

DARWIN LEISURE PROPERTY FUND

Report & Audited Consolidated Financial Statements

For the year ended 30 September 2023

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For the year ended 30 September 2023

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GENERAL INFORMATION

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| TRUSTEE: | Butterfield Bank (Guernsey) Limited PO Box 25 Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3AP |
| ADMINISTRATOR, SECRETARY AND REGISTRAR: | Vistra Fund Services (Guernsey) Limited PO Box 91 11 New Street St Peter Port Guernsey GY1 3EG |
| MANAGER: | Darwin Property Investment Management (Guernsey) Limited 11 New Street St Peter Port Guernsey GY1 2PF |
| DIRECTORS OF THE MANAGER: | Ian Michael Burns Anthony Geoffrey David Esse Christopher James Affleck Penney Robin Haake Smith Martin Paul Tolcher |
| INVESTMENT ADVISER: | Darwin Alternative Investment Management Limited Empire House 175 Piccadilly London W1J 9EN |
| BANKERS: | Lloyds Banking Group plc 25 Gresham Street London EC2V 7HN Butterfield Bank (Guernsey) Limited Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3AP Santander UK PLC 2 Triton Square Regent's Place London NW1 3AN |

GENERAL INFORMATION (CONTINUED)

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| THE INTERNATIONAL STOCK EXCHANGE SPONSOR: | Vistra Fund Services (Guernsey) Limited PO Box 91 11 New Street St Peter Port Guernsey GY1 3EG |
| INDEPENDENT AUDITOR: | Grant Thornton Limited St James Place St James Street St Peter Port Guernsey GY1 2NZ |
| PROPERTY VALUERS: | Knight Frank 1 st Floor 25 Bothwell Street Glasgow G2 6NL |
| BUSINESS VALUERS: | Evelyn Partners 45 Gresham Street London EC2V 7BG United Kingdom |
| LEGAL ADVISERS TO THE FUND: | <i>In Guernsey:</i> Collas Crill Glategny Court PO Box 140 Glategny Esplanade St Peter Port Guernsey GY1 4EW <i>In United Kingdom:</i> Burges Salmon LLP One Glass Wharf Bristol BS2 02X |

MANAGER'S REPORT

For the year ended 30 September 2023

The Manager of the Darwin Leisure Property Fund (the "Fund") is pleased to submit its Report and Audited Consolidated Financial Statements for the year ended 30 September 2023.

THE FUND

The Fund was established in Guernsey on 5 December 2007 as an open-ended unit trust authorised by the Guernsey Financial Services Commission as an authorised Class B open-ended Collective Investment Scheme.

The following unit classes are listed on the Official List of The International Stock Exchange ("TISE"):

C Accumulation Units

C Income Units

D Accumulation Units

M Income Units

ACTIVITIES

The Fund's principal activity is to invest primarily in a portfolio of interests in UK and Irish based holiday parks, which includes land, buildings, lodges and static caravans, acquiring and owning such parks with a view to enhancing value through strategic selection and interventionist asset management. Lodges and static caravans are moveable as defined in the Caravan Sites and Control of Developments Act 1960 (United Kingdom).

The Fund may invest in such property, directly or indirectly, through one or more Property Holding Vehicles or other Intermediate Vehicles.

The Fund may also invest in other collective investment schemes, listed and unlisted securities, joint ventures and partnerships, where the Manager considers there is a link with the leisure industry. Due to the nature of the Fund's assets and lead times to complete purchases, there may be short periods where liquidity levels are relatively high. During such periods, uninvested liquidity will be held in cash deposits, public securities, including treasury bills, bonds and other government securities, money market instruments, debt instruments or similar investments, as the Manager determines from time to time.

MANAGER'S REPORT (CONTINUED)

For the year ended 30 September 2023

DISTRIBUTIONS

The Manager recommended that distributions be made for the year ended 30 September 2023 of 4.30 (2022: 8.44) pence per unit on the A Accumulation class, 7.38 (2022: 14.42) pence per unit on the C Accumulation class and 3.65 (2022: 7.35) pence per unit on the C Income class, 7.51 (2022: 14.66) pence per unit on the D Accumulation class, 1.99 (2022: 4.00) pence per unit on D income class, 4.40 (2022: 8.66) pence per unit on the E Exit class, 4.69 (2022: 9.22) pence per unit on the E initial class, 3.59 (2022: 7.08) pence per unit on the F Exit class, 1.97 (2022: 3.88) pence per unit on the F initial class, 3.36 (2022: 6.62) pence per unit on the G exit class and 1.72 (2022: 3.37) pence per unit on the G initial class, 2.26 (2022: 4.44) pence per unit on the I exit class, 2.86 (2022: 5.77) pence per unit on the J Income class, 2.12 (2022: 4.11) pence per unit on K Accumulation class, 2.06 (2022: 4.12) on K income, and 3.69 (2022: 7.43) pence per unit on the M Income class (see Note 7).

The distributions allocated to the accumulation units were reinvested and accumulated in the capital. In total £7,277,358 (2022: £14,382,562) relating to the accumulation units was reinvested during the year and £5,000,798 (2022: £9,532,783) has been paid to unitholders.

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Manager is responsible for preparing the Consolidated Financial Statements for each financial year which give a true and fair view, in accordance with applicable Law and United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Statement of Recommended Practice (SORP) "Financial Statements of Authorised Funds" issued by the Investment Management Association, of the state of affairs of the Fund as at the end of the financial year and of the profit or loss of the Fund for that year. In preparing these Consolidated Financial Statements, the Manager is required to:

- select suitable accounting policies then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the Consolidated Financial Statements on a going concern basis unless it is inappropriate to presume that the Fund will continue.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable it to ensure that the Consolidated Financial Statements comply with the terms of the Trust Instrument, The Protection of Investors (Bailiwick of Guernsey) Law, 2020 as amended, The Authorised Collective Investment Scheme (Class B) Rules and Guidance, 2021 and the applicable accounting standards. It is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MANAGER'S REPORT (CONTINUED)
For the year ended 30 September 2023

GOING CONCERN

The Manager has, at the time of approving the audited Consolidated Financial Statements, a reasonable expectation that the Fund together with its subsidiaries have adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements, and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

The Manager has not identified any material uncertainties which would cast significant doubt on the Group's ability to continue as a going concern. Subsequent to the year end the loan payable that is classified as a current liability was reclassified as non-current, see notes 14 and 19. Therefore, after due consideration the Manager believes that the Group has adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

INDEPENDENT AUDITOR

The Independent Auditor, Grant Thornton Limited, has indicated its willingness to continue in office.

Signed for and on behalf of the Manager by:

Ian Burns
Director
02 February 2024

Robin Smith
Director

INVESTMENT ADVISER'S REPORT

For the year ended 30 September 2023

During the year ended 30 September 2023, the C Accumulation units decreased in value by 30.86%.

A significant factor in this fall in value was a change to the Weighted Average Cost of Capital in July 2023. This is the measure used to discount free cash flow as part of the DCF valuation of the Fund's assets. The WACC rate is not driven by Fund performance, it is a completely independent assessment of a valuation input and the change in rate has been driven by the increase in the Risk Free Rate.

The decision to change this discount rate followed a sustained upwards movement in the Risk Free Rate, which increased by circa 0.5% since the start of 2023 and 2% in 12 months to July.

The WACC is reviewed by the Board of the Manager ("the Board") on a quarterly basis and both the Board and the Independent Valuer have always considered the long-term nature of the Fund, so have avoided changing the WACC during short-term periods of market volatility. The Fund WACC has therefore remained at the same rate for a number of years. In July, however, it was the view of both the Board and the Fund Valuer that the Risk Free Rate was expected to stay at a heightened level for an extended period and they therefore believed that this was the right time to make an adjustment. Consequently, a decision to increase the WACC to 10.15% was approved by the Board following discussions with the Fund's Independent Valuer. In selecting the WACC, the Board use their judgement in respect of a number of inputs including the Risk Free Rate. The Board discuss these inputs and consider views of the Independent Valuer, who provide a range of WACC percentages, in order to arrive at a WACC that both consider to be reasonable and appropriate.

Holiday rental occupancy and yield for the 2023 financial year were both below the levels seen during the 2022 financial year. This was largely as a result of the ongoing reduction in customer spending power caused by rising inflation and interest rates. We took a long-term strategic decision not to heavily discount prices in order to protect future revenue, which resulted in slightly lower occupancy than we have seen in previous years, but the yield achieved by the Fund was better than typical yields seen in the market and reflects the high standard of accommodation offered by Darwin across the portfolio. We are optimistic that with economic conditions improving and the measures we have taken to protect our pricing, that the outlook for 2024 is more positive.

Holiday home sales struggled during the year and were significantly impacted by the difficulties experienced in the wider economy, with customers reluctant to commit to purchases of such high-value items, given the high rate of inflation, the high interest rates and the general economic uncertainty.

Ancillary spend was also lower than in previous years, as guests looked to minimise the cost of their holiday, opting to partake in less activities and to eat less in the portfolio restaurants.

During the year there has been a continued focus on reducing costs. Cleaning costs proved once again to be particularly challenging, especially as the average length of stay was shorter than in previous years. Management have already taken steps to reduce the impact of cleaning costs into the new financial year.

The Portfolio

Aberconwy Holiday Home Park (Conwy, North Wales)

Aberconwy, based at Conwy Morfa beach in North Wales was purchased in May 2015 as a premium addition to our three existing parks in North Wales. It continues to offer bespoke, high value lodges for holiday home ownership.

INVESTMENT ADVISER'S REPORT (CONTINUED)
For the year ended 30 September 2023

Bath Mill Lodge Retreat (Bath, Somerset)

Bath Mill opened following redevelopment in 2015 and is mid-sized lodge retreat on the outskirts of the popular city of Bath which features a gym, restaurant, bar and events space. It is a popular site for events, and has also proved popular with families visiting students at the nearby university.

Beach Cove Coastal Retreat (Ilfracombe, Devon)

Beach Cove is a high-quality lodge retreat in Hele Bay, Ilfracombe offering 26 beach hut style one-bedroom and studio lodges and 3 holiday apartments. The site opened in 2014 following redevelopment and is extremely popular with 'staycationing' couples looking for a more quirky accommodation offering than a traditional lodge. In April, work at Beach Cove to strengthen the sea wall was completed and the two units which were closed during this process were re-opened, making the site fully operational for the first time in over 12 months. Beach Cove was a finalist at the 2023 Hoseasons Awards.

Canterbury Reach Lodge Retreat (Canterbury, Kent)

Canterbury Reach is a small lodge retreat featuring 28 lodges located close to the historic tourism town of Canterbury and opened following redevelopment in 2017. Canterbury Reach is particularly popular with those travelling to and from Europe using the Channel Tunnel who often add a short break to the start or end of their trip. Canterbury Reach was a finalist at the 2023 Hoseasons Awards.

Cheddar Woods Resort and Spa (Cheddar, Somerset)

Cheddar Woods was the first site in the portfolio to be redeveloped and opened in 2013. Having undergone two further phases of development the resort now offers over 200 lodges as well as a large central-facilities building including restaurant, bar, swimming pool and gym and a host of outdoor activities. Cheddar Woods offers both holiday rentals and holiday home sales. Cheddar Woods was a finalist at the 2023 Hoseasons Awards.

Hawkchurch Resort and Spa (Axminster, Devon)

Located close to the 'Jurassic Coast' in Devon, Hawchurch opened in 2015 following the complete redevelopment of the site. Hawchurch offers luxury lodges for holiday home ownership and holiday rental and features a restaurant, bar and high quality spa, which was recently upgraded. Hawchurch is popular with the more discerning traveller looking for a relaxing break with luxurious facilities and won a Diamond Award for Best Lodge Retreat in the South of England at the 2023 Hoseasons Awards.

Keswick Reach Lodge Retreat (Bassenthwaite, Lake District)

Keswick Reach is located in the North Lake District and opened following redevelopment in 2016. The site is for holiday rentals and is popular throughout the year with those looking to explore the Lake District National Park. Keswick Reach was a finalist at the 2023 Hoseasons Awards.

Mullion Cove Coastal Retreat (Lizard Peninsula, Cornwall)

Mullion Cove opened in 2013 following redevelopment. The site was a derelict chalet park but now features 28 luxury lodges which are a short walk from Mullion Cove itself, a popular tourist spot on the Lizard Peninsula. Mullion Cove won a Diamond Award for Best Small Lodge Park in Cornwall at the 2023 Hoseasons Awards.

New Pines Holiday Home Park (Rhyl, Denbighshire, North Wales)

New Pines is one of three parks acquired by the Fund in North Wales in 2011. New Pines is a large site with a wide range of leisure facilities which is purely for holiday home owners.

INVESTMENT ADVISER'S REPORT (CONTINUED)

For the year ended 30 September 2023

Piran Meadows Resort and Spa (Newquay, Cornwall)

Piran Meadows opened in 2014 following redevelopment. The resort is a popular family holiday destination near the tourist hotspot of Newquay. Accommodation comprises high quality caravans and lodges for holiday home ownership and holiday rental and the resort features a bar and restaurant, swimming pool and an extensive range of activities for all ages along with a Spa facility.

Sandymouth Holiday Home Park (Bude, Cornwall)

Sandymouth re-opened in 2017 following development work which saw all of the accommodation replaced with luxury caravans and the existing central leisure facilities refurbished. Sandymouth specifically caters for families who are looking for a more traditional caravan park holiday and has been extremely popular since the refurbishment. Sandymouth was named Best in Britain in the Holiday Park category at the 2023 Hoseasons Awards, and also won a Diamond Award in the Relax and Explore Large Park category.

Seaview Holiday Home Park (Gwespyr, Flintshire, North Wales)

Seaview is a medium-sized site for holiday home ownership in North Wales which was acquired in 2011. It features stunning views of the local coastline and owners are given access to the leisure facilities at the nearby Talacre Beach Holiday Home Park.

Talacre Beach Holiday Home Park (Talacre, Flintshire, North Wales)

The third location in North Wales acquired in 2011, Talacre Beach is the largest park in the portfolio with over 600 units, around three-quarters of which are for holiday home ownership and one quarter holiday rentals. It offers a range of leisure facilities including an indoor swimming pool, restaurant and bar and entertainment venue. Talacre Beach was a finalist at the 2023 Hoseasons Awards.

Thanet Well Lodge Retreat (Lake District, North Cumbria)

Thanet Well is located on the edge of the Lake District National Park overlooking Greystoke Forest and was acquired in 2014. We added 26 new lodges to the site in 2016 and carried out further work to upgrade 19 bases, allowing the existing units to be replaced with larger lodges. Since acquisition the site has switched from one that is purely for holiday home owners to one that is predominantly for holiday rentals.

Tilford Woods Lodge Retreat (Tilford, Surrey)

Tilford Woods was acquired in 2009 and is a small luxury log cabin park, located in the Surrey countryside. The park is located less than an hour's drive from London making it an extremely popular destination for a weekend or mid-week break and the park performs consistently well in terms of occupancy. Tilford Woods won a Diamond Award for Best Large Lodge Escape Park in the South of England at the 2023 Hoseasons Awards.

Wareham Forest Lodge Retreat (Wareham, Dorset)

Wareham Forest was originally a tenting and touring site but re-opened in 2016 following development work which transformed it into a luxury lodge retreat. Offering 55 holiday rental lodges, Wareham Forest is located in a quiet woodland setting and is popular with those looking for a quiet break in the countryside.

INVESTMENT ADVISER'S REPORT (CONTINUED)

For the year ended 30 September 2023

Woodside Bay Lodge Retreat (Wootton Bridge, Isle of Wight)

Woodside Bay opened in 2016 and was built on the site of a derelict former holiday camp. The park offers 130 lodges for holiday rental and features a small bistro and bar which overlook the Solent along with a gym. Woodside Bay also features two bespoke treehouses which are extremely popular with guests. Woodside Bay was a finalist at the 2023 Hoseasons Awards.

Woodside Coastal Retreat (Wootton Bridge, Isle of Wight)

Woodside Coastal Retreat is a small lodge retreat, located on a beach on the north coast of the Isle of Wight. The site was transformed from an ageing static caravan park in 2014 and offers 36 luxury lodges, with guests able to make use of the facilities at the neighbouring Woodside Bay Lodge Retreat. Until now the site has purely been for holiday rentals but in 2023, we introduced holiday home sales. The first lodge sold in August, demonstrating that there is demand for holiday home ownership on the island.

Darwin Alternative Investment Management Limited

02 February 2024

RESPONSIBLE INVESTMENT REPORT

The Fund produces a quarterly Impact Report which reviews the material impacts of the portfolio across a range of environmental and social metrics, in a quantitative and trackable way. The accountability of this reporting ensures the fund proactively moves towards its goal of achieving net zero by 2050. The reported metrics include electric vehicles, electric boilers, remote thermostats, electrical vehicle charging points, single use plastic removal, food waste and higher than standard energy lodge efficiency.

Environment

Environmental Aims

- Create sites which enhance local ecology.
- Create sites which enhance local environments.
- Utilise designs which minimise embodied and operational carbon footprints. Promote 'fabric first' approach to ensure construction thermal performance is optimum.
- Ensure minimisation of embedded carbon costs in Darwin's supply chain.
- Ensure energy usage is as efficient as possible.
- Where practicable, re-use or re-purpose existing construction to minimise embodied carbon and support the circular economy. Seek to minimise construction waste where possible and promote the use of recycled materials.

Environmental Targets

- Achieve Net Zero Carbon Emissions by 2050.
- Actively work to reduce emissions, waste and energy use, where applicable, on all sites in all portfolios.
- Increase measurement of emissions, waste and energy usage where appropriate, with the aim of analysing and initiating required changes over the next 5 years.
- Achieve a Biodiversity Net Gain when undertaking any development work.
- Increase ESG due diligence to ensure that suppliers, contractors, corporate partners & stakeholders are aligned with our principles.
- Continue to demonstrate and report our ESG progress as the funds develop over the short, medium and long term.

Darwin Leisure Property Fund has been working to reduce its Scope 1, 2 and 3 emissions throughout the year as part of efforts to attain net zero by 2050.

Scope 1, 2 and 3 emissions can be defined as:

Scope 1: All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2: Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.

Scope 3: All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

RESPONSIBLE INVESTMENT REPORT (CONTINUED)

Travel

Holidays at Darwin holiday parks in the UK produce significantly lower carbon emissions compared to holidays abroad, particularly in relation to flying. Flying on holiday to Europe can produce around 500% more CO₂e than driving to a UK domestic holiday location.

Lodges

The majority of sites in the portfolio offer premium lodges for holiday rentals. These lodges are built to a higher specification than British Standard regulations, meaning that we actively utilise higher insulation levels in order to reduce energy wastage from our customers. So far, 60.54% of DLPF lodges are built to this higher than standard specification.

Electric vehicles

We are continuing to work to reduce operational CO₂ emissions from fleet vehicles. The percentage of electric vehicles in the portfolio fleet has increased during the last year from 43% to 57%. When electric vehicles become more suitable for travelling long distances, we would expect the number of electric vehicles in the fleet to increase further and replace the cars currently being used for these journeys.

Remote Thermostats

During the last year, a trial of remote thermostat systems was undertaken at Wareham Forest Lodge Retreat. The aim of this was to enable park staff to monitor energy consumption and reduce energy wastage by switching off heating when lodges weren't occupied. This is a relatively low-cost solution to reduce energy usage across the portfolio. Whilst the principle of this worked well, the remote thermostats were complicated to use and not customer friendly, so we are now looking at alternative suppliers who might be able to provide a better solution.

Electric Vehicle Charging Points

Darwin Escapes was one of the first UK holiday park companies to install electric charging points, at Cheddar Woods in 2013. So far, 8 charging points have been installed across the portfolio which can be accessed by all guests. With electric cars becoming more popular we are looking to install further units across the portfolio.

Food Waste

We have been working to reduce food waste across the portfolio's food and beverage outlets. Currently, food wastage from unused food in kitchens is around 1.06% of all food purchased. We are reviewing techniques to reduce this, and also working to ensure that food portions are appropriate in size in order to reduce food waste from food that has been served. The vast majority of returned or wasted food is utilised as natural compost.

Corporate Social Responsibility

Social Principles

- **Equality:** Darwin is committed to being an equal opportunities employer, offering the same opportunities to all staff, irrespective of race, religion or beliefs.
- **Value:** All stakeholders are valued; our customers, staff, suppliers and investors. They are at the forefront of everything we do.

RESPONSIBLE INVESTMENT REPORT (CONTINUED)

Corporate Social Responsibility (Continued)

Social Principles

- **Safety:** Locations will follow the highest standards of Health and Safety. By delivering continuous training and inspections to our staff, we are able to ensure risks to consumers are minimised.
- **Real Impact:** Social responsibility is more than just writing a cheque. Our underlying businesses aim to have a direct impact on local communities.
- **Supply Chain:** Darwin supports international and UK goals to end modern slavery, inequality and social injustice.

Social Aims

- **Decrease our gender pay gap:** Although Darwin performs well in this area, we can do more.
- **Be a responsible member of the community:** We aim to become integrated within our local communities. We will offer support, assistance and guidance that will benefit the areas in which we operate.
- **A career, not just a job:** Darwin is committed to continuing to improve our Human Capital Development. We aim to offer increased opportunities for our staff, enabling us to provide careers, not just a job.
- **Eliminate social injustice:** Darwin will not use suppliers whose social values are poor, and we will work to ensure we do not inadvertently support firms who operate immorally.
- **Support locally:** We will use local producers and businesses as suppliers wherever we can.

Employment and Human Capital Development

During the year the Fund has been working to reduce its cost base, which has resulted in a reduction in the number of permanent staff employed across the portfolio, which has fallen from 633 to 576. We have avoided making redundancies and instead the reduction has come from not replacing some staff members when they have left. A programme of cross-training of staff has been introduced at the same time, which has helped to deliver a more highly-skilled and efficient workforce. In total, 360 staff members took part in training courses with many earning new qualifications as a result. The focus on training means that 55 staff were promoted during the year and staff retention rates have increased, with the average length of service moving from 3.48 to 3.71 years.

Partnerships and Local Economy

DLPF has continued to sponsor events at Chester Zoo through Darwin Escapes. In addition to our corporate partnership with Chester Zoo, Darwin Escapes sponsored the zoo's Wildlife Connections Festival which promoted the preservation and education for protected species Darwin Escapes also sponsored part of the zoo's Nature Recovery Corridor which runs for 10 miles between Chester and Ellesmere Port.

Darwin Escapes also sponsored HFT, the national charity providing social care and support for people with learning disabilities. Other organisations with which Darwin Escapes partnered during the year include Birmingham Hippodrome Theatre Trust and Venue Cymru, Conwy – a North Wales based theatre and events venue, the Derby Book Festival, Guernsey Cricket Club and the British Heart Foundation.

Darwin Escapes engages with the British Heart Foundation to donate furniture that needs to be replaced when older units are refurbished. The British Heart Foundation will take the donations no matter what the condition and have their own workshops to bring the items to a standard where they can be sold through their charity shops or used within their own projects. During 2022/23 this raised £31,412 for the charity and there are plans to continue this partnership during refurbishment projects by Darwin Escapes in 2023/24.

COMPARATIVE TABLE

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>A Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 214.4000 | 208.7700 |
| Return before operating expenses | (63.7304) | 9.4581 |
| Operating charges | (3.1596) | (3.8281) |
| return after operating charges | (66.8900) | 5.6300 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 147.5100 | 214.4000 |
| Retained distributions on accumulation units | 4.3014 | 8.4365 |
| Performance | | |
| Return after charges | (31.20%) | 2.70% |
| Other information | | |
| Closing net asset value (£,000) | 1,214 | 2,214 |
| Closing number of units | 822,825 | 1,032,462 |
| Operating charges | (1.47%) | (1.83%) |
| Prices | | |
| Highest unit price | 215.9500 | 214.4000 |
| Lowest unit price | 147.1800 | 208.7700 |
| <u>C Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 367.4700 | 356.2500 |
| Return before operating expenses | (109.6270) | 16.1739 |
| Operating charges | (3.7630) | (4.9539) |
| return after operating charges | (113.3900) | 11.2200 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 254.0800 | 367.4700 |
| Retained distributions on accumulation units | 7.3768 | 14.4191 |
| Performance | | |
| Return after charges | (30.86%) | 3.15% |
| Other information | | |
| Closing net asset value (£,000) | 60,598 | 80,179 |
| Closing number of units | 23,850,160 | 21,819,326 |
| Operating charges | (1.02%) | (1.39%) |
| Prices | | |
| Highest offer unit price | 370.8900 | 367.4700 |
| Lowest bid unit price | 253.3100 | 356.2500 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>C Income units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 182.8300 | 184.3000 |
| Return before operating expenses | (57.0795) | 0.8478 |
| Operating charges | (1.8405) | (2.3178) |
| return after operating charges | (58.9200) | (1.4700) |
| Distributions on income units | 3.6519 | (7.3515) |
| Closing net asset value per unit | 123.9100 | 182.8300 |
| Retained distributions on accumulation units | N/A | N/A |
| Performance | | |
| Return after charges | (32.23%) | (0.80%) |
| Other information | | |
| Closing net asset value (£,000) | 15,505 | 23,419 |
| Closing number of units | 12,513,098 | 12,808,999 |
| Operating charges | (1.01%) | (1.26%) |
| Prices | | |
| Highest offer unit price | 182.3600 | 183.9900 |
| Lowest bid unit price | 123.5300 | 184.3000 |
| <u>D Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 374.0400 | 361.9900 |
| Return before operating expenses | (111.7360) | 16.4489 |
| Operating charges | (3.1640) | (4.3989) |
| return after operating charges | (114.9000) | 12.0500 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 259.1400 | 374.0400 |
| Retained distributions on accumulation units | 7.5105 | 14.6609 |
| Performance | | |
| Return after charges | (30.72%) | 3.33% |
| Other information | | |
| Closing net asset value (£,000) | 101,813 | 146,988 |
| Closing number of units | 39,288,614 | 39,297,317 |
| Operating charges | (0.85%) | (1.22%) |
| Prices | | |
| Highest offer unit price | 377.8200 | 374.0400 |
| Lowest bid unit price | 258.2600 | 361.9900 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>D income units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 99.5600 | 100.1800 |
| Return before operating expenses | (31.1243) | 0.4586 |
| Operating charges | (0.8257) | (1.0786) |
| return after operating charges | (31.9500) | (0.6200) |
| Distributions on income units | (1.9891) | (3.9986) |
| Closing net asset value per unit | 67.6100 | 99.5600 |
| Retained distributions on accumulation units | N/A | N/A |
| Performance | | |
| Return after charges | (32.09%) | (0.62%) |
| Other information | | |
| Closing net asset value (£,000) | 38,387 | 56,527 |
| Closing number of units | 56,776,394 | 56,776,394 |
| Operating charges | (0.83%) | (1.08%) |
| Prices | | |
| Highest offer unit price | 99.3500 | 100.0500 |
| Lowest bid unit price | 67.3800 | 100.1800 |
| <u>E Exit Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 219.5900 | 214.7800 |
| Return before operating expenses | (65.3645) | 9.1465 |
| Operating charges | (3.7255) | (4.3365) |
| return after operating charges | (69.0900) | 4.8100 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 150.5000 | 219.5900 |
| Retained distributions on accumulation units | 4.4031 | 8.6649 |
| Performance | | |
| Return after charges | (31.46%) | 2.24% |
| Other information | | |
| Closing net asset value (£,000) | 28,441 | 50,256 |
| Closing number of units | 18,897,886 | 22,886,391 |
| Operating charges | (1.70%) | (2.02%) |
| Prices | | |
| Highest offer unit price | 220.8500 | 219.5900 |
| Lowest bid unit price | 150.2600 | 214.7800 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>E Initial Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 234.0900 | 228.4000 |
| Return before operating expenses | (69.4656) | 10.3913 |
| Operating charges | (3.9744) | (4.7013) |
| return after operating charges | (73.4400) | 5.6900 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 160.6500 | 234.0900 |
| Retained distributions on accumulation units | 4.6949 | 9.2235 |
| Performance | | |
| Return after charges | (31.37%) | 2.49% |
| Other information | | |
| Closing net asset value (£,000) | 10,178 | 16,544 |
| Closing number of units | 6,335,434 | 7,067,447 |
| Operating charges | (1.70%) | (2.06%) |
| Prices | | |
| Highest offer unit price | 235.5600 | 234.0900 |
| Lowest bid unit price | 160.3600 | 228.4000 |
| <u>F Exit Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 179.1557 | 176.0788 |
| Return before operating expenses | (34.4167) | 7.4041 |
| Operating charges | (3.0390) | (4.3271) |
| return after operating charges | (37.4557) | 3.0770 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 141.7000 | 179.1557 |
| Retained distributions on accumulation units | 3.5919 | 7.0841 |
| Performance | | |
| Return after charges | (20.91%) | 1.75% |
| Other information | | |
| Closing net asset value (£,000) | 2,672 | 4,239 |
| Closing number of units | 1,885,407 | 2,366,029 |
| Operating charges | (1.70%) | (2.46%) |
| Prices | | |
| Highest offer unit price | 208.1800 | 179.1557 |
| Lowest bid unit price | 141.7000 | 176.0788 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>F Initial Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 111.7600 | 96.3469 |
| Return before operating expenses | (32.2511) | 4.3471 |
| Operating charges | (1.6689) | (2.4002) |
| return after operating charges | (33.9200) | 1.9469 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 77.8400 | 98.2938 |
| Retained distributions on accumulation units | 1.9715 | 3.8803 |
| Performance | | |
| Return after charges | (30.35%) | 2.02% |
| Other information | | |
| Closing net asset value (£,000) | 56 | 71 |
| Closing number of units | 72,522 | 72,522 |
| Operating charges | (1.49%) | (2.49%) |
| Prices | | |
| Highest offer unit price | 114.2600 | 98.2938 |
| Lowest bid unit price | 77.8400 | 96.3469 |
| <u>G Exit Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 186.6200 | 163.9034 |
| Return before operating expenses | (43.5456) | 6.8884 |
| Operating charges | (2.8444) | (3.1188) |
| return after operating charges | (46.3900) | 3.7696 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 140.2300 | 167.6730 |
| Retained distributions on accumulation units | 3.3621 | 6.6152 |
| Performance | | |
| Return after charges | (24.86%) | 2.30% |
| Other information | | |
| Closing net asset value (£,000) | 13,814 | 23,404 |
| Closing number of units | 9,851,188 | 13,958,037 |
| Operating charges | (1.52%) | (1.90%) |
| Prices | | |
| Highest offer unit price | 207.8400 | 167.6730 |
| Lowest bid unit price | 140.2300 | 163.9034 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>G Initial Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 95.2200 | 83.3668 |
| Return before operating expenses | (22.0974) | 3.7747 |
| Operating charges | (1.4526) | (1.5889) |
| return after operating charges | (23.5500) | 2.1858 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 71.6700 | 85.5526 |
| Retained distributions on accumulation units | 1.7158 | 3.3688 |
| Performance | | |
| Return after charges | (24.73%) | 2.62% |
| Other information | | |
| Closing net asset value (£,000) | 74 | 89 |
| Closing number of units | 103,503 | 103,503 |
| Operating charges | (1.53%) | (1.91%) |
| Prices | | |
| Highest offer unit price | 106.1100 | 85.5526 |
| Lowest bid unit price | 71.6700 | 83.3668 |
| <u>I Exit Penalty Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 180.1500 | 109.9312 |
| Return before operating expenses | (49.2558) | 4.9263 |
| Operating charges | (1.9142) | (2.0946) |
| return after operating charges | (51.1700) | 2.8317 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 128.9800 | 112.7629 |
| Retained distributions on accumulation units | 2.2614 | 4.4411 |
| Performance | | |
| Return after charges | (28.40%) | 2.58% |
| Other information | | |
| Closing net asset value (£,000) | 4,705 | 4,870 |
| Closing number of units | 3,648,121 | 4,318,959 |
| Operating charges | (1.06%) | (1.91%) |
| Prices | | |
| Highest offer unit price | 185.0700 | 112.7629 |
| Lowest bid unit price | 128.9800 | 109.9312 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>J Income units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 143.3800 | 144.5300 |
| Return before operating expenses | -44.7666 | 0.6681 |
| Operating charges | (1.4434) | (1.8181) |
| return after operating charges | (46.2100) | (1.1500) |
| Distributions on income units | (2.8639) | (5.7653) |
| Closing net asset value per unit | 97.1700 | 143.3800 |
| Retained distributions on accumulation units | N/A | N/A |
| Performance | | |
| Return after charges | (32.23%) | (0.80%) |
| Other information | | |
| Closing net asset value (£,000) | 7 | 11 |
| Closing number of units | 7,343 | 7,343 |
| Operating charges | (1.01%) | (1.26%) |
| Prices | | |
| Highest offer unit price | 143.0100 | 144.2900 |
| Lowest bid unit price | 96.8700 | 144.5300 |
| <u>K Accumulation units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 105.3900 | 101.3600 |
| Return before operating expenses | (31.6452) | 4.6155 |
| Operating charges | (0.2048) | (0.5855) |
| return after operating charges | (31.8500) | 4.0300 |
| Distributions on income units | N/A | N/A |
| Closing net asset value per unit | 73.5400 | 105.3900 |
| Retained distributions on accumulation units | 2.1180 | 4.1148 |
| Performance | | |
| Return after charges | (30.22%) | 3.98% |
| Other information | | |
| Closing net asset value (£,000) | 25,690 | 36,816 |
| Closing number of units | 34,933,446 | 34,933,446 |
| Operating charges | (0.19%) | (0.58%) |
| Prices | | |
| Highest offer unit price | 106.7700 | 105.3900 |
| Lowest bid unit price | 73.2100 | 101.3600 |

COMPARATIVE TABLE (CONTINUED)

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| | Pence per unit | Pence per unit |
| <u>K Income units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 103.0200 | 102.9800 |
| Return before operating expenses | (32.3644) | 0.4723 |
| Operating charges | (0.1856) | (0.4323) |
| return after operating charges | (32.5500) | 0.0400 |
| Distributions on income units | (2.0602) | (4.1206) |
| Closing net asset value per unit | 70.4700 | 103.0200 |
| Retained distributions on accumulation units | N/A | N/A |
| Performance | | |
| Return after charges | (31.60%) | 0.04% |
| Other information | | |
| Closing net asset value (£,000) | 48,478 | 70,871 |
| Closing number of units | 68,793,001 | 68,793,001 |
| Operating charges | (0.18%) | (0.42%) |
| Prices | | |
| Highest offer unit price | 103.0000 | 103.0700 |
| Lowest bid unit price | 70.1500 | 102.9800 |
| <u>M Income units</u> | | |
| Change in net assets per unit | | |
| Opening net asset value per unit | 184.8300 | 186.0600 |
| Return before operating expenses | (57.7651) | 0.8572 |
| Operating charges | (1.6149) | (2.0872) |
| return after operating charges | (59.3800) | (1.2300) |
| Distributions on income units | (3.6925) | (7.4255) |
| Closing net asset value per unit | 125.4500 | 184.8300 |
| Retained distributions on accumulation units | N/A | N/A |
| Performance | | |
| Return after charges | (32.13%) | (0.66%) |
| Other information | | |
| Closing net asset value (£,000) | 63,524 | 100,924 |
| Closing number of units | 50,637,094 | 54,603,427 |
| Operating charges | (0.87%) | (1.12%) |
| Prices | | |
| Highest offer unit price | 184.4200 | 185.8100 |
| Lowest bid unit price | 125.4500 | 186.0600 |

PORTFOLIO STATEMENT

As at 30 September 2023

| | Fair Value £ | Percent of net assets % |
|--|-----------------------------|--|
| Operating assets held at valuation (note 9) | 418,204,625 | 103.02 |
| Tangible fixed assets (note 10) | 38,731,581 | 9.54 |
| Cash and cash equivalents | 4,851,574 | 1.20 |
| Net other liabilities | (55,855,364) | (13.76) |
| Total net assets | 405,932,416 | 100.00 |

As at 30 September 2022

| | Fair Value £ | Percent of net assets % |
|--|-----------------------------|--|
| Operating assets held at valuation (note 9) | 591,289,271 | 96.76 |
| Tangible fixed assets (note 10) | 43,019,913 | 7.04 |
| Cash and cash equivalents | 11,842,188 | 1.94 |
| Net other liabilities | (35,076,671) | (5.74) |
| Total net assets | 611,074,701 | 100.00 |

TRUSTEE’S REPORT TO THE UNITHOLDERS OF DARWIN LEISURE PROPERTY FUND

For the year ended 30 September 2023

In our opinion the Manager has managed the Fund during the year in accordance with the provisions of its Principal Documents and Scheme Particulars, and The Authorised Collective Investment Scheme (Class B) Rules and Guidance, 2021 (the “Class B Rules 2021”) made under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended).

Andrew Thompson

Butterfield Bank (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3AP

02 February 2024

Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

Opinion

We have audited the consolidated financial statements of Darwin Leisure Property Fund ('DLPF' or the 'Fund') and its subsidiaries (together, the 'Group') which comprise the Consolidated Statement of Total Return, the Consolidated Statement in Changes in Net Assets Attributable to Unitholders, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements:


- give a true and fair view of the financial position of the Group as at 30 September 2023, and of its financial performance and its cashflows for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', (FRS 102); and
- have been prepared in accordance with the requirements of the Trust Instrument.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 Fund and of its subsidiaries in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Overview

| | |
|--|--|
|  Grant Thornton | <p>Materiality</p> <p>Overall materiality was £12.18 million, which represents 3% of the Group's net assets (2022: 3% of the Group's net assets, £18.3 million).</p> <p>Audit scope</p> <ul style="list-style-type: none"> • We conducted our audit of the consolidated financial statements based on information provided by the appointed service providers to the Fund to whom the Manager has delegated the provision of certain functions, including Vistra Financial Services (Guernsey) Limited. • Our audit opinion covers the consolidated financial statements of the Group only. We have been engaged to provide individual statutory audit on the financial statements of the subsidiaries within Guernsey and Grant Thornton UK LLP ("GT UK") have been appointed as auditors of the subsidiaries in the UK. • We have carried out our audit work in Guernsey. We have tailored the scope of our audit taking into account the types of investment within the Fund, the accounting processes and controls and the industry in which the Fund operates. <p>The Fund is a Guernsey registered entity, with classes of units listed on The International Stock Exchange.</p> |
|--|--|



Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

Key audit matters

- **Improper revenue recognition – rental income, sale of caravan/lodges, site fees and ancillary income – Same as previous year;**
- **Significant risk on the valuation of Operating assets – Same as previous year; and**
- **Santander's revolving credit facility and its related impact on the Group's going concern status.**

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where Darwin Property Investment Management (Guernsey) Limited (the "Manager") made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the Fund materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

| | |
|--|--|
| <i>Overall Group materiality</i> | £12.18 million (2022: £18.3 million) |
| <i>How we determined it</i> | 3% (2022: 3%) of the Group's net assets |
| <i>Rationale for the materiality benchmark</i> | We believe that net assets are a primary measure used by the Unitholders in assessing the performance of the Fund. It is also a generally accepted measure used for similar entities in this industry. |

Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <p>Risk 1</p> <p>Significant risk of fraud on revenue recognition (UK operating entities)</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>There is a risk that revenue of the Group from operating activities is materially misstated.</p> | <p>We communicated with GT UK (the Component Auditor) and instructed them to perform the following procedures on revenue earned by the Group from its operating entities:</p> <ul style="list-style-type: none"> ○ Understand the revenue recognition policy and assess whether it is in line with accounting standards; ○ Test the operating effectiveness of controls over the monthly reconciliation and approval of revenue; ○ Perform testing on the occurrence and accuracy of revenue transactions by: <ul style="list-style-type: none"> - confirming 100% of the rental income with Hoseasons; and - agreeing, on a sampling basis, revenue transactions (other than rental income) to supporting invoices and receipts to bank statements; ○ Perform analytical review of the revenue streams by park per month and compare the current year performance with the previous year; ○ Perform cut-off procedures as part of receivables testing, in order to ensure that revenue has been recorded in the correct period; and ○ Test in detail manual journals/adjustments to revenue accounts falling outside the month-end journal process. <p>We reviewed the work performed by GT UK, checked compliance with our instructions and assessed the reasonableness of the conclusions reached.</p> <p>The Fund's accounting policy on revenue recognition is shown in Note 3 and further information on revenue is disclosed in Note 5 to the consolidated financial statements.</p> <p>Conclusion</p> <p>We did not note any material issues from our procedures.</p> |

Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>Risk 2</p> <p>Significant risk of material misstatement on valuation of operating assets</p> <p>Fair value at year-end of operating assets might be materially misstated due to fraud and/or error including management override of controls.</p> <p>The fair value of operating assets is subjective and determined using complex valuation model which involves high level judgement and estimation uncertainty.</p> <p>As a result, there is a risk that the model is inaccurate and inputs used might be inappropriate.</p> <p>The valuation of the operating assets is the key driver of the Group's net asset values. Incorrect valuation could have a significant impact on the net asset value of the Group and therefore the return generated for investors.</p> | <ul style="list-style-type: none"> • Updated our understanding of the processes, policies and controls in place in relation to valuation of operating assets and performed test of design and implementation of controls relevant to such processes; • Evaluated the qualifications, competence, experience and independence of Evelyn Partners ("Evelyn") to act as management's valuation expert; • Obtained the quarterly valuation reports issued by Evelyn, in order to update our understanding of the valuation methodology and assessed whether it is in accordance with an applicable valuation framework; • Obtained minutes of Board meetings and other evidence supporting discussions held by the Board to challenge the assumptions made by the Investment Manager in the preparation of the operating assets' valuation models; • Obtained from management the DCF calculations prepared for each operating asset, checked them for mathematical accuracy and confirmed the Year 0 free-cashflows input in the models against the actual as per trial balance audited by the component auditor; • Assessed the reasonableness of the assumptions used in the valuations, through direct discussions with the Board, the Investment Manager and the valuation expert; • Further corroborated management's assumptions against information obtained through independent searches and in case of contradictory evidence, assess, both in isolation and in aggregate, the impact on the operating assets' fair value; • Obtained minutes of Board meetings and other evidence for the Board's rationale for the selected discount rate used in the DCF models based on the range identified by Evelyn; and • Performed sensitivity analysis on the key driver of the weighted average cost of capital (WACC) calculations in order to assess their appropriateness and reasonableness. <p>The Fund's accounting policy on revenue recognition is shown in Note 3 and further information on operating assets held at valuation is disclosed in Note 9 to the consolidated financial statements.</p> <p>Conclusion</p> <p>We did not note any material issues from our procedures.</p> |

Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <p>Risk 3</p> <p>Santander's revolving credit facility and its related impact on the Group's going concern status</p> <p>During the performance of our audit of the loan covenants and based on the communication from the investment advisor, we have noted that DWCGGL has not met all the conditions as per clause 21 of the revolving credit facility with Santander UK Plc (the "Lender").</p> <p>This gives rise to risk that the facility may be repayable on demand and assets on which the facility is secured against, be called upon by the Lender.</p> <p>Without remediation, this could also impact the Group's going concern status.</p> | <p>Obtained understanding of the transaction in relation to the contract with Santander, including the business rationale (or lack thereof) and economic substance;</p> <p>Inspected and obtained an understanding of the credit facility agreement with Santander and documented key terms, conditions and covenants;</p> <p>Assessed the effect of the non-compliance of the conditions of the revolving credit facility in light of the waiver/remedy agreed by the Group with Santander post year end, and its impact on the ability of the Group to continue as going concern; and</p> <p>Obtained documentation in respect of the waiver agreed with Santander and Group management's assessment of the Group's ability to meet the amended covenants once the waiver has ended.</p> <p>Conclusion</p> <p>We did not note any material issues from our procedures.</p> |

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Manager for the financial consolidated statements

The Manager is responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with FRS 102, and for such internal control as the Manager determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group'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 Manager either intend to liquidate the Fund (or any of its subsidiaries) or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

To the unitholders of Darwin Leisure Property Fund

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state to the Fund's unitholders 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 Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 02 February 2024

CONSOLIDATED STATEMENT OF TOTAL RETURN

For the year ended 30 September 2023

| | | 2023 | 2022 |
|--|-------|----------------------|--------------------|
| | Notes | £ | £ |
| Income | | | |
| Net capital (losses)/gains | | | |
| Unrealised (loss)/gain on operating assets held at valuation | 9 | (170,122,760) | 19,409,708 |
| Foreign exchange loss | | (61,916) | (86,814) |
| | | <u>(170,184,676)</u> | <u>19,322,894</u> |
| Revenue | 5 | 52,538,917 | 59,004,940 |
| Expenses: | | | |
| Expenses | 6 | (58,575,979) | (56,715,535) |
| Management fees | 18 | (4,665,963) | (5,441,940) |
| Performance fees | 18 | (7,965) | (1,210,431) |
| Net expenses | | <u>(10,710,990)</u> | <u>(4,362,966)</u> |
| Total (loss)/return before taxation | | <u>(180,895,666)</u> | <u>14,959,928</u> |
| Taxation | 8 | - | - |
| Total (loss)/return before distributions | | <u>(180,895,666)</u> | <u>14,959,928</u> |
| Finance costs: distributions | 7 | (12,278,156) | (23,915,345) |
| Decrease in net assets attributable to unitholders | | <u>(193,173,822)</u> | <u>(8,955,417)</u> |

The results of the year relate to continuing operations. There are no recognised gains or losses for the year other than the total return.

The accompanying notes on pages 35 to 63 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30 September 2023

| | | 2023 | 2022 |
|---|--------------|---------------------------|---------------------------|
| | | £ | £ |
| | <i>Notes</i> | | |
| Opening net assets attributable to unitholders | | 611,074,701 | 597,847,020 |
| Movement due to issues and redemptions of units | | (19,245,821) | 7,800,536 |
| Reinvested accumulation distribution | 7, 17 | <u>7,277,358</u> | <u>14,382,562</u> |
| | | 599,106,238 | 620,030,118 |
| Decrease in net assets attributable to unitholders | | <u>(193,173,822)</u> | <u>(8,955,417)</u> |
| Closing net assets attributable to unitholders | | <u>405,932,416</u> | <u>611,074,701</u> |

The accompanying notes on pages 35 to 63 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

| | | 2023 | 2022 |
|---|--------------|--------------------|--------------------|
| | <i>Notes</i> | £ | £ |
| Assets | | | |
| Non-Current Assets | | | |
| Operating assets held at valuation | 9 | 418,204,625 | 591,289,271 |
| Tangible fixed assets | 10 | 38,731,581 | 43,019,913 |
| | | 456,936,206 | 634,309,184 |
| Current assets | | | |
| Inventories | | 4,672,409 | 3,943,744 |
| Debtors and prepayments | 12 | 1,855,370 | 2,340,048 |
| Cash and cash equivalents | | 4,851,574 | 11,842,188 |
| | | 11,379,353 | 18,125,980 |
| Total assets | | 468,315,559 | 652,435,164 |
| Current Liabilities | | | |
| Amounts falling due within one year | | | |
| Loans payable and other borrowings | 14 | 49,552,779 | 29,952,173 |
| Creditors | 13 | 12,163,921 | 10,385,608 |
| | | 61,716,700 | 40,337,781 |
| Non-current liabilities | | | |
| Loans payable and other borrowings | 14 | 666,443 | 1,022,682 |
| Total liabilities excluding net assets attributable to unitholders | | 62,383,143 | 41,360,463 |
| Net assets attributable to unitholders | | 405,932,416 | 611,074,701 |
| Number of units in issue | 17 | 328,416,036 | 340,844,603 |
| Fund net asset value per unit | | 1.2360 | 1.7928 |

The Consolidated Financial Statements on pages 30 to 63 were approved and authorised for issue by the Board of Directors of the Manager on 02 February 2024 and are signed on its behalf by

Ian Burns
Director

Robin Smith
Director

The accompanying notes on pages 35 to 63 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Total (loss)/return before distributions and taxation | | (180,895,666) | 14,959,928 |
| Unrealised loss/(gain) on operating assets held at valuation | 9 | 170,122,760 | (19,409,708) |
| Depreciation | 6 | 8,661,640 | 9,106,493 |
| Bank charges expense | 6 | 57,090 | 37,187 |
| Loan interest expense | 6 | 2,746,173 | 1,103,626 |
| Increase in inventories | | (728,665) | (1,000,359) |
| Decrease in debtors | | 484,678 | 233,588 |
| Increase in creditors | | 1,778,313 | 919,937 |
| Foreign exchange loss | | 61,916 | 86,814 |
| Net cash flows generated from operating activities | | 2,288,239 | 6,037,506 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (1,334,668) | (2,007,600) |
| Proceeds from disposal of tangible assets | | 170,251 | 327,544 |
| Purchase of operating assets held at valuation | 9 | (247,004) | (248,371) |
| Net cash flows used in investing activities | | (1,411,421) | (1,928,427) |

The accompanying notes on pages 35 to 63 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 30 September 2023

| | Notes | 2023 £ | 2022 £ |
|---|-------|------------------------|-----------------------|
| Cash flows from financing activities | | | |
| Net proceeds from (redemption)/issue of units | | (19,245,821) | 7,800,536 |
| Park finance leases | | (22,906) | (5,411) |
| Bank loan drawn/(repaid) | 14 | 49,219,445 | (916,666) |
| Bank overdraft (repaid)/drawn | 14 | (29,952,173) | 1,977,250 |
| Bank charges paid | | (57,090) | (37,187) |
| Loan interest paid | 6 | (2,746,173) | (1,103,626) |
| Distributions paid | 7 | (5,000,798) | (9,532,783) |
| Net cash flows used in financing activities | | (7,805,516) | (1,817,887) |
| Net (decrease)/increase in cash and cash equivalents | | (6,928,698) | 2,291,192 |
| Net cash and cash equivalents at the beginning of the year | | 11,842,188 | 9,637,810 |
| Foreign exchange cash movements | | (61,916) | (86,814) |
| Net cash and cash equivalents as the end of the year | | 4,851,574 | 11,842,188 |

The accompanying notes on pages 35 to 63 form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

1. GENERAL INFORMATION

The Fund was established in Guernsey on 5 December 2007 as an open-ended unit trust authorised by the Guernsey Financial Services Commission as an authorised Class B open-ended Collective Investment Scheme. The address of the registered office of its Manager, Darwin Property Investment Management (Guernsey) Limited, is 11 New Street, St Peter Port, Guernsey, GY1 2PF.

The Fund is listed on the Official List of The International Stock Exchange ("TISE").

The Fund's principal activity is to invest primarily in a portfolio of interests in UK and Irish based holiday parks, which includes land, buildings, lodges and static caravans, acquiring and owning such parks with a view to enhancing value through strategic selection and interventionist asset management. Lodges and static caravans are moveable as defined in the Caravan Sites and Control of Developments Act 1960 (United Kingdom).

The Fund may invest in such property, directly or indirectly, through one or more Property Holding Vehicles or other Intermediate Vehicles.

The Fund may also invest in other collective investment schemes, listed and unlisted securities, joint ventures and partnerships, where the Manager considers there is a link with the leisure industry. Due to the nature of the Fund's assets and lead times to complete purchases, there may be short periods where liquidity levels are relatively high. During such periods, uninvested liquidity will be held in cash deposits, public securities, including treasury bills, bonds and other government securities, money market instruments, debt instruments or similar investments, as the Manager determines from time to time.

2. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Consolidated Financial Statements of the Fund and its subsidiaries.

Basis of preparation

The Consolidated Financial Statements have been prepared under the historical cost convention, modified by the fair value of operating assets held at valuation, and in accordance with FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Association of Investment Companies.

The preparation of Consolidated Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

Basis of consolidation

The Consolidated Financial Statements include the results of the Fund drawn up to 30 September each year. The subsidiaries have been included in the Consolidated Financial Statements using the acquisition method of accounting. Accordingly, the Consolidated Statement of Total Return, Consolidated Statement of Financial Position, Consolidated Changes in Net Assets Attributable to Unitholders, Consolidated Statement of Cash Flows and associated notes include the results of the subsidiaries from the effective date on which control has been acquired and cease to be consolidated from the date that control has been passed.

All of the subsidiary companies have 30 September as their year end and are all entities that are controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Intercompany transactions, balances and unrealised gains on transactions between subsidiary companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going Concern

The Manager has, at the time of approving the audited Consolidated Financial Statements, a reasonable expectation that the Fund together with its subsidiaries have adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements, and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

The Manager has not identified any material uncertainties which would cast significant doubt on the Group's ability to continue as a going concern. Subsequent to the year end the loan payable that is classified as a current liability was reclassified as non-current, see notes 14 and 19. Therefore, after due consideration the Manager believes that the Group has adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

Revenue

Revenue consists of sales revenue on Lodges and caravans, fees received for hire fleet rental, private owner site fees and sales at the on-site facilities (ancillary income), and is recognised net of VAT.

Sale revenue on lodges and caravans is recognised when the Fund has fulfilled all of its obligations in respect of the sale which is when all the proceeds have been received and the keys are handed over.

Hire fleet rental is recognised on guest departure.

Site fees are recognised evenly over the period of the season.

Ancillary income is recognised once the service has been provided or the goods have been supplied.

Other park revenue consists of other income.

Expenses

Expenses are accounted for on an accrual basis. Transaction costs directly applicable to the purchase of operating assets held at valuation are included within the initial cost of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Operating assets held at valuation

Operating assets are carried in the Consolidated Statement of Financial Position on the basis of a valuation based upon their market value.

Operating assets are initially measured at cost, being the fair value for the consideration given, including related transaction costs. After initial recognition, operating assets are carried at fair value at the date of the valuation, less any subsequent accumulated depreciation (Note 9). Freehold land is not depreciated. Gains and losses arising from changes in fair value are included in the Consolidated Statement of Total Return.

The fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The estimation of fair value does not assume that either the underlying business is saleable at the reporting date or that their owners have the intention to sell in the near future.

The objective is to estimate the exchange price at which hypothetical market participants would agree to transact.

The fair value of the land and buildings is largely based on estimates using property appraisal techniques and other valuation methods as outlined in Note 4. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

Operating Assets held at valuation are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Consolidated Statement of Total Return.

Tangible fixed assets

Tangible fixed assets held for use in the operation of the holiday parks are stated at historical cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Tangible fixed assets are depreciated on a straight line basis as follows:

| | |
|------------------------|------------------------|
| Plant and machinery | 4 years straight line |
| Office equipment | 4 years straight line |
| Furniture and fittings | 4 years straight line |
| Computer hardware | 4 years straight line |
| Lodges | 20 years straight line |
| Static caravans | 7 years straight line |
| Motor vehicles | 4 years straight line |
| Building improvements | 25 years straight line |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Consolidated Statement of Total Return and included in 'Other expenses' within 'Expenses'.

Impairment

At each reporting date, the Group reviews the carrying amounts of its Tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including debtors and cash and cash equivalents are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rate of interest.

Such assets are subsequently carried at amortised cost less any impairment using the effective interest method, unless the assets are due within one year, then are measured at the undiscounted amount of cash or other consideration expected to be received.

Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Outstanding rental income balances are written off when the probability of recovery is assessed as being remote.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Consolidated Statement of Total Return. An impairment loss is reversed if the financial asset's recoverable amount exceeds its carrying amount and is recognised in the Consolidated Statement of Total Return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including creditors, loans payable and other borrowings are initially recognised at transaction price.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are subsequently measured at amortised cost using the effective interest method, unless payment is due within one year or less, then are measured at the undiscounted amount of cash or other consideration expected to be paid. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

All loans are initially recognised at fair value less directly attributable transaction costs. After initial recognition interest bearing loans are subsequently measured at amortised cost using the effective interest method. Non-interest bearing loans continue to be measured at the fair value, which is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Loans are classified as current unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

Finance costs incurred from loans are recognised in the Consolidated Statement of Total Return.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Total Return.

Cash and cash equivalents

Cash and cash equivalents, includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months from the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities and they are not included within cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is calculated using the first in, first out method. At each reporting date inventories are assessed for impairment.

Net assets attributable to unitholders

All unit of shares issued are redeemable and provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets, at each redemption date. In accordance with FRS 102 Section 22- Financial Instruments, such instruments give rise to a financial liability for the present value of the redemption amount.

Distributions

The net distributable income of the Fund will be available to allocate at the end of each calendar quarter ending on 31 December, 31 March, 30 June and 30 September based on the returns of the Fund. In the case of Income Units, the income allocated will be distributed within 50 Business Days of the relevant quarter date. Distributions for Accumulation Units are reinvested in the Fund. All units have equal rights to distributions.

Functional and presentational currency

The Fund's functional and reporting currency is Pound Sterling, and all of the Fund's assets are located in the United Kingdom. However, at the year end, in addition to Sterling unit classes, there are also in issue units in the following foreign currencies: Euros, US Dollars and Singapore Dollars. The Fund computes its Net Asset Value in Sterling and the NAV of Unit Classes other than Sterling Unit Classes are notionally converted to the relevant currency of the Unit Class at the exchange rate prevailing on the Valuation Date. As a consequence, the Fund is exposed to the risk of movements in the exchange rates of the currencies in which the foreign currency units are based which may affect the value of the units and of any income arising from them. All reported amounts in the statements have been rounded to zero decimal places.

Deferred Tax

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the reporting date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the reporting date. Deferred tax balances are not discounted.

Income taxes

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Manager is 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 assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The most significant estimates and judgements made in preparing these financial statements, under FRS 102, are as follows:

Operating assets held at valuation

In accordance with the Group's accounting policies, operating assets held at valuation are stated at fair value as at the reporting date. This is determined by the Manager, on the recommendation of the Investment Adviser, and independent valuation experts using recognised valuation techniques.

- Land and buildings used for operating activities

These are stated at fair value as determined by the Investment Manager, on the recommendation of the Investment Advisor, using the Discounted Cash Flow ("DCF") method. Caravan parks are commercial businesses and, from time to time, the Manager will be purchasing non-transferable securities. The Manager has determined that it is appropriate and prudent to have the operating assets reviewed by independent business valuers. Evelyn Partners, who have been appointed as the independent business valuer, is the UK's leading integrated wealth management and professional services group. Evelyn Partners has 32 principal offices in the UK and Ireland.

Management accounts, which are the basis of the parks' audited annual financial statements, are the inputs for the ten-year DCF models for each park which incorporate management projections based on these accounts. The forecast projections are discussed with the independent business valuer. The independent business valuer provides the key technical components for setting the Weighted Average Cost of Capital ("WACC") and in quarterly reviews of the DCFs together with the Manager helps ensure that the WACC and the terminal growth rates are commensurate with investment and industry norms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Operating assets held at valuation (continued)

The WACC is reviewed by the Board of the Manager ("the Board") on a quarterly basis and both the Board and the Independent Valuer have always considered the long-term nature of the Fund, so have avoided changing the WACC during short-term periods of market volatility. The Fund WACC has therefore remained at the same rate for a number of years. In July, however, it was the view of both the Board and the Fund Valuer that the Risk Free Rate was expected to stay at a heightened level for an extended period and they therefore believed that this was the right time to make an adjustment. Consequently, a decision to increase the WACC to 10.15% was approved by the Board following discussions with the Fund's Independent Valuer. In selecting the WACC, the Board use their judgement in respect of a number of inputs including the Risk Free Rate. The Board discuss these inputs and consider views of the Independent Valuer, who provide a range of WACC percentages, in order to arrive at a WACC that both consider to be reasonable and appropriate.

In the year of acquisition, parks are valued at cost for the first three months after acquisition as it is considered a reliable basis for fair value. There are no recently acquired parks hence all are measured at fair value based on DCF.

The Directors of the Manager are confident that the valuation included in the Consolidated Financial Statements has been incorporated on a consistent basis using sensible and supportable assumptions.

Impairment of fixed assets

Fixed assets are depreciated over their useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

5. REVENUE

| | 2023 | 2022 |
|---------------------------|-------------------|-------------------|
| | £ | £ |
| Sales revenue on caravans | 7,610,370 | 10,446,307 |
| Hire fleet rental | 31,077,034 | 35,213,266 |
| Ancillary income | 7,899,458 | 7,283,992 |
| Private owner revenue | 5,854,710 | 5,966,865 |
| Other income | 77,823 | 83,066 |
| Bank interest income | 19,522 | 11,444 |
| Total Income | 52,538,917 | 59,004,940 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

6. EXPENSES

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Park wages and salaries | 13,396,659 | 12,942,966 |
| Park cost of sales | 7,589,568 | 7,838,183 |
| Park general and administrative expenses | 9,168,824 | 8,136,841 |
| Park marketing expenses | 816,181 | 866,461 |
| Other park operating expenses | 14,449,953 | 15,061,135 |
| Depreciation | 8,661,640 | 9,106,494 |
| Administrator's fees | 550,000 | 581,226 |
| Deferred marketing charge | 138,684 | 318,745 |
| Loan interest | 2,972,806 | 1,103,626 |
| Legal and professional | 325,073 | 294,940 |
| Trustee's fees | 164,129 | 175,524 |
| Audit fees of the Fund | 54,401 | 49,858 |
| Audit and accounting fees of the subsidiaries | 230,971 | 202,350 |
| Bank charges | 57,090 | 37,186 |
| Total Expenses | 58,575,979 | 56,715,535 |

7. FINANCE COSTS: DISTRIBUTIONS

The Manager recommended that distributions be made for the year ended 30 September 2023 of 4.30 (2022: 8.44) pence per unit on the A Accumulation class, 7.38 (2022: 14.42) pence per unit on the C Accumulation class and 3.65 (2022: 7.35) pence per unit on the C Income class, 7.51 (2022: 14.66) pence per unit on the D Accumulation class, 1.99 (2022: 4.00) pence per unit on D income class, 4.40 (2022: 8.66) pence per unit on the E Exit class, 4.69 (2022: 9.22) pence per unit on the E initial class, 3.59 (2022: 7.08) pence per unit on the F Exit class, 1.97 (2022: 3.88) pence per unit on the F initial class, 3.36 (2022: 6.62) pence per unit on the G exit class and 1.72 (2022: 3.37) pence per unit on the G initial class, 2.26 (2022: 4.44) pence per unit on the I exit class, 2.86 (2022: 5.77) pence per unit on the J Income class, 2.12 (2022: 4.11) pence per unit on K Accumulation class, 2.06 (2022: 4.12) on K income, and 3.69 (2022: 7.43) pence per unit on the M Income class.

The distributions allocated to the accumulation units were reinvested and accumulated in the capital. In total £7,277,358 (2022: £14,382,562) relating to the accumulation units was reinvested during the year and £5,000,798 (2022: £9,532,783) has been paid to unitholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 September 2023****8. TAXATION**

The Fund is exempt from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The Fund pays an annual fee to the States of Guernsey Income Tax Office, presently set at £1,200 (2022: £1,200).

The Fund's subsidiary Darwin West Country (Guernsey) Limited is liable to UK Corporation Tax (25% from 1 April 2023, 19% to 1 April 2023) on rental income from UK property holdings. Darwin West Country (Guernsey) Limited forms part of the UK tax group along with the UK operating subsidiaries and is subject to UK Corporation Tax on profits derived in the UK.

The Fund took professional guidance on these changes and continues to monitor the situation to mitigate the UK tax within the fund structure.

| Tax expense included in profit or loss | 2023 | 2022 |
|---|---------------|-------------|
| | £ | £ |
| Current income tax: | - | - |
| Current income tax charge | - | - |
| | | |
| Reconciliation of tax charge | 2023 | 2022 |
| | £ | £ |
| (Loss)/profit before tax | (180,895,666) | 14,959,928 |
| Income tax at a rate of 0% | - | - |
| Effects of | | |
| Income subject to UK tax | - | - |
| Tax charge for the year | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

9. OPERATING ASSETS HELD AT VALUATION

| | 2023 | 2022 |
|--|------------------------|------------------------|
| | £ | £ |
| Cost or valuation | | |
| At start of year | 613,500,756 | 593,842,677 |
| Additions | 247,004 | 248,371 |
| Unrealised (loss)/gain on operating assets held at valuation | (170,122,760) | 19,409,708 |
| At end of year | 443,625,000 | 613,500,756 |
| Depreciation and impairment | | |
| At start of year | 22,211,485 | 19,010,491 |
| Provided during the year | 3,208,890 | 3,200,994 |
| At end of year | 25,420,375 | 22,211,485 |
| Carrying amount at end of year | 418,204,625 | 591,289,271 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

9. OPERATING ASSETS HELD AT VALUATION (CONTINUED)

| | 2023 | Percent of net assets | 2022 | Percent of net assets |
|--------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|
| Operating assets | £ | % | £ | % |
| Aberconwy Resort & Spa | 31,053,804 | 7.65 | 46,430,497 | 7.60 |
| Bath Mill Lodge Retreat | 13,111,480 | 3.23 | 19,036,223 | 3.12 |
| Beach Cove Coastal Retreat | 8,510,261 | 2.10 | 10,958,489 | 1.79 |
| Canterbury Fields Holiday Park | 5,522,156 | 1.36 | 8,504,149 | 1.39 |
| Cheddar Woods Resort & Spa | 63,128,813 | 15.55 | 80,431,805 | 13.16 |
| Hawkchurch Resort & Spa | 30,866,057 | 7.60 | 41,921,070 | 6.86 |
| Keswick Reach Caravan Park | 56,022,522 | 13.80 | 72,957,117 | 11.94 |
| Mullion Cove Coastal Retreat | 6,665,108 | 1.64 | 9,629,494 | 1.58 |
| Piran Meadows Resort & Spa | 39,636,751 | 9.76 | 56,218,672 | 9.20 |
| Sandymouth Holiday Home Park | 34,513,563 | 8.50 | 46,430,993 | 7.60 |
| Talacre Beach Holiday Home | | | | |
| Park and Leisure Park, The New | | | | |
| Pines Holiday Home Park and | | | | |
| Seaview Holiday Home Park | 43,593,301 | 10.74 | 76,984,174 | 12.60 |
| Thanet Well Country Park | 12,951,159 | 3.19 | 18,959,565 | 3.10 |
| Tilford Woods Lodge Retreat | 9,211,792 | 2.27 | 12,615,410 | 2.06 |
| Wareham Forest Lodge Retreat | 20,767,453 | 5.12 | 27,069,447 | 4.43 |
| Woodside Bay Holiday Home | | | | |
| Park | 28,706,263 | 7.07 | 46,390,797 | 7.59 |
| Woodside Coastal Retreat | 13,494,142 | 3.32 | 16,301,369 | 2.67 |
| | 417,754,625 | 102.90 | 590,839,271 | 96.69 |
| Non-operating asset | | | | |
| Darwin Parks Group | 450,000 | 0.11 | 450,000 | 0.07 |
| | 418,204,625 | 103.01 | 591,289,271 | 96.76 |

Valuation methods used to value operating assets held at valuation are included in Note 4.

The Darwin Parks Group investment consists of non-operating assets which are located within the parks and are valued separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

10. TANGIBLE FIXED ASSETS

| | Static caravans and lodges £ | Plant and machinery £ | Office Equipment £ | Furniture and fittings £ | Motor vehicles £ | Total £ |
|-------------------------|---------------------------------------|-----------------------------|--------------------------|--------------------------------|---------------------|--------------------|
| At 30 September 2022 | 76,964,348 | 922,456 | 1,770,489 | 20,051,412 | 1,416,719 | 101,125,424 |
| Disposals | (288,570) | - | - | - | (115,640) | (404,210) |
| Additions | 234,676 | 17,228 | 245,590 | 571,213 | 249,896 | 1,318,603 |
| At 30 September 2023 | 76,910,454 | 939,684 | 2,016,079 | 20,622,625 | 1,550,975 | 102,039,817 |
| Depreciation | | | | | | |
| At 30 September 2022 | 37,084,482 | 812,927 | 1,356,082 | 17,861,459 | 990,561 | 58,105,511 |
| Disposal | (171,361) | - | - | - | (78,663) | (250,024) |
| Charge | 4,043,535 | 45,526 | 145,574 | 1,024,533 | 193,581 | 5,452,749 |
| At 30 September 2023 | 40,956,656 | 858,453 | 1,501,656 | 18,885,992 | 1,105,479 | 63,308,236 |
| Carrying amount | | | | | | |
| At 30 September 2022 | 39,879,866 | 109,529 | 414,407 | 2,189,953 | 426,158 | 43,019,913 |
| At 30 September 2023 | 35,953,798 | 81,231 | 514,423 | 1,736,633 | 445,496 | 38,731,581 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

11. INVESTMENT IN SUBSIDIARIES (Fund Only)

The Fund holds and operates its property portfolio through subsidiary companies. The Consolidated Financial Statements consolidate the results of the Fund and its subsidiaries drawn up to 30 September each year. The subsidiaries have been included in the Fund's Consolidated Financial Statements using the acquisition method of accounting. The Consolidated Statement of Total Return and Consolidated Statement of Cash Flows include the results of the subsidiaries from the effective date on which control has been acquired and cease to be consolidated from the date that control has been passed.

| Name | Place of registration | Fund % ownership | Principal activity |
|--|------------------------------|-------------------------|---------------------------|
| Immediate parent - Darwin Leisure Property Fund | | | |
| Darwin West Country (Guernsey) Limited | Guernsey | 100% | Property holding |
| Darwin Finance (Guernsey) Limited | Guernsey | 100% | Property finance |
| Immediate parent - Darwin West Country (Guernsey) Limited | | | |
| Aberconwy Limited | UK | 100% | Park operation |
| Darwin (Bath Mill) Limited | UK | 100% | Park operation |
| Darwin (Beach Cove) Limited | UK | 100% | Park operation |
| Darwin (Canterbury Fields) Limited | UK | 100% | Park operation |
| Darwin (Cheddar Woods) Limited | UK | 100% | Park operation |
| Darwin Contract Management Limited | UK | 100% | Park operation |
| Darwin (Hawkchurch Country Park) Ltd | UK | 100% | Park operation |
| Darwin (Mullion Cove) Limited | UK | 100% | Park operation |
| Darwin (Keswick Reach) Limited (formerly Darwin (North Lakes) Limited) | UK | 100% | Park operation |
| Darwin (North West) Limited | UK | 100% | Park operation |
| Darwin (Wareham Forest) Limited (formerly Darwin (Pear Tree Park) Limited) | UK | 100% | Park operation |
| Darwin (Piran Meadow) Limited | UK | 100% | Park operation |
| Darwin (Sandymouth) Limited | UK | 100% | Park operation |
| Darwin (Seaview Gwespyr) Limited | UK | 100% | Dormant |
| Darwin (Swanage Bay View) Limited | UK | 100% | Dormant |
| Darwin (Thanet Well) Limited | UK | 100% | Park operation |
| Darwin (Tilford Woods) Limited | UK | 100% | Park operation |
| Darwin (Woodside Bay) Limited | UK | 100% | Park operation |
| Darwin (Woodside Costal Retreat) Limited | UK | 100% | Park operation |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

12. DEBTORS AND PREPAYMENTS

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Deferred arrangement and marketing costs | 35,743 | 171,894 |
| Other debtors and prepayments | 1,819,627 | 1,903,573 |
| Trade debtors | - | 264,581 |
| | 1,855,370 | 2,340,048 |

13. CREDITORS

| | 2023 | 2022 |
|-----------------------------|-------------------|-------------------|
| | £ | £ |
| Trade creditors | 5,458,330 | 3,635,848 |
| VAT payable | 2,042,985 | 2,274,367 |
| Other creditors | 2,631,771 | 3,390,835 |
| Management fees payable | 1,479,233 | 441,949 |
| Performance fees payable | - | 16,966 |
| Administration fees payable | 45,205 | 45,205 |
| Trustee fees payable | 11,272 | 14,678 |
| Accrued expenses | 495,125 | 565,760 |
| | 12,163,921 | 10,385,608 |

14. LOANS PAYABLE AND OTHER BORROWINGS

| | 2023 | 2022 |
|---------------------------|-------------------|-------------------|
| | £ | £ |
| Current | | |
| Loan interest payable | 468,470 | - |
| Overdraft | - | 29,952,173 |
| Revolving credit facility | 49,084,309 | - |
| | 49,552,779 | 29,952,173 |
| Non current | | |
| Bank loan | - | 333,334 |
| Park finance leases | 666,443 | 689,348 |
| | 666,443 | 1,022,682 |
| | 50,219,222 | 30,974,855 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

14. LOANS AND OTHER BORROWINGS (continued)

2023

The Fund has a Revolving Credit Facility ("facility") with Santander UK plc to support with liquidity management. The facility, which has a maximum amount of £50,000,000 was made available to in February 2023 and has a term of 3 years. As at 30 September 2023 £50,000,000 was drawn on the facility (2022: £Nil) net of transaction costs incurred that amounted to £1,142,503. As at 30 September 2023, the amortised loan amount is £49,084,309 (2022: £Nil).

The loan interest is calculated using the effective interest rate method and has incurred £2,443,685 of interest expense as at 30 September 2023 (2022: £Nil).

The facility with Santander UK plc is secured by way of a fixed charge over the property at Aberconwy, Cheddar Woods, Keswick Reach, Hawkchurch, Sandymouth, Talacre Beach and New Pines. Santander also have a fixed charge over the shares in the UK subsidiary companies and a first floating charge over all the other assets of the fund.

As at the year end, certain terms of the facility with Santander had not been met in full. Subsequent to the year end, Santander agreed to waive these terms and vary certain terms of the agreement for a period of one year after which the original facility terms will be reinstated. As at the year end the facility was classified as current due to certain terms not being met, subsequent to the year end these terms have been waived and the facility is subsequently classified as non current.

2022

In the prior year the Fund had the following facilities with Lloyds Banking Group. These facilities were replaced in entirety in February 2023 with a Revolving Credit Facility with Santander UK plc.

- (iv) An overdraft facility at fund level with a maximum amount of £30,000,000, to support with liquidity management. As at 30 September 2022 the drawn balance was £24,481,955
- (ii) A £5,000,000 gross overdraft (£4,000,000 net) facility for park operations and to support working capital movements during the normal course of business. At 30 September 2022 the outstanding balance was £3,222,924.
- (iii) A term loan used to finance general repairs and maintenance of park premises which was amortising over a period of 12 months. As at 30 September 2022 the outstanding balance was £333,332.
- (iv) Finance leases as detailed in note 15.

All facilities outstanding in 2022 were secured against the property at Aberconwy, Cheddar Woods, Keswick Reach, New Pines, Sandymouth, Seaview Holiday and Talacre Beach. The security was released simultaneously when the loans were repaid in February 2023.

15. PARK FINANCE LEASES

The park operations lease various tangible fixed assets with a carrying amount of £1,131,565 (2022: £1,908,671) under finance leases expiring within 5 years. Under the terms of the leases, the Fund has the option to acquire the leased assets for £2,320 (2022: £2,240) on expiry of the leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

15. PARK FINANCE LEASES (CONTINUED)

The future minimum finance lease payments are as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Not later than one year | 553,314 | 504,574 |
| Later than one year and not later than five years | 399,186 | 368,614 |
| Total gross payments | 952,500 | 873,188 |
| Less finance charges | (286,057) | (183,840) |
| Carrying amount of liability | 666,443 | 689,348 |

16. FINANCIAL INSTRUMENTS

The Fund has the following financial instruments:

| | 2023 | 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Financial assets | | |
| Measured at amortised cost | | |
| Debtors | 1,819,627 | 529,952 |
| Cash at bank and in hand | 4,851,574 | 11,842,188 |
| Total financial assets | 6,671,201 | 12,372,140 |
| Financial liabilities | | |
| Measured at undiscounted amount | | |
| Amounts due to unitholders | (405,932,416) | (611,074,701) |
| Creditors | (10,120,936) | (8,111,241) |
| Loans and other borrowings | (50,219,222) | (30,974,855) |
| | (466,272,574) | (650,160,797) |

17. UNITHOLDERS' CAPITAL

In accordance with the Trust Instrument, distributions may be made to the unitholders of the Fund. Distributions are made rateably in accordance with the number of units held or deemed to be held on the relevant distribution date. The unitholders are only entitled to vote at meetings of the unitholders on specific resolutions as detailed in the trust instrument. At meetings of the unitholders, on a poll, every holder is entitled to one vote in respect of each unit held.

The subscriptions and redemptions occur on the first business day of each month.

In a winding-up the unitholders have the right to receive all surplus assets available for distribution after settlement of the Class units' liabilities.

There is no upper or lower number of units that may be issued in the Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

17. UNITHOLDERS' CAPITAL (CONTINUED)

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | Units | Units |
| <u>A Accumulation units</u> | | |
| Opening balance | 1,032,462 | 1,303,906 |
| Issued | - | - |
| Redeemed | (209,637) | (271,444) |
| Closing balance | <u>822,825</u> | <u>1,032,462</u> |
| <u>C Accumulation units</u> | | |
| Opening balance | 21,819,326 | 17,511,261 |
| Issued | 2,865,321 | 4,580,043 |
| Redeemed | (834,487) | (271,978) |
| Closing balance | <u>23,850,160</u> | <u>21,819,326</u> |
| <u>C Income units</u> | | |
| Opening balance | 12,808,999 | 13,176,762 |
| Issued | - | 5,489 |
| Redeemed | (295,900) | (373,252) |
| Closing balance | <u>12,513,099</u> | <u>12,808,999</u> |
| <u>D Accumulation units</u> | | |
| Opening balance | 39,297,318 | 39,297,318 |
| Issued | - | - |
| Redeemed | (8,704) | - |
| Closing balance | <u>39,288,614</u> | <u>39,297,318</u> |
| <u>D Income units</u> | | |
| Opening balance | 56,776,394 | 56,776,394 |
| Issued | - | - |
| Redeemed | - | - |
| Closing balance | <u>56,776,394</u> | <u>56,776,394</u> |
| <u>E Exit Penalty Accumulation units</u> | | |
| Opening balance | 22,886,391 | 26,483,504 |
| Issued | 18,789 | 115,663 |
| Redeemed | (4,007,295) | (3,712,776) |
| Closing balance | <u>18,897,885</u> | <u>22,886,391</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

17. UNITHOLDERS' CAPITAL (CONTINUED)

| | 2023 | 2022 |
|---|------------------|-------------------|
| | Units | Units |
| <u>E Initial Penalty Accumulation units</u> | | |
| Opening balance | 7,067,447 | 7,981,843 |
| Issued | 100,280 | 221,087 |
| Redeemed | (832,292) | (1,135,483) |
| Closing balance | <u>6,335,435</u> | <u>7,067,447</u> |
| <u>F Exit Penalty Accumulation units</u> | | |
| Opening balance | 2,366,029 | 2,930,892 |
| Issued | - | - |
| Redeemed | (480,622) | (564,863) |
| Closing balance | <u>1,885,407</u> | <u>2,366,029</u> |
| <u>F Initial Penalty Accumulation units</u> | | |
| Opening balance | 72,522 | 16,255 |
| Issued | - | 56,267 |
| Redeemed | - | - |
| Closing balance | <u>72,522</u> | <u>72,522</u> |
| <u>G Exit Penalty Accumulation units</u> | | |
| Opening balance | 13,958,037 | 17,531,991 |
| Issued | 7,014 | 91,287 |
| Redeemed | (4,113,863) | (3,665,241) |
| Closing balance | <u>9,851,188</u> | <u>13,958,037</u> |
| <u>G Initial Penalty Accumulation units</u> | | |
| Opening balance | 103,503 | 103,503 |
| Issued | - | - |
| Redeemed | - | - |
| Closing balance | <u>103,503</u> | <u>103,503</u> |
| <u>I Exit Penalty Accumulation units</u> | | |
| Opening balance | 4,318,958 | 4,976,376 |
| Issued | - | - |
| Redeemed | (670,838) | (657,418) |
| Closing balance | <u>3,648,120</u> | <u>4,318,958</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

17. UNITHOLDERS' CAPITAL (CONTINUED)

| | 2023 | 2022 |
|---------------------------------------|---------------------------|---------------------------|
| | Units | Units |
| <u>J Income units</u> | | |
| Opening balance | 7,343 | 7,343 |
| Issued | - | - |
| Redeemed | - | - |
| Closing balance | <u>7,343</u> | <u>7,343</u> |
| <u>K Accumulation units</u> | | |
| Opening balance | 34,933,446 | 34,933,446 |
| Issued | - | - |
| Redeemed | - | - |
| Closing balance | <u>34,933,446</u> | <u>34,933,446</u> |
| <u>K Income units</u> | | |
| Opening balance | 68,793,001 | 49,265,565 |
| Issued | - | 19,527,436 |
| Redeemed | - | - |
| Closing balance | <u>68,793,001</u> | <u>68,793,001</u> |
| <u>M Income units</u> | | |
| Opening balance | 54,603,427 | 59,473,055 |
| Issued | - | - |
| Redeemed | (3,966,333) | (4,869,628) |
| Transferred from C Accumulation units | - | - |
| Closing balance | <u>50,637,094</u> | <u>54,603,427</u> |
| Total shares in issue | <u>328,416,036</u> | <u>340,844,603</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

18. RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS

Fees Payable to the Manager

The Management fee is charged at 1.5% p.a. of the NAV of the Fund for the Class "A" units, 1% p.a. of the NAV of the Fund for the Class "C" and Class "J" units, 0.8% p.a. of the NAV of the Fund for the Class "D" units and 0.07% p.a. of the NAV of the Fund for the Class "K" units 0.85% p.a. of the NAV of the Fund for the Class "M" units.

These fees are calculated by reference to the Gross Asset Value of the Fund attributable to the relevant Units and shall be calculated and accrued at each Valuation Date.

For Class "E", "F", "G", and "I" there is a Charge on units at a rate of 1.75% per annum.

This fee is payable monthly in arrears. In the case of this charge 28.57% of the 1.75% Management fee may be used to pay trail commissions to intermediaries.

Management fees charged during the year by the Manager were £4,665,963 (2022: £5,441,940) of which £1,479,233 (2022: £441,949) remained unpaid at 30 September 2023.

In addition, the Manager shall be entitled to receive a performance fee set at 15% of the outperformance of the Fund when measured against a benchmark set at 1 month GBP LIBOR + 1%.

Performance fees charged during the year by the Manager were £7,965 (2022: £1,210,431) of which Nil (2022: £16,966) remained unpaid at 30 September 2023.

Fees payable to the Trustee

The Trustee shall receive an annual fee to cover core activities of £10,000 and an annual Trustee fee of 0.05% p.a. of the NAV of the Fund for the first £50 million, 0.03% p.a. of the NAV between £50 million and £350 million and 0.02% p.a. of the NAV thereafter, subject to a minimum annual fee of £25,000.

Fees charged by the Trustee during the year were £164,129 (2022: £175,524), of which £11,272 (2022: £14,678) remains unpaid at 30 September 2023.

Fees payable to the Administrator

The Administration fee is charged at £550,000 per annum as from 01 January 2022. Prior to this, the Administration fee was charged at 0.20% p.a. of the NAV of the Fund up to £50 million, 0.15% p.a. of the NAV between £50 million and £350 million and 0.05% p.a. of the NAV thereafter, subject to a minimum fee of £15,000 per annum.

Fees charged by the Administrator during the year were £550,000 (2022: £581,226), of which £45,205 (2022: £45,205) remained unpaid at 30 September 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

18. RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS (CONTINUED)

Directors

I Burns, A Esse, J Penney, R Smith and M Tolcher are Directors of Darwin Property Investment Management (Guernsey) Limited, Darwin West Country (Guernsey) Limited and Darwin Finance (Guernsey) Limited.

The Directors of the Manager were remunerated by Darwin Property Investment Management (Guernsey) Limited except for A Esse and J Penney who waived their fee.

At 30 September 2023 A Esse owned 249,108.3412 (2022: 249,108.3412) and J Penney 177,007.187 (2022: 177,007.187) units of C Accumulation class, both via a self-invested pension plan. R Smith had an interest in 17,654.588 (2022: 17,654.588) C Accumulation units via a retirement annuity trust. Smoke Rise Holdings Limited, a company controlled by I Burns held 6,578.913 (2022: 6,578.913) Class C Accumulation units of the Fund.

19. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Market risk: Interest rate risk

The Fund is exposed to risk associated with the effects of fluctuation in the prevailing levels of market interest rates on its cash position.

The interest rate profile of the financial assets and liabilities as at the Consolidated Statement of Financial Position is as follows:

As at 30 September 2023

| | Floating rate | Non-interest | Total |
|--|----------------------|----------------------|----------------------|
| | £ | bearing | £ |
| | | £ | |
| Assets | | | |
| Cash and cash equivalents | 4,851,574 | - | 4,851,574 |
| Debtors | - | 1,819,627 | 1,819,627 |
| Total Assets | 4,851,574 | 1,819,627 | 6,671,201 |
| Liabilities | | | |
| Loans and other borrowings | (50,219,222) | - | (50,219,222) |
| Creditors | - | (10,120,936) | (10,120,936) |
| Net assets attributable to unitholders | - | (405,932,416) | (405,932,416) |
| Total Liabilities | (50,219,222) | (416,053,352) | (466,272,574) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

19. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (CONTINUED)

Market risk: Interest rate risk (continued)

As at 30 September 2022

| | Floating rate £ | Non-interest bearing £ | Total £ |
|--|--------------------------------|---------------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | 11,842,188 | - | 11,842,188 |
| Debtors | - | 529,952 | 529,952 |
| Total Assets | 11,842,188 | 529,952 | 12,372,140 |
| Liabilities | | | |
| Loans and other borrowings | (30,974,855) | - | (30,974,855) |
| Creditors | - | (8,111,241) | (8,111,241) |
| Net assets attributable to unitholders | - | (611,074,701) | (611,074,701) |
| Total Liabilities | (30,974,855) | (619,185,942) | (650,160,797) |

If interest rates on bank Loan had been 200 basis points higher/lower and all other variables were held constant, an assumption unlikely to occur due to interest rate correlations with other variables, the Fund's total return and net assets would have been decreased/ increased by £97,031 (2022: £236,844). Considering the effect on cash balances, an increase/decrease in 200 basis points in interest rates as at reporting date would have increased/decreased net assets and income for the year by £1,022,698 (2022: £619,497). The calculations are based on the balances at the reporting date and are not representative of the year as a whole. A 200 basis point increase/decrease represents the Manager's assessment of the possible changes in interest rates within the next 12 months.

Market risk: Currency risk

The Fund computes its NAV in Sterling and the NAV of Unit Classes other than Sterling Unit Classes are notionally converted to the relevant currency of the Unit Class at the exchange rate prevailing on the Valuation Date. There is, therefore, a currency exchange risk, which may affect the value of the Units and of any income arising from them. This currency risk is borne by the unit holders. At the year end, in addition to Sterling unit classes, units were also available in Euros, US Dollars and Singapore Dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

19. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (CONTINUED)

Market risk: Currency risk (continued)

| As at 30 September 2023 | Currency | £ |
|--|-----------------|-------------------|
| F Exit Penalty Accumulation Units – EUR | 2,671,664 | 2,315,334 |
| F Initial Penalty Accumulation Units – EUR | 56,454 | 48,924 |
| G Exit Penalty Accumulation Units – USD | 13,813,988 | 11,317,375 |
| G Initial Penalty Accumulation Units – USD | 74,178 | 60,772 |
| I Exit Penalty Accumulation Units – SGD | 4,705,241 | 2,822,411 |
| | | <u>16,564,816</u> |
| As at 30 September 2022 | Currency | £ |
| F Exit Penalty Accumulation Units – EUR | 4,819,639 | 4,238,908 |
| F Initial Penalty Accumulation Units – EUR | 81,054 | 71,288 |
| G Exit Penalty Accumulation Units – USD | 26,048,940 | 23,404,259 |
| G Initial Penalty Accumulation Units – USD | 98,558 | 88,551 |
| I Exit Penalty Accumulation Units – SGD | 7,780,399 | 4,870,054 |
| | | <u>32,673,061</u> |

Operational risks

Rental income and the market value for properties are generally affected by overall conditions in the economy, such as changes in gross domestic product, employment trends, inflation, the availability of banking finance and changes in interest rates, which in turn may impact the demand for caravan rental.

Both rental income and property values may also be affected by other factors specific to the real estate and leisure markets, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs.

The Directors of the Manager monitor the operating assets monthly using the DCF model received from the Manager. The Directors of the Manager have engaged Evelyn and Partners, Business Valuers, to review the DCF model on a quarterly basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

19. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (CONTINUED)

Liquidity risk

The Fund's constitution provides for the monthly creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time and the repayment of the loan. The Fund's main assets are property assets which are traded in an environment where deal timescales can take place over months. As a result, the Fund may not be able to liquidate quickly some of its properties at an amount close to its fair value in order to meet liquidity requirements.

Cash balances are maintained to ensure that the Fund is able to meet expenses, distributions and requests for redemption of units. Where redemption requests exceed cash available to the Fund, the Manager is entitled to suspend the redemption process until the Fund has been able to realise sufficient funds from the orderly disposal of property.

The Fund has a Revolving Credit Facility with Santander UK PLC for a maximum of £50,000,000 through its subsidiary Darwin West Country (Guernsey) Limited. This facility is to support liquidity management. As at the year end the facility was classified as current due to certain terms not being met, subsequent to the year end these terms have been waived and the facility is subsequently classified as non current (see Note 14).

**As at 30 September
2023**

| | Due within 30 days £ | Due between 30 days and 60 days £ | Due between 60 days and 1 year £ | Due after 1 year £ | Total £ |
|--|----------------------------|---|---|--------------------------|----------------------|
| Debtors | 1,819,627 | - | - | - | 1,819,627 |
| Cash and cash equivalents | 4,851,574 | - | - | - | 4,851,574 |
| | 6,671,201 | - | - | - | 6,671,201 |
| Net assets due to unitholders including deferred redemptions | (17,649,443) | (16,766,971) | (116,185,283) | (255,330,720) | (405,932,417) |
| Loans and other borrowings | - | - | (49,552,779) | (666,443) | (50,219,222) |
| Creditors | (10,120,936) | - | - | - | (10,120,936) |
| | (27,770,379) | (16,766,971) | (165,738,062) | (255,997,163) | (466,272,575) |
| Total liquidity sensitivity gap | (21,099,178) | (16,766,971) | (165,738,062) | (269,100,428) | (459,601,374) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

19. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (CONTINUED)

Liquidity risk (continued)

As at 30 September
2022

| | Due within 30 days £ | Due between 30 days and 60 days £ | Due between 60 days and 1 year £ | Due after 1 year £ | Total £ |
|--|----------------------------|---|---|--------------------------|----------------------|
| Debtors | 529,952 | - | - | - | 529,952 |
| Bank balances | 11,842,188 | - | - | - | 11,842,188 |
| | 12,372,140 | - | - | - | 12,372,140 |
| Net assets due to unitholders | (30,553,735) | (29,026,048) | (221,294,539) | (330,200,379) | (611,074,701) |
| Loans and other borrowings | - | - | (29,952,173) | (1,022,682) | (30,974,855) |
| Creditors | (8,111,241) | - | - | - | (8,111,241) |
| | (38,664,976) | (29,026,048) | (251,246,712) | (331,223,061) | (650,160,797) |
| Total liquidity sensitivity gap | (26,292,836) | (29,026,048) | (251,246,712) | (331,223,061) | (637,788,657) |

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. In the event of a default by a tenant, the Fund will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. Appropriate due diligence is undertaken prior to letting a unit to a tenant. There are no significant concentrations of credit risk within the Fund other than the concentration of balances held with Butterfield Bank and Lloyds Bank. Credit risk in respect of other financial assets and is reflected in the carrying value of these assets being set to their fair value, as they represent cash and financial instruments held with the Fund's bankers. The Manager regularly reviews the credit ratings of the Fund's bankers. Credit risk in relation to the banking is managed by the Board monitoring the risk ratings of the counter party (Butterfield Bank). Their current rating is Moody's A1 and Lloyds is A3.

Capital management

The capital of the Group is represented by the redeemable shares. The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide adequate returns for the unitholders and to maintain strong capital base to support the operations of the operating assets. In order to maintain or adjust the capital structure, the Group's policy is to:

- Monitor level of subscriptions and redemptions relative to the liquid assets and adjust the amount of distributions the Group pays to unitholders.
- Redeem and issue new shares in accordance with the Prospectus of the Group, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

20. NET ASSET VALUE PER UNIT

| | 2023 | 2022 |
|--|--------------------|--------------------|
| | £ | £ |
| Fund net asset value per September valuation | 410,404,654 | 617,420,121 |
| Adjustment to asset Valuation on consolidation | (4,472,238) | (6,345,420) |
| Net asset value per Financial Statements | 405,932,416 | 611,074,701 |
| | 2023 | 2022 |
| | £ | £ |
| Units in issue | 328,416,036 | 340,844,603 |
| Net asset value per unit (valuation) | 1.2496 | 1.8114 |
| Net asset value per unit (financial statements) | 1.2360 | 1.7928 |
| <u>Individual Fund class value per unit</u> | | |
| A accumulation value per unit (Valuation) | 1.4751 | 2.1440 |
| A accumulation value per unit (Financial Statements) | 1.4590 | 2.1220 |
| C accumulation value per unit (Valuation) | 2.5408 | 3.6747 |
| C accumulation value per unit (Financial Statements) | 2.5132 | 3.6369 |
| C income value per unit (Valuation) | 1.2391 | 1.8283 |
| C income value per unit (Financial Statements) | 1.2256 | 1.8095 |
| D accumulation value per unit (Valuation) | 2.5914 | 3.7404 |
| D accumulation value per unit (Financial Statements) | 2.5632 | 3.7019 |
| D income value per unit (Valuation) | 0.6761 | 0.9956 |
| D income value per unit (Financial Statements) | 0.6687 | 0.9854 |
| E exit accumulation value per unit (Valuation) | 1.5050 | 2.1959 |
| E exit accumulation value per unit (Financial Statements) | 1.4886 | 2.1733 |
| E initial accumulation value per unit (Valuation) | 1.6065 | 2.3409 |
| E initial accumulation value per unit (Financial Statements) | 1.5890 | 2.3168 |
| F exit accumulation value per unit (Valuation) | 1.2280 | 1.7916 |
| F exit accumulation value per unit (Financial Statements) | 1.2146 | 1.7732 |
| F initial accumulation value per unit (Valuation) | 0.6746 | 0.9830 |
| F initial accumulation value per unit (Financial Statements) | 0.6673 | 0.9729 |
| G exit accumulation value per unit (Valuation) | 1.1487 | 1.6767 |
| G exit accumulation value per unit (Financial Statements) | 1.1363 | 1.6595 |
| G initial accumulation value per unit (Valuation) | 0.5872 | 0.8555 |
| G initial accumulation value per unit (Financial Statements) | 0.5808 | 0.8468 |
| I exit accumulation value per unit (Valuation) | 0.7737 | 1.1276 |
| I exit accumulation value per unit (Financial Statements) | 0.7652 | 1.1160 |
| J income value per unit (Valuation) | 0.9717 | 1.4338 |
| J income value per unit (Financial Statements) | 0.9611 | 1.4190 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2023

20. NET ASSET VALUE PER UNIT (CONTINUED)

| | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| K accumulation value per unit (Valuation) | 0.7354 | 1.0539 |
| K accumulation value per unit (Financial Statements) | 0.7274 | 1.0431 |
| K income value per unit (Valuation) | 0.7047 | 1.0302 |
| K income value per unit (Financial Statements) | 0.6970 | 1.0196 |
| M income value per unit (Valuation) | 1.2545 | 1.8483 |
| M income value per unit (Financial Statements) | 1.2409 | 1.0000 |

21. CONTROLLING PARTIES

Darwin Property Investment Management (Guernsey) Limited (the “Manager”) together with Butterfield Bank (Guernsey) Limited (the “Trustee”) are regarded as the controlling parties of the Fund by virtue of them acting in concert under the terms of the Trust Instrument.

22. POST BALANCE SHEET EVENTS

As at the year end, certain terms of the facility with Santander had not been met in full. Subsequent to the year end, Santander agreed to waive these terms and vary certain terms of the agreement for a period of one year after which the original facility terms will be reinstated.

There have been no other reportable events after the end of the reporting period.