(5,661)</u>	<u>5,442</u>

Foreign currency sensitivity analysis

The Group is mainly exposed to the New Zealand Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the pound sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the pound sterling strengthens 10% against the relevant currency. For a 10% weakening of the pound sterling against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	New Zealand Dollar impact	
	2025 £000	2024 £000
Profit or loss	(387)	(17)
Equity	<u>(10)</u>	<u>(1)</u>

30.5 Interest rate risk management

The Group is exposed to interest rate risk because the entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

30. Financial instruments - fair values and risk management (continued)

30.5 Interest rate risk management (continued)

Interest rate sensitivity analysis

A change of 100 basis points in interest rates at the balance sheet date would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

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

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

	2025	<i>2024</i>
	£000	<i>£000</i>
Increase	(5,758)	<i>(5,443)</i>
Decrease	5,235	<i>4,948</i>

Interest rate risk

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

	2025	<i>2024</i>
	£000	<i>£000</i>
Financial liabilities - variable rate	695,572	<i>673,453</i>
	695,572	<i>673,453</i>

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

31. Related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

31.1 Compensation of key management personnel

The remuneration of the Directors and other members of key management personnel during the period was as follows:

	2025 £000	2024 £000	
Short term benefits	1,766	1,754	
Post-employment benefits	40	38	
	<u>1,806</u>	<u>1,792</u>	
	2025 £000	2024 £000	
Related party relationship	Type of transaction	Balance owed	<i>Balance owed</i>
Rebecca Belk	Preference shares	74	67
Andrew Brook	Preference shares	111	100
Graham Donoghue	Preference shares	12,172	10,950
Bruce Mckendrick	Preference shares	-	3,992
Kate Mitchell	Preference shares	89	80
Matthew Prescott	Preference shares	420	378
James Shaw	Preference shares	2,494	2,244
		<u>15,360</u>	<u>17,811</u>

In the prior year preference shares accrued and ordinary shares held by key management were purchased by Sykes Employee Benefit Trust for £893,000.

32. Notes supporting statement of cash flows

	2025 £000	2024 £000
Cash at bank available on demand	45,367	65,976
Cash and cash equivalents in the statement of financial position	<u>45,367</u>	<u>65,976</u>
Cash and cash equivalents in the statement of cash flows	<u>45,367</u>	<u>65,976</u>

33. Capital commitments

During the year ended 30 September 2025, the Group had no contracts entered into with regards to purchase property, plant and equipment of £nil (2024: £8,159,000).

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

34. Prior Year Restatement

While preparing the financial statements for the period ended 30 September 2025, it was identified that the historical presentation of consumer marketing costs, despite aligning to management and investors performance monitoring and metrics did not conform with International Financial Reporting presentation standard. Consequently, the comparative period has been restated to reclassify these costs between Cost of Sales and Administrative Expenses. The restatement affects presentation only and does not impact previously reported profit.

Cost of sales

Cost of sales in the prior year financial statements were £86,398,000 and have been restated to £66,966,000.

Administrative expenses

Administrative expenses in the prior year financial statements were £111,215,000 and have been restated to £130,647,000.

Also, while preparing the financial statements for the period ended 30 September 2025, it was identified that the historical presentation of aggregator receivables and payable balances relating to bookings in the International division, was inconsistent with the treatment for direct bookings. Consequently, the comparative period has been restated to reclassify these amounts between Trade and other receivables, Trade and other payables and Contract liability. The restatement affects balance sheet and statement of cashflows classification and does not impact previously reported profit or net assets.

Trade and other receivables

Trade and other receivables in the prior year financial statements were £26,647,000 and have been restated to £24,498,000.

Trade and other payables

Trade and other payables in the prior year financial statements were £70,021,000 and have been restated to £68,335,000.

Contract liability

Contract liability in the prior year financial statements were £13,120,000 and have been restated to £12,657,000.

Statement of cashflows

Change in trade and other receivables was reduced from £5,435,000 to £3,248,000 and the change in trade payables was reduced from £1,046,000 to £3,233,000 with no impact from cash generated from operations.

35. Controlling party

At the period ended 30th September 2025, the Company was a subsidiary undertaking of Priestholm TopCo Ltd which was the Ultimate Parent Company incorporated in Jersey. The Ultimate Controlling Party was Vitruvian Partners LLP.

The largest group in which the results of the Company are consolidated was that headed by Priestholm TopCo Ltd, incorporated in Jersey. The consolidated financial statements of this group may be obtained from 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, JE1 4TR, Jersey.

PRIESTHOLM MIDCO LTD

Note to the Financial Statements

36. Events after the reporting date

Group

In line with the Transformation Programme to bring Forge Holiday Group together as a unified business and position it for future and long-term growth, the board made the decision to re-structure the Group.

The formal restructuring consultation process, which began in late September 2025, advanced through several phases during the first quarter of Financial Year 2026 and was ultimately completed by December 2025.

These consultations formed part of the Group's strategic restructuring initiatives to align operations and resources with its long-term objectives.

There have been no other significant events affecting the Company and the Group since the year end.

Company

There have been no significant events affecting the Company since the year end.