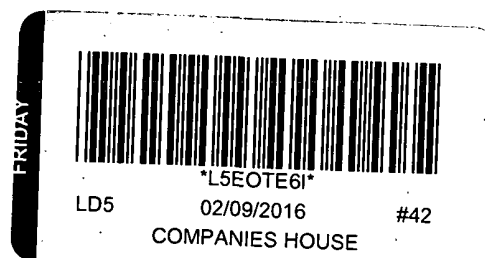


Ladycroft Limited

Annual report and financial statements

Registered number 01276383

31 December 2015



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Directors' report

Principal activities

The company holds land and buildings as part of the group whose ultimate parent company is Caledonia Investments Plc as per note 11.

Results and Dividends

The company received rental income for the year from other group companies. The company made a profit after tax in the year of £278,197 (2014: £5,207,864).

The directors do not recommend the payment of a final dividend (2014: *£nil*).

Directors

The directors who served during the year were:

J A Sills

A B Loch

A N Clish


Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



A B Loch
Director

Glovers House
Glovers End
Bexhill-On-Sea
East Sussex
TN39 5ES

Date: *24 May* 2016

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Ladycroft Limited

We have audited the financial statements of Ladycroft Limited for the year ended 31 December 2015 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

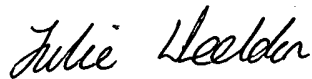
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Ladycroft Limited (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Julie Wheeldon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

 26 May 2016

Profit and Loss Account
for the year ended 31 December 2015

	<i>Note</i>	Year ended 31 Dec 2015	11 month period ended 31 Dec 2014
		£	£
Turnover	<i>1</i>	88,357	1,332,832
Cost of sales		-	(708,302)
Gross profit		88,357	624,530
Administrative expenses		(91,962)	(506,536)
Other operating income	<i>2</i>	200,000	-
Revaluation in the period		-	6,380,636
Operating profit		196,395	6,498,630
Interest payable		(151)	-
Profit on ordinary activities before taxation		196,244	6,498,630
Tax on profit on ordinary activities	<i>5</i>	81,953	(1,290,766)
Profit for the financial year/period		278,197	5,207,864

There is no other comprehensive income or expense arising in the year apart from that shown above, which was wholly derived from continuing activities.

The accompanying notes on pages 8-16 form part of the financial statements.

Balance Sheet
at 31 December 2015

	<i>Note</i>	2015 £	£	2014 £	£
Fixed assets					
Investment property	6		7,997,463		6,807,145
			<hr/>		<hr/>
Current assets					
Debtors	7	-		154,111	
Creditors: amounts falling due within one year	8	(879,291)		-	
		<hr/>		<hr/>	
Net current (liabilities)/assets			(879,291)		154,111
			<hr/>		<hr/>
Total assets less current liabilities			7,118,172		6,961,256
Provisions for liabilities					
Deferred tax liability	9		(1,091,528)		(1,212,809)
			<hr/>		<hr/>
Net assets			6,026,644		5,748,447
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			5,951,211		5,673,014
Capital Reduction Reserves			75,333		75,333
			<hr/>		<hr/>
Shareholders' funds			6,026,644		5,748,447
			<hr/>		<hr/>

The accompanying notes on pages 8-16 form part of the financial statements.

These financial statements were approved by the board of directors on *24 May* and were signed on its behalf by:

J A Sills
Director



Company registered number: 01276383

Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Capital Reduction Reserves £	Total equity £
Balance at 1 February 2014	100	760,150	75,333	835,583
Profit for the period	-	5,207,864	-	5,207,864
Dividend	-	(295,000)	-	(295,000)
Total comprehensive income for the period	-	4,912,864	-	4,912,864
Balance at 31 December 2014	100	5,673,014	75,333	5,748,447

	Called up Share capital £	Profit and loss account £	Capital Reduction Reserves £	Total equity £
Balance at 1 January 2015	100	5,673,014	75,333	5,748,447
Profit for the year	-	278,197	-	278,197
Total comprehensive income for the year	-	278,197	-	278,197
Balance at 31 December 2015	100	5,951,211	75,333	6,026,644

The accompanying notes on pages 8-16 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Ladycroft Limited (the “Company”) is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 13.

The Company’s intermediate parent undertaking, Caledonia Lion Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Caledonia Lion Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Caledonia Lion Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 February 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except the following assets and liabilities are stated at fair value: investment property.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The financial statements have been prepared on the going concern basis notwithstanding net current liabilities as at 31 December 2015. The directors believe this to be appropriate for the following reasons.

The directors have reviewed the projected working capital requirements of Caledonia Lion Limited and believe the Group has sufficient funding for the foreseeable future. The shareholders have confirmed that it is not their intention to require repayment of any balances owed by the company for at least twelve months from the date of approval of these financial statements, except to the extent that such payments can be made while the company continues to settle its trading and non-trading liabilities in full as they fall due for payment.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover relates to site rents, caravan sales and sundry turnover and is all within the United Kingdom

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.6 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

In applying the fair value model in IAS 40 Investment Property:

- i. investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the Other Operating Income accounting policy in note 1.8.

Notes (continued)

1 Accounting policies (continued)

1.7 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Other Operating Income

Other operating income represents rental income received from group companies during the year. This is recognised in the period that it relates to.

1.9 Taxation

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

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

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

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

Notes (continued)

2 Other operating income

	Year ended 31 Dec 2015	11 month period ended 31 Dec 2014
	£	£
Rental income	200,000	-
	<u>200,000</u>	<u>-</u>

3 Auditors remuneration

	Year ended 31 Dec 2015	11 month period ended 31 Dec 2014
	£	£
Audit of these financial statements	3,700	3,700
	<u>3,700</u>	<u>3,700</u>

Audit fees relating to Ladycroft Limited have been borne by another group company, Park Holidays UK Limited.

4 Directors' Remuneration, Staff numbers and costs

The Company has no employees (2014: nil) other than the directors, who did not receive any remuneration in the year (2014 - £nil).

5 Taxation

Recognised in the profit and loss account

	Year ended 31 Dec 2015	11 month period ended 31 Dec 2014
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	38,614	35,957
Adjustment in respect of previous years	714	-
	<u>39,328</u>	<u>35,957</u>
<i>Deferred tax (see note 9)</i>		
Origination and reversal of temporary differences	-	42,000
Change in rate	(121,281)	-
Deferred tax on investment property	-	1,212,809
	<u>(121,281)</u>	<u>1,254,809</u>
Total deferred tax	(121,281)	1,254,809
	<u>(81,953)</u>	<u>1,290,766</u>
Tax (credit)/expense on profit on ordinary activities	(81,953)	1,290,766

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

Notes (continued)

5 Taxation (continued)

Reconciliation of effective tax rate	Year ended 31 Dec 2015	11 month period ended 31 Dec 2014
	£	£
Profit for the year	278,197	5,207,864
Total tax (credit)/expense	(81,953)	1,290,766
	<hr/>	<hr/>
Profit excluding taxation	196,244	6,498,630
Tax using the UK corporation tax rate of 20.25% (2014: 21.35%)	39,739	1,387,458
Non-deductible expenses	(1,125)	10,765
Adjustment in respect of previous years	714	-
Reduction in tax rate on deferred tax balances	(121,281)	(107,457)
	<hr/>	<hr/>
Total tax (credit)/expense	(81,953)	1,290,766
	<hr/>	<hr/>

6 Investment property

	2015 £
Balance at 1 January 2015	6,807,145
Additions	1,190,318
	<hr/>
Balance at 31 December 2015	7,997,463
	<hr/>
Historical cost net book value	1,616,826
	<hr/>

Full valuations are carried out by external experts triennially (last review December 2014) with management reviews carried out in non-review years/periods. The company uses CBRE Ltd for these valuations who hold all necessary qualifications to carry out the valuation in accordance with the RICS Valuation Professional Standards.

The technique used by the valuers is a Market Value valuation which is a price between a willing buyer and willing seller at arm's length. The valuation looks at a multitude of factors including financial performance, park capital value, future expected revenues, park licences and all other matters of significance for valuing a Holiday Park. Management review this valuation against internal benchmarks and factors they deem necessary to value the park at a Market rate. The carrying value is adjusted to fair value in the revaluation year based on this review.

In non-valuation years management review the carrying value and fair value of the parks. To assess fair value management review the last reported fair value as per the external valuers and perform an internal valuation. This valuation will take advice from the external valuers in assessing any significant changes in market conditions that they should be aware of, but do not engage a full valuation report. This advice is combined with park performance over the last year/period and management review the same factors that the valuer uses (as noted above) to assess fair value.

In 2015 management has performed an internal review as described above and in conjunction with advice from external valuers do not assess the carrying amount to be materially different than the fair value of the assets.

The best use and high use value of assets are equal in the year (2014: equal).

Notes (continued)

7 Debtors

	2015 £	2014 £
Amounts owed by group undertakings	-	154,111
	<u> </u>	<u> </u>

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	839,870	-
Corporation Tax	39,421	-
	<u> </u>	<u> </u>
Amounts owed to group undertakings	879,291	-
	<u> </u>	<u> </u>

9 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following:

	2015 £	2014 £
Investment Property	1,091,528	1,212,809
	<u> </u>	<u> </u>

Movement in deferred tax during the year

	1 January 2015 £	Recognised in profit and loss £	31 December 2015 £
Investment Property	1,212,809	(121,281)	1,091,528
	<u> </u>	<u> </u>	<u> </u>

Movement in deferred tax during the prior year

	1 February 2014 £	Recognised in profit and loss £	31 December 2014 £
Accelerated capital allowances	(42,000)	42,000	-
Investment Property	-	1,212,809	1,212,809
	<u> </u>	<u> </u>	<u> </u>
	(42,000)	1,254,809	1,212,809
	<u> </u>	<u> </u>	<u> </u>

There were no tax assets arising in the year (2014: nil).

Notes (continued)

10 Share Capital

	2015	2014
	£	£
100 Ordinary Shares of £1 each	100	100

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Caledonia Lion Limited which is the intermediate parent company. The ultimate parent company and controlling party is Caledonia Investments Plc.

The largest group in which the results of the Company are consolidated is that headed by Caledonia Lion Limited. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Glovers House, Glovers End, Bexhill-On-Sea, East Sussex, TN39 5ES.

12 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The company believes the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

•Investment Property

Investment Property are held at fair value. Revaluations are carried out triennially by an external valuation specialist. The review is carried out to industry required standards looking at all aspects that make up the park including on site drivers (park quality, location, infrastructure) and financial performance. Management make use of the report prepared by the property valuation company in revaluing Investment Property. An assessment of fair value in the year is detailed in note 6.

13 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the period ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 February 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Notes (continued)

13 Explanation of transition to FRS 101 from old UK GAAP (continued)

Reconciliation of equity

		UK GAAP	1 February 2014 Effect of transition to FRS 101	FRS 101	UK GAAP	31 December 2014 Effect of transition to FRS 101	FRS 101
	Note	£	£	£	£	£	£
Fixed assets							
Tangible fixed assets	A	656,349	-	656,349	6,807,145	(6,807,145)	6,807,145
Investment property	A	-	-	-	-	6,807,145	6,807,145
		<u>656,349</u>	<u>-</u>	<u>656,349</u>	<u>6,807,145</u>	<u>-</u>	<u>6,807,145</u>
Current assets							
Other debtors		1,075,213	-	1,075,213	154,111	-	154,111
Creditors: amounts due within one year							
Amounts owed to group undertakings		(895,979)	-	(895,979)	-	-	-
		<u>(895,979)</u>	<u>-</u>	<u>(895,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current assets		<u>179,234</u>	<u>-</u>	<u>179,234</u>	<u>154,111</u>	<u>-</u>	<u>154,111</u>
Deferred tax liability	C	-	-	-	-	(1,212,809)	(1,212,809)
Net assets		<u>835,583</u>	<u>-</u>	<u>835,583</u>	<u>6,961,256</u>	<u>(1,212,809)</u>	<u>5,748,447</u>
Capital and reserves							
Called up share capital		100	-	100	100	-	100
Capital Reduction Reserves		75,333	-	75,333	75,333	-	75,333
Revaluation reserve	B	-	-	-	6,380,636	(6,380,636)	-
Profit and loss account	B, C	760,150	-	760,150	505,187	5,167,827	5,673,014
Shareholders' equity		<u>835,583</u>	<u>-</u>	<u>835,583</u>	<u>6,961,256</u>	<u>(1,212,809)</u>	<u>5,748,447</u>

Notes to the reconciliation of equity

A

Following the acquisition by Park Holidays UK Limited at 31 December 2014, land and buildings owned by the Company are used by other entities within the group in exchange for rental income. Under FRS 101, where a company owns a property that is leased to, or occupied by, another entity in the same group, from the perspective of the individual company that owns it, the property is investment property if it meets the definition of investment property. Fair value assessment is detailed in note 6. Depreciation incurred in the year under UKGAAP added back to get to Investment Property value.

B

Under FRS 101 movements in Investment Property are adjusted through Profit and Loss Reserves; Revaluation Reserves are transferred to Profit and Loss reserves.

C

Under FRS101, deferred tax liabilities are recognised to reflect the tax effect of previously recognised valuation surpluses.

Notes (continued)

13 Explanation of transition to FRS 101 from old UK GAAP (continued)

Reconciliation of profit for 11 month period ended 31 December 2014

	<i>Note</i>	UK GAAP £	2014 Effect of transition to FRS 101 £	FRS 101 £
Turnover		1,332,832	-	1,332,832
Cost of sales		(708,302)	-	(708,302)
Gross profit		624,530	-	624,530
Administrative expenses		(506,536)	-	(506,536)
Revaluation in the period	<i>A</i>	-	6,380,636	6,380,636
Operating profit		117,994	6,380,636	6,498,630
Profit on ordinary activities before taxation		117,994	6,380,636	6,498,630
Tax on profit on ordinary activities	<i>B</i>	(77,957)	(1,212,809)	(1,290,766)
Profit for the financial year/period		40,037	5,167,827	5,207,864

Notes to the reconciliation of profit

A

Revaluation of property in the period accounted for in profit and loss under FRS 101.

B

Under FRS101, deferred tax liabilities are recognised to reflect the tax effect of previously recognised valuation surpluses.