

Acquisition by RoyaleLife of interests in Stately-Albion Limited and/or Pathfinder Park Homes Holding Limited

Decision on relevant merger situation

ME/6994/22

The CMA's decision on reference under section 22 of the Enterprise Act 2002 (the **Act**) given on 13 June 2022.

Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties for reasons of commercial confidentiality.

PARTIES

1. **RoyaleLife** includes Robert Bull and a number of entities and their affiliates, including PRT Holdings Limited and Time GB (Man Co) Limited (**Time**), among others, which are ultimately owned by Robert Bull. RoyaleLife owns and operates a number of residential and holiday parks in the UK. RoyaleLife is also active, through Prestige Homeseeker Park & Leisure Homes Limited,¹ in the upstream manufacture and supply of static park homes and lodges built to BS 3632 standards.^{2, i}
2. Stately-Albion Limited (**Stately**) and Pathfinder Park Homes Holding Limited (**Pathfinder**) are both UK-based manufacturers of static park homes and lodges built to BS 3632 standards for residential and holiday parks in the UK and abroad.

TRANSACTION

3. On 3 December 2021, RoyaleLife entered into a loan facility agreement with a [X], [X] (the **Loan Agreement**),³ for the purposes of part capitalising its business and part funding its expansion plans.⁴
4. RoyaleLife subsequently facilitated a management buyout by two of Stately's directors, as well as Stately's acquisition of Pathfinder. On 23 December 2021, the following steps took place sequentially (**Transaction**):⁵

¹ On 3 December 2021, RoyaleLife acquired SEK Holdings Limited and its subsidiaries Prestige Homeseeker Properties Limited, Prestige Homeseeker Park & Leisure Homes Limited, and Prestige Developments Group Limited. Paragraph 10 of RoyaleLife's response to CMA's section 109 notice on 31 March 2022.

² BS 3632 is a British standard for manufacturing residential park homes and lodges to ensure that they are safe and fit for purpose.

³ [X], [X] response to CMA's section 109 notice dated 14 April 2022.

⁴ Paragraph 6 of RoyaleLife's response to the CMA's Enquiry Letter on 21 March 2022.

⁵ Paragraph 7 of RoyaleLife's response to the CMA's Enquiry Letter on 21 March 2022.

- (a) [~~£~~] two separate sums aggregating to approximately [~~£~~] pursuant to [~~£~~] the Loan Agreement;
 - (b) S.R. Holdco (UK) Limited (**S.R. Holdco**, a non-trading, newly incorporated shell company owned by RoyaleLife) acceded to the Loan Agreement as an additional borrower and guarantor;
 - (c) S.R. Holdco thereafter immediately acquired 100% of the shares of both Stately and Pathfinder;
 - (d) RoyaleLife thereafter divested 100% of the shares in S.R. Holdco to SA Holdco Limited (**SA Holdco**), a company owned by two of the senior management of Stately; and
 - (e) Time (a non-trading, newly incorporated shell company owned by RoyaleLife) also entered into a put and call option which included an option for Time to acquire 100% of the shares of SA Holdco [~~£~~] for consideration of £1 (the **Option Agreement**).
5. The Transaction therefore resulted in RoyaleLife (through S.R. Holdco) temporarily holding 100% of the shares of Stately and Pathfinder and, following the transfer of S.R. Holdco to SA Holdco, in RoyaleLife (through Time) retaining an option to indirectly acquire Stately and Pathfinder for a nominal sum.

PROCEDURE

6. The CMA's mergers intelligence function identified the Transaction as warranting investigation,⁶ based on complaints received from market participants who submitted that RoyaleLife had acquired Stately, and that as a result of the acquisition, Stately was no longer supplying static park homes and lodges to park operators, including operators that compete with RoyaleLife.⁷
7. On this basis, the CMA began its investigation and the initial period defined in section 34ZA(2) of the Act commenced on 25 March 2022 for the purposes of deciding whether to make a reference to a phase 2 investigation.
8. Following extensions pursuant to notices issued under section 25(2) and section 34ZB(1) of the Act, the statutory 40 working day deadline for a decision is 20 June 2022 and the 4-month deadline under section 24 of the Act is 22 June 2022.

JURISDICTION

9. Shortly after the CMA informed RoyaleLife that it would be commencing a formal investigation, RoyaleLife's legal advisers informed the CMA that RoyaleLife would

⁶ See [Mergers: Guidance on the CMA's jurisdiction and procedure](#) (CMA2), January 2014, paragraphs 6.9-6.19 and 6.59-60.

⁷ The CMA notes that, prior to and during its formal investigation, multiple concerns about the Transaction were received from market participants, including concerns that Stately was no longer supplying park homes to RoyaleLife's rivals.

be terminating the Option Agreement. On [REDACTED], RoyaleLife confirmed to the CMA that it had terminated the Option Agreement, and provided documentary evidence of this.⁸ As a result of the termination of the Option Agreement, RoyaleLife no longer has a contractual right to acquire Stately and/or Pathfinder.

10. Following a review of the documents bringing about the Transaction and a substantial volume of correspondence between RoyaleLife and Stately/Pathfinder,⁹ the CMA has not identified any evidence that RoyaleLife has acquired material influence over Stately and/or Pathfinder as a result of the Transaction. In particular, based on the evidence available to it, the CMA found that, following the transfer of shares in S.R. Holdco to SA Holdco described above, RoyaleLife no longer owns any shares in Stately and/or Pathfinder (or any of their affiliates), and does not have the right to appoint any board directors or senior management or otherwise have any contractual rights to influence or direct Stately or Pathfinder's commercial strategy as a result of the Transaction.

DECISION

11. On the basis of the information available to it, the CMA does not believe that it is or may be the case that RoyaleLife, Stately and/or Pathfinder have ceased to be distinct within the meaning of section 26 of the Act.
12. The CMA therefore does not have jurisdiction to review the Transaction and the Transaction will therefore not be referred under section 22 of the Act.

Naomi Burgoyne
Director, Mergers
Competition and Markets Authority
13 June 2022

ENDNOTE

ⁱ RoyaleLife submitted that the terminology used in the industry is 'static accommodation' but the CMA does not consider that this affects its assessment in this case.

⁸ RoyaleLife's submission of 1 April 2022. Annex 3.34 Deed of Termination dated [REDACTED].

⁹ The CMA issued formal notices under section 109 of the Act to RoyaleLife and Stately/Pathfinder requiring them to produce correspondence between them, including [REDACTED]. As a result of both RoyaleLife's and Stately/Pathfinder's failure to comply with these notices in a timely fashion, with or without a reasonable excuse, the CMA extended the statutory deadlines in this case between 19 April 2022 and 19 May 2022.