

Registered number. 02434151

PARK HOLIDAYS UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



PARK HOLIDAYS UK LIMITED

COMPANY INFORMATION

DIRECTORS	J A Sills D P Bull (resigned 28 February 2011) A B Loch
COMPANY SECRETARY	A B Loch
COMPANY NUMBER	02434151
REGISTERED OFFICE	Coghurst Hall Ivyhouse Lane Ore Hastings East Sussex TN35 4NP
AUDITOR	KPMG LLP, Statutory Auditor 1 Forest Gate Brighton Road Crawley RH11 9PT

PARK HOLIDAYS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the company is the operation of holiday home parks

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has 25 holiday parks that are located in coastal locations in the south of England with the majority of the parks being within a two hour drive time of London

The major revenue streams of the business are derived from the sale of holiday homes, rental of pitches to holiday home owners and short term holiday lettings. The business is focussed on improving revenue streams by improving the quality of the products offered to potential customers

The purchase of a holiday home represents a reasonably long term commitment from our customers who are generally given a twelve year licence to occupy their selected holiday home pitch and as such, certain aspects of the revenue streams are fairly stable. The sale of holiday homes however can be influenced by economic factors and could also be impacted by sustained adverse weather conditions. Adverse weather conditions could also impact the short term holiday lettings business

During 2010, the UK economic climate remained difficult but interest rates were at a record low level for most of the year. Foreign exchange rates remained volatile and there was a general lack of consumer confidence which continued to have an adverse impact on the UK property sector. Holiday home ownership for UK residents has shown steady increases in recent years. We have seen an increase of four percent in unit sales during the year. With respect to the holiday lettings business there is the continued trend of UK holiday makers taking higher numbers of short term breaks. Volatile exchange rates and increased problems with foreign travel contributed to twelve percent growth in this area

Business Risks

Business risks are an everyday occurrence and remained during the course of the year. Key areas of risk facing the business relate to general economic conditions, credit and interest rates. The Company continues to monitor and reduce exposure as follows

Economic Conditions

Management recognise that a sustained downturn in general economic conditions could adversely effect its' customers spending power. In order to mitigate against the impact of this, management regularly review key business indicators and consider alternate options in relation to any areas that are identified as at risk of underperforming

Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the balance sheet date there were no significant areas of credit risk not covered

Interest Rate Risk

The Group monitors closely all loans outstanding which currently incur interest at fixed and floating rates. At the moment the company is comfortable with the interest rate, level of exposure and hedging instruments in place in respect of the majority of its debt

GOING CONCERN

The financial statements have been prepared on the going concern basis. The directors have reviewed the trading forecasts and projected working capital requirements, taking account of reasonably possible changes in performance, and believe the Company will be able to operate within the level of its current facility and related

PARK HOLIDAYS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

bank covenant requirements. Contingencies are in place to mitigate the effects of any potential downturn in the level of activity which could result in reduced holiday home sales being achieved. Furthermore, the shareholders have committed additional funds to the business which can be drawn down to support future acquisitions or as otherwise required. Accordingly the directors have continued to adopt the going concern basis in preparing the annual report and accounts.

A summary of the Company's key financial performance indicators, compared to 2009 are as follows:

- Turnover increased by 7.2%
- Operating Profit before exceptional costs increased by 11.5%
- Operating margin before exceptional costs (Operating Profit as a % of Turnover) increased to 24.9% from 24.0%

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £10,397,774 (2009 - £8,538,199).

The directors have not recommended a dividend.

DIRECTORS

The directors who served during the year were:

J A Sills
D P Bull (resigned 28 February 2011)
A B Loch

EMPLOYEES

The Company has a structured health and safety policy and provides the relevant financial and human resources to ensure the fulfilment of the policy. Adequate training is provided for those employees directly involved with the implementation of the policy. The directors continue to prioritise health and safety issues across all areas of the Company's activities.

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

The Company's policy is to consult and discuss with employees at meetings, as required, matters likely to affect employees' interests.

Information on matters of concern to employees is provided to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company did not make any charitable or political donations during the year.

PARK HOLIDAYS UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

PROVISION OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 16 May 2011 and signed on its behalf



A B Loch
Secretary

Coghurst Hall
Ivyhouse Lane
Ore
Hastings
East Sussex
TN35 4NP

PARK HOLIDAYS UK LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PARK HOLIDAYS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARK HOLIDAYS UK LIMITED

We have audited the financial statements of Park Holidays UK Limited for the year ended 31 December 2010, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of directors' responsibilities, 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

PARK HOLIDAYS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARK HOLIDAYS UK LIMITED

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



M Coughtrey (Senior statutory auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley

RH11 9PT

17 May 2011

PARK HOLIDAYS UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	68,389,872	63,824,790
Cost of sales		<u>(24,060,162)</u>	<u>(22,453,384)</u>
GROSS PROFIT		44,329,710	41,371,406
Administrative expenses		<u>(27,270,010)</u>	<u>(26,069,941)</u>
Exceptional administrative expenses		-	(122,561)
Total administrative expenses		<u>(27,270,010)</u>	<u>(26,192,502)</u>
OPERATING PROFIT	3	17,059,700	15,178,904
Interest receivable and similar income		377	233,923
Interest payable and similar charges	7	<u>(2,479,754)</u>	<u>(3,381,137)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,580,323	12,031,690
Tax on profit on ordinary activities	8	<u>(4,182,549)</u>	<u>(3,493,491)</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u>10,397,774</u>	<u>8,538,199</u>

All amounts relate to continuing operations

The notes on pages 10 to 21 form part of these financial statements

PARK HOLIDAYS UK LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR	10,397,774	8,538,199
Unrealised surplus on revaluation of certain fixed assets	-	6,051,533
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	10,397,774	14,589,732

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £	2009 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	14,580,323	12,031,690
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	307,397	321,465
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	14,887,720	12,353,155
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	10,705,171	8,859,664

The notes on pages 10 to 21 form part of these financial statements

PARK HOLIDAYS UK LIMITED
REGISTERED NUMBER: 02434151

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		206,923,316		205,075,705
Investments	11		32,415,429		32,415,429
			<u>239,338,745</u>		<u>237,491,134</u>
CURRENT ASSETS					
Stocks	12	7,153,432		5,418,808	
Debtors	13	24,823,901		21,035,961	
Cash at bank and in hand		3,132,576		1,401,254	
		<u>35,109,909</u>		<u>27,856,023</u>	
CREDITORS amounts falling due within one year	14	(77,002,892)		(78,512,568)	
NET CURRENT LIABILITIES			<u>(41,892,983)</u>		<u>(50,656,545)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>197,445,762</u>		<u>186,834,589</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(522,115)		(308,716)
NET ASSETS			<u><u>196,923,647</u></u>		<u><u>186,525,873</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		1,650		1,650
Revaluation reserve	18		126,789,537		127,096,934
Profit and loss account	18		70,132,460		59,427,289
SHAREHOLDERS' FUNDS	19		<u><u>196,923,647</u></u>		<u><u>186,525,873</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2011.

J A Sills
Director

A B Loch
Director

The notes on pages 10 to 21 form part of these financial statements

PARK HOLIDAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of CP Equityco Limited, the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries, which form part of the group. The consolidated financial statements of CP Equityco Limited, within which this Company is included, can be obtained from the address given in note 22.

1.2 Going concern

The financial statements have been prepared on the going concern basis notwithstanding the existence of net current liabilities as at 31 December 2010. The directors believe this to be appropriate for the following reasons. The directors have reviewed the projected working capital requirements of Park Holidays UK Limited and believe the company has sufficient funding for the foreseeable future. Furthermore, all relevant group companies 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 the 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, operating profit and profit or loss on ordinary activities before taxation derives from the provision of goods and services to customers during the period.

Turnover represents the fair value of goods excluding value added tax, delivered to or collected by third party customers in the period. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

1.4 Interest receivable and payable

Interest receivable and payable represents amounts paid or to be paid in relation to the period in relation to deposits or debt respectively.

1.5 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

PARK HOLIDAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES (continued)

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	10 years straight line
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1.7 Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost.

Freehold property comprises the holiday home parks owned by the company and have been revalued at fair value. The holiday home parks are carried in the balance sheet at deemed cost, representing open market value determined periodically by external valuers.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	10 to 200 years
L/Term Leasehold Property	-	Straight line over the period of the lease
Plant & machinery	-	10-25% straight line
Fixtures & fittings	-	10-15% straight line
Motor vehicles	-	25% straight line
Caravan hire fleet	-	10% straight line

No depreciation is provided on freehold land.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES (continued)

1.11 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.12 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	2,099,364	1,880,491
Operating lease rentals		
- plant and machinery	138,158	133,059
- other operating leases	347,213	343,679
Exceptional administrative expenses - professional fees	-	122,561
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	42,100	41,100
	<u> </u>	<u> </u>

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	10,768,295	11,118,096
Social security costs	945,573	914,886
Other pension costs	190,000	170,000
	<u>11,903,868</u>	<u>12,202,982</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No
Administrative staff	84	71
Caravan site operations	567	523
Directors	3	3
	<u>654</u>	<u>597</u>

6. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	<u>684,000</u>	<u>568,500</u>

The highest paid director received remuneration of £380,000 (2009 - £318,000)

None of the directors accrued benefits under the company pension schemes during the period

7. INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	4,216	59,477
On loans from group undertakings	2,475,538	3,321,660
	<u>2,479,754</u>	<u>3,381,137</u>

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

8 TAXATION

	2010 £	2009 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	3,966,436	3,497,738
Adjustments in respect of prior periods	2,714	(7,553)
Total current tax	<u>3,969,150</u>	<u>3,490,185</u>
Deferred tax		
Origination and reversal of timing differences	224,102	3,306
Charges in tax rates or laws	(10,703)	-
Total deferred tax (see note 15)	<u>213,399</u>	<u>3,306</u>
Tax on profit on ordinary activities	<u><u>4,182,549</u></u>	<u><u>3,493,491</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - *higher than*) the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>14,580,323</u>	<u>12,031,690</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	4,082,490	3,368,872
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	125,718	126,002
Difference between depreciation and capital allowances	(241,772)	164
Adjustments to tax charge in respect of prior periods	2,714	(7,553)
Other timing differences	-	2,700
Current tax charge for the year (see note above)	<u><u>3,969,150</u></u>	<u><u>3,490,185</u></u>

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

8. TAXATION (continued)

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate would create an additional reduction in the deferred tax liability of approximately £19,337. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 27 per cent to 23 per cent, if these applied to the deferred tax balance at 31 December 2010, would be to further reduce the deferred tax liability by approximately £77,350.

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2010 and 31 December 2010	179,250
Amortisation	
At 1 January 2010 and 31 December 2010	179,250
Net book value	
At 1 January 2010 and 31 December 2010	-

PARK HOLIDAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

10. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2010	195,750,000	3,000,000	685,825	7,053,005	9,806,249	216,295,079
Additions	980,018	-	46,049	688,019	2,293,678	4,007,764
Disposals	-	-	(340)	(11,027)	(539,356)	(550,723)
At 31 December 2010	196,730,018	3,000,000	731,534	7,729,997	11,560,571	219,752,120
Depreciation						
At 1 January 2010	-	-	390,855	4,466,830	6,361,689	11,219,374
Charge for the year	336,850	150,000	57,804	831,846	722,864	2,099,364
On disposals	-	-	-	(5,909)	(484,025)	(489,934)
At 31 December 2010	336,850	150,000	448,659	5,292,767	6,600,528	12,828,804
Net book value						
At 31 December 2010	196,393,168	2,850,000	282,875	2,437,230	4,960,043	206,923,316
At 31 December 2009	195,750,000	3,000,000	294,970	2,586,175	3,444,560	205,075,705

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

10. TANGIBLE FIXED ASSETS (continued)

Included within freehold property is £163,461,421 relating to freehold land that is not depreciated

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS15 Tangible Fixed Assets

	Freehold Property 31 December 2010 £	Freehold Property 31 December 2009 £	Leasehold Property 31 December 2010 £	Leasehold Property 31 December 2009 £
At existing use value	196,730,018	195,750,000	3,000,000	3,000,000
Aggregate depreciation	(336,850)	-	(150,000)	-
Total	196,393,168	195,750,000	2,850,000	3,000,000
Historical cost of revalued assets	71,124,940	70,144,922	2,502,821	2,502,821
Aggregate depreciation	(289,036)	(164,873)	(294,716)	(239,426)
Total	70,835,904	69,980,049	2,208,105	2,263,395

A full valuation of the properties was carried out in December 2009 by Humberts Leisure Limited, Chartered Surveyors

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2010 and 31 December 2010	32,415,429
Net book value	
At 31 December 2010	32,415,429
At 31 December 2009	32,415,429

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The company has a 100% interest in the ordinary share capital of the following companies, all of which are registered in England and Wales

Name	Business
Coghurst Hall Holiday Village Limited	Dormant
Frenchmans Beach Holiday Village Limited	Dormant
Harts Holiday Village Limited	Dormant
Marie Farm Holiday Village Limited	Dormant
Cinque Ports Leisure Homes Limited	Dormant
Harts Holiday Camps Limited	Dormant
Evengain Limited	Holding Company
The South Devon Holiday Parks Limited	Non-trading
Golden Sands Holiday Park Ltd	Non-trading
Crumpwood Ltd	Non-trading
Landscope Holidays Limited	Non-trading
Park Holidays UK Finance Limited (previously Sotuta Limited)*	Dormant
WSG Operating Company Limited*	Dormant

* Denotes investments held indirectly, all other subsidiary undertakings are held directly

12. STOCKS

	2010	2009
	£	£
Finished goods and goods for resale	7,153,432	5,418,808

There is no material difference between the replacement cost of stocks and the amounts stated above

13. DEBTORS

	2010	2009
	£	£
Trade debtors	9,115,595	7,866,806
Amounts owed by group undertakings	12,782,730	11,299,715
Other debtors	54,930	41,480
Prepayments and accrued income	2,870,646	1,827,960
	24,823,901	21,035,961

PARK HOLIDAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

14 CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	3,189,043	1,489,403
Amounts owed to group undertakings	49,978,902	54,988,054
Corporation tax	1,167,439	591,932
Social security and other taxes	2,487,799	2,181,732
Other creditors	452,430	309,935
Accruals and deferred income	19,727,279	18,951,512
	<u>77,002,892</u>	<u>78,512,568</u>

Lombard, who supply funding for caravans to the company, hold a fixed and floating charge over the assets of the company. At the year end £158,534 (2009 £334,858) was due to Lombard (2009 Capital Bank plc) in respect of caravan stock funding. This balance is included within trade creditors.

15 DEFERRED TAXATION

	2010 £	2009 £
At beginning of year	308,716	305,410
Charge for year	213,399	3,306
	<u>522,115</u>	<u>308,716</u>
At end of year	<u>522,115</u>	<u>308,716</u>

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Accelerated capital allowances	<u>522,115</u>	<u>308,716</u>

16 OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Plant and machinery	
	2010 £	2009 £	2010 £	2009 £
Expiry date:				
Between 2 and 5 years	137,140	76,714	35,550	-
After more than 5 years	219,000	219,000	-	-
	<u>356,140</u>	<u>295,714</u>	<u>35,550</u>	<u>-</u>

PARK HOLIDAYS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

17 SHARE CAPITAL

	2010 £	2009 £
Authorised		
12,000 Ordinary shares of £1 each	12,000	12,000
400 Preference shares of £1 each	400	400
25,000 Redeemable preference shares of £1 each	25,000	25,000
	<u>37,400</u>	<u>37,400</u>
Allotted, called up and fully paid		
1,650 Ordinary shares of £1 each	<u>1,650</u>	<u>1,650</u>

18 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2010	127,096,934	59,427,289
Profit for the year		10,397,774
Transfers	(307,397)	307,397
At 31 December 2010	<u>126,789,537</u>	<u>70,132,460</u>

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	186,525,873	171,936,141
Profit for the year	10,397,774	8,538,199
Revaluation	-	6,051,533
Closing shareholders' funds	<u>196,923,647</u>	<u>186,525,873</u>

PARK HOLIDAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

20. RELATED PARTY TRANSACTIONS

During the year the services of Peter Bull, one of the directors of the company, were supplied via Yesterdays World Limited which is a company owned by Peter Bull. In addition to the services of Peter Bull, Yesterdays World Limited also supply other services to the company. The total value of services provided by Yesterdays World Limited during the year, were £150,112 (2009 £144,496). As at 31 December 2010, the group owed Yesterdays World Limited £18,996 (2009 £Nil).

During the year legal services were provided to the company by Loch Associates, which is owned by the wife of Al Loch, one of the directors of the company. The total value provided by Loch Associates for 2010 was £8,788 (2009 £20,153). As at 31 December 2010 no amounts were owed by the group to Loch Associates (2009 £3,800).

21. CONTINGENT LIABILITIES

Certain of the holiday homes sold to customers of the company are in part funded by third party finance companies. In the event of a default by a customer, the company may be required to re-purchase a holiday home from the third party finance company at a price based on an agreed formula. In due course the holiday homes re-purchased under these arrangements are resold in the normal course of business. The financial impact on the company in this and recent years has been insignificant.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is CP Equityco Ltd.

The largest and smallest group in which the results of the company are consolidated is that headed by CP Equityco Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Coghurst Hall, Ivyhouse Lane, Ore, Hastings, East Sussex, TN35 4NP. No other group accounts include the results of the company.

The ultimate controlling party is Graphite Capital Management LLP. Fees paid to Graphite for the services of their staff totalled £84,501 (2009 £81,447). As at 31 December 2010 the group owed Graphite £21,125 (2009 £23,424).