



BUSINESS PLAN OVERVIEW

(UPDATE)

Heatherton Country Sports Park Ltd

January 2021



Mission Objective

To remain as one of Wales' leading family fun tourist attractions by providing sustainable all year-round activities for all ages and abilities, whilst co-existing and improving the natural environment. As part of the local tourist cluster, Heatherton is a premier provider that works to promote Pembrokeshire as a major tourist destination, increasing the local economy both directly and indirectly in partnership with other providers. Reinvestment is to continue at the core of Heatherton's ethos, with the lodge accommodation and renovations of the park being priority to provide the highest quality experience for visitors and guests to the park.

Aims and Objectives

- Develop the accommodation with a further 20 lakeside luxury lodges at the park
- Introduce a new manager's home and welcome centre to improve accommodation check ins and customer experience
- Continue to reinvest money into new attractions at Heatherton
- Improve and revamp the existing activities, with the introduction of theming applied to the attractions to improve customer experience.
- Extend our workforce to cater for the ever-expanding park needs, benefiting both the local economy and the customer experience alike.

Business Overview

Heatherton Country Sports Park is award-winning and one of the leading family fun attractions in Wales. It is based on a 300-acre dairy farm outside of the popular holiday town of Tenby. The directors plan to continue to develop the business as a major family owned leisure attraction. This will involve continuing to expand the range of activities and accommodation with many ideas for this under consideration. Heatherton is one of very few attractions in Wales that remain open all year round, by which it supports many other tourism hospitality providers and the local economy.

The park has a broad customer profile, as the activities on site cater for children as young as 3 years up to adults, with the family market being the core customers to the park. A proportion of the customers are in the form of schools, groups and corporate bookings using the park facilities for leisure breaks and team building events.

Florence Springs is the accommodation element of the business, currently offering a mixture of unique glamping facilities and luxurious lodges. The lodge park and glamping village is located just 600 yards from Heatherton, allowing the two sides of the business to complement one another. The glamping is open from Easter to November and the lodges remain open all year round. Both the glamping and lodges are marketed by Hoseasons, who are market leaders for accommodation rentals. The occupancy levels are extremely high due to the combination of unique and quality accommodation provided, excellent customer feedback and ratings and the expertise of Hoseasons' marketing and booking processes.

Heatherton at present is successfully carrying out an effective business model with the first phase of the luxury lodge park and glamping village nearing completion. The lodge park at present has planning granted for 33 lodges; the park will have 30 luxury lodges on site as of

August 2021 with the projected plan of completing the remaining 3 lodges during 2022. The Glamping village had planning for 16 units, which is also nearing completion with the addition of a further 3 bespoke handcrafted units, to add to the existing portfolio of 10 bespoke units and 3 premium Camping Pitches. The aim over the next 18 months is to upgrade the camping pitches, to a further 3 handcrafted units for our guests to enjoy and also to cater for the rising occupancy levels, that the glamping site is now commanding. The glamping village is award winning for its quality and unique handcrafted appeal, which has seen it win best holiday park in Pembrokeshire twice in the last 4 years.

In a working partnership with Hoseasons, whereby Hoseasons carry out the marketing and the booking process the accommodation benefits from a very high occupancy level with an average of just over 95% annual occupancy across the lodge and glamping village in 2020. The success of the rentals has enabled a steady reinvestment strategy, to allow the park to expand at a manageable rate, but still keep an extremely high level of quality and maintenance throughout.

Historically before the accommodation was introduced at the park, Heatherton was slowly becoming more and more unviable with a consistent reinvestment plan, which meant that staff numbers had to increase to cater for the ongoing annual developments. It is a nasty cycle that is unavoidable, as Heatherton needs to continually invest to stay up to date with the latest industry trends and to maximise on the customer experience; but with rising costs and significant wages increases in a price sensitive industry - it makes it extremely difficult to be profitable in what is a short season.

The park remains open all year, providing full time employment in an industry and location where most attractions just simply close. The out of season down time, is where the park suffers most as we still support a large full-time workforce and a number of part time employees on a weekend working basis. The lodges over the last couple of years has provided a lifeline for the park, with occupancy levels at over 95% regardless of the time of year. The park benefits from the secondary spend from the lodge guests, with the escape rooms and the multi-day group passes being very popular with the visitors. The lodges now make up a large proportion of Heatherton's income, making the park far more viable and sustainable moving forward. The lodges with the all-year-round appeal, has meant that Heatherton can now invest in further into the activity side of the park, as well as continue to expand and improve the accommodation.

The business needs to maximise revenue from both the attractions and accommodation, with both elements of the business working together to form a destination for our customers. At present, half the annual activity income is earned during July and August when the site operates at capacity. The challenge is to increase sales during quieter months; developing high quality accommodation and facilities to complement the activities would significantly increase visitor numbers who are seeking short break activity-based holidays at different times in the year. Particularly for those in the A, B and C1 socio-economic groups with their greater spending power and ability to take a number of such breaks. With discounted direct marketing to our guests, the accommodation can provide a direct footfall to the activity park, providing secondary spend off the lodge guests. A pedestrian footpath was created in 2019, to allow safe and easy access for guests to walk to Heatherton from the accommodation, which has proved very popular and saves our guests from using their cars and also enables them to offset the potential carbon footprint. These provisions improve Heatherton's longevity and aids the

bigger picture for future developments and expansions to enable the park to generate more visitor numbers and turnover.

Within the parks initial planning to extend its activities and accommodation, the idea of a cycle link was included to provide access to local amenities in the area. The plan is still for an off-road bike trail that is both safe and accessible for our guests, providing a route in which they can cycle to the nearby village of St. Florence and to some of the nearby attractions and amenities. The bike trail would utilise the full scope of Heatherton's land, allowing an interesting and environmentally friendly means of transport between the park and nearby attractions and facilities.

Having accommodation at Heatherton also allows visitors not only to experience the variety of attractions within the site but to use Heatherton as a base, to visit other nearby attractions and amenities for example the nearby Manor Park Wildlife Park or the Dinosaur Experience or to visit St Florence, Tenby or Pembroke or go for a walk along the Coast Path.

At present the accommodation draws between 65 and 70 families a week, across the lodge and glamping site providing a positive economic impact on the surrounding areas with restaurants, cafes, shops, attractions, taxis and supermarkets for example all being promoted directly to our onsite guests via our welcome packs, website and friendly wardens.

Investment is an integral part of the Heatherton and the Florence Springs business model, with sustainability, manageable growth and quality at the core of all of our developments. Since the park opened, over £5million of investment has been introduced up to 2012 and a further £6million invested in the last 8 years, with a dedication to providing first class accommodation and further extending the attractions at Heatherton to boost the park appeal and customer experience.

Covid-19 restrictions have also greatly affected the park, in the way of limited numbers, mandatory closures and closures of certain activities, which has had a negative impact financially on the business. The onsite lodges and glamping accommodation have provided a platform to keep the park going through COVID-19 and all of its restrictions. They have been integral to the parks survival during what is a potentially business breaking period. Additional all year income needs to be sought to fill this void; the current accommodation has had a positive impact; but further investment into the accommodation will provide a more viable future for the park. The accommodation that we provide is beautifully separated, providing room for our guests to isolate themselves from others and to truly escape, which we feel is partially why the accommodation occupancy levels have remained so high during 2020. The future plans for the lodges would follow suit, in terms of space between accommodation and all of the lodges to be of an extremely high standard to meet the expectations of our guests.

Facilities such as the Golf driving range and indoor bowls have historically proved to be key to providing all year income to the park that allows Heatherton to viably remain open all year round, unlike other providers such as Oakwood, The Dinosaur Park, and Folly Farm who limit off peak opening times. The threat to the driving range with the introduction of 2 new driving ranges in close proximity to the park has severely impacted the economic viability of Heatherton to remain open all year. Factoring all of this, it is essential that Heatherton is able to invest in areas of the business that will prove to be beneficial to both the park and local economy by drawing visitors to the county.

Recent investments

Florence Springs Glamping Village is nearing completion, which saw a large £250k investment for 3 beautiful bespoke glamping units in 2020, offering quirky and unique quality accommodation that compliments its existing setting. All of which have been fully occupied via rentals from Hoseasons during July through to the end of October 2020.

During 2019 and 2020, just over £2.5million has been invested into the lodge park with 15 new luxury lodges introduced, tasteful and beautiful landscaping of the surrounding grounds and the expansion of the infrastructure and services to be able to accommodate the new lodges. A further £1.75million will be invested into the lodge park during 2021 and 2022 to complete the site, this will include the introduction of a further 10 bespoke luxury lodges, additional infrastructure, a new private lease line and the landscaping of existing grounds and lakes.

Recent investments at Heatherton have seen the large and exciting dragon slide being introduced to the already extensive range of activities on site. Developments have seen the Jumping Pillows, a large hedge maze, 4x4 mini-replica Landrovers and the reinvention of the junior tree tops course with a new safety harness system and new obstacles, which has seen participant numbers double. Future plans will now see the improvement of the existing activities of the park that is on the North side of the B4318, with theming being carried out to reinvent the bumper boats, archery and pistol range.

Future plans now hang in the balance in terms of activity investments, the plans of a £250k zip-line course and a Bike trail are an example of two visions that the park would love to create to improve our onsite facilities and to cater to larger and varied audience. The lodge development is primary in the feasibility of carrying out these investments, as they provide the income that is required to carry out the work.

Innovation has been injected into the park in the way of the escape rooms and the current new reception and corporate suite. A £300k investment has allowed for a bespoke set of escape rooms, that has incorporated many local craftsman and specialists to create a truly unique product that has seen it become one of Pembrokeshire's top attractions with a 5-star rating on all social media platforms including Google, Facebook and TripAdvisor. The 3 escape rooms have boosted the park all year-round trade offering an all-weather, open all year-round attraction that caters for children and adults alike.

The introduction of the new reception and corporate suite has meant another injection of £200k, to bring Heatherton firmly into the 21st century with regards to automated systems, digital signage, unique onsite customer marketing and brand-new point of sales to increase the customer service and access to the park. The extension incorporates improved disabled access for both employees and visitors with the introduction of a passenger lift, low threshold doors throughout, ramped areas, widened doorways and hearing loops.

Disabled access has been a key focus at the park with the introduction of over 400m worth of tarmac pathways, to link up the activities and facilities for wheel chair users. Disabled access to both activities and toilets has been upgraded across the park, to make the park and facilities as accessible as possible for all. 2018 saw the first disabled friendly lodge at the Florence Springs site, to ensure that we were able to offer the same quality accommodation to all of our guests.

The park continues to expand annually and the existing activities are continually being upgraded as they reach maturity, to allow the activities to remain current with regards to today's trends and expectations of the tourist industry. Visitor numbers have levelled off over recent years with a healthy 200k plus visitors a year, but in order to maintain the rate of investment and improvements across both the activity park and the accommodation, visitor numbers need to increase.

The introduction of new accommodation alongside Heatherton, will realise a captive audience for both Heatherton and the surrounding attractions and amenities. The hope is to bring another 40 families a week to the area, with the introduction of the further luxury lodges. Hoseasons in an independent study, claim that each lodge/luxury accommodation that averages around 80% to 85% occupancy level can provide an average of a £30,000 economic spend to the local area from the onsite guests. Based on their study, as of August 2021 Florence Springs could potentially provide a direct economic boost of £900,000 to the local economy. The completion of phase 1 and 2 and the potential future expansion of a further 20 lodges, could see the local economy gain from a further £690,000 each year, totalling £1,590,000. When combining the glamping village, the overall accommodation could equate to over £1,830,000.

All of our activities are introduced with our environmental policies in mind, with eco-friendly structures and recycled materials being used where possible. There exists a wide range of biodiversity on the park which has been managed in an Eco-friendly manner which has gone unnoticed in previous plans. All developments have been sympathetic to existing wildlife and fauna, examples include the golf course, Tree Tops Trail woodland, Nature Trail, the Maze and the coarse plus trout fishing lakes. Tree Planting schemes have been active throughout or developments, with over 7.5k trees being planted in the last 8 years.

Specific examples of promoting eco-friendly activity on site, include the re-stocking of other lakes from our healthy fish stocks by the Environmental agencies; the tree Tops Trail is solely accessible by pedestrians with no use of machinery in the woods to protect existing eco systems and habitats. We have undertaken many different projects with the schools which touch upon key topics within their syllabus, which have included tree planting, maze crops and the diversity of the existing eco systems at the park.

Park vision

Expand the lodge accommodation in a sustainable and tasteful manner that would compliment its current environment. To introduce 20 lakeside luxury lodges with hot tubs, all of which to be available on a rental basis bringing economic gains to both Heatherton and the surrounding towns and attractions. With the expansion of the Lodges, the directors feel that it is now essential that a manager's house is located within the park, to ensure that the customer experience and satisfaction is for-filled and also for security reasons. The managers home would include a welcome centre to cater for check ins and customer care. The manager's dwelling would also provide 24/7 security and emergency call outs for the guests on site.

With the introduction of the new lodges, the infrastructure will be carefully planned to ensure that adequate water drainage and foul waste plans are strategically in place, to cater for overland flow and water usage from the accommodation. The land drainage and rain water

goods will run into a network of trenches that take the water off to the lakes, whilst the sewerage and grey water will be pumped and piped to our existing treatment plant.

A future vision for the park is to provide renewable energy to offset the carbon footprint of the site by introducing a turbine, to send power back in to grid. The park has a number of locations that would be suitable for a turbine, but a feasibility study and a future application will confirm the viability of the renewable energy venture. The most recent lodges that have been introduced have electric chargers for cars to cater for the transition of fuel to electric cars. The vision for the park is to see at least 50% of the lodges with electric chargers by the end of 2025 and additional parking space with chargers in a communal area, to cater for more cars.

If other all year income can be generated, we would remove the Driving Range, enabling considerable future development and enhancements, thus allowing us to move new and existing activities such as archery, pistols and laser clays to more suitable locations. This would enable a clearer environmental and expansion vision, which would incorporate an eco-friendlier landscape strategy that is both sustainable and achievable.

The planning for an additional 20 lodges will mean that 5 holes of the golf course will be removed, to allow for the plots and infrastructure. The land is currently very wet with poor drainage, making the section of the golf course virtually unplayable for large parts of the year. Heatherton would still continue to run the course with a reduced number of holes, but with the intention of purchasing additional nearby land to return the course back to its original 18-hole format, but providing an improved all year-round course for our playing visitors. Considerable investment will be needed to both purchase and landscape the land to create an aesthetically pleasing addition to the golf course.

The intention is to utilise all of the 20 additional lodges for a rental basis. Florence Springs will look to retain ownership of all the lodges, unlike the first and second phase, which had a mixture of park and privately owned lodges. During the first and second phase, a few select lodges were sold in order to self-finance the project, but the current business model now allows for a steady reinvestment plan based on the strength of the rentals across the lodge park. By retaining ownership of all of the lodges and making them available on a rental basis all year round, it will provide the extra consistent income that Heatherton requires to become a sustainable and viable all year-round business.

Raising the numbers who visit and stay at Heatherton outside of the summer peak would greatly assist the viability of the attraction in a period of financial constraints, but also contribute towards the tourist economy of Pembrokeshire as visitors to Heatherton will be spending part of their holiday and investing in local restaurants, pubs and shops and in visiting adjacent attractions, including Tenby, Saundersfoot and the Coastal Path. A more stable business model will also increase the importance of Heatherton as a local all-year employer giving further job opportunities and career prospects in an area with a high seasonal unemployment rate.

Jobs

Heatherton currently employs over 50 members of staff full time and just over 155 employees including part time. This equates to approximately 60 full time equivalent employees.

The potential future expansion of the accommodation with a further 20 lodges, would create further jobs in the way of 10 full time equivalents, which would include an additional manager, wardens, cleaning staff, maintenance, supervisors, security and the check-in team. We would also expand the marketing department with full time roles being introduced as opposed to the current part time roles to cater for the extra promotions required for the rentals of the lodges and to promote directly to the onsite guests for the activities.