

F

Park Holidays UK Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2008

SATURDAY



AO33VBU4

A12

25/07/2009

131

COMPANIES HOUSE

Company Registration No 2434151

29-07-09 248

Park Holidays UK Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J A Sills
D P Bull
A B Loch

SECRETARY

A B Loch

REGISTERED OFFICE

Coghurst Hall
Ivyhouse Lane
Ore
Hastings
East Sussex
TN35 4NP

AUDITORS

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Park Holidays UK Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of the company for the year ended 31 December 2008

PRINCIPAL ACTIVITIES

The principal activity of the company is the operation of caravan and holiday parks. One subsidiary of the group was engaged in the operation of weighing machines and the assets of that business were sold during the course of the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is one of the five largest holiday home park operators in the UK. The Company's parks 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. During the year the business recorded strong growth in caravan sales and other revenue streams.

The purchase of a holiday home represents a reasonably long term commitment from our customers who are generally given a ten 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 would also impact the short term holiday lettings business.

During 2008, the UK economy was fairly volatile with large fluctuations in both interest rates and foreign exchange rates creating a lack of consumer confidence and having an adverse impact on the UK property sector. While holiday home ownership for UK residents has shown steady increases in recent years it was understandable that there was a small reduction of five percent in unit sales during the year. With respect to the holiday lettings business the recent trends of UK holiday makers taking higher numbers of short term breaks continued. Since the year end, with UK interest rates having fallen to an all time low and the pound remaining weak against other currencies, it appears that increasing numbers of UK residents will be seeking to holiday at home which could clearly benefit the business in future.

A summary of the company's key financial performance indicators, compared to 2007 are as follows

- Turnover increased by 2.77%
- Operating Profit before exceptional costs reduced by 9.2%
- Operating margin before exceptional costs (Operating Profit as a % of Turnover) reduced to 22.2% from 25.1%

On 13 March 2008, the company acquired the entire issued share capital of Crumpwood Ltd and Golden Sands Ltd and the trade and certain assets were transferred to the company.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows

D P Bull
J A Sills
A B Loch

Park Holidays UK Limited

DIRECTORS' REPORT

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.

CHARITABLE AND POLITICAL DONATIONS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

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

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

By order of the board



A B Loch

Company Secretary

Park Holidays UK Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

Company law requires the directors to prepare the financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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

We have audited the financial statements of Park Holidays UK Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company and its members, as a body, in accordance with section 235 of the Companies Act 1985. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
1 Forest Gate
Brighton Rd
Crawley
RH11 9PT

12 June 2009

Park Holidays UK Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2008

		2008 £	2007 £
TURNOVER	2	59,577,809	57,971,453
Cost of sales		(21,331,487)	(21,157,067)
Gross profit		38,246,322	36,814,386
Administrative expenses excluding exceptional items		(25,044,561)	(22,267,902)
Exceptional items	3	(409,173)	-
Administrative expenses including exceptional items		(25,453,734)	(22,267,902)
OPERATING PROFIT	3	12,792,588	14,546,484
Profit on disposal of fixed assets		-	1,559
Interest receivable		273,557	118,960
Interest payable and similar charges	6	(3,649,192)	(2,685,474)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,416,953	11,981,529
Taxation	7	(3,484,284)	(2,593,862)
RETAINED PROFIT FOR THE FINANCIAL YEAR		5,932,669	9,387,667

The operating profit for the year arises from the company's continuing operations. The results of the business include the results of businesses hived up during the year.

NOTE OF HISTORICAL COSTS PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	9,416,953	11,981,529
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	146,170	83,107
Historical cost profit on ordinary activities before taxation	9,563,123	12,064,636
Historical cost profit for the year retained after taxation and dividends	6,078,839	9,470,774

Park Holidays UK Limited

BALANCE SHEET

31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	8	-	1,480
Tangible assets	9	196,918,095	193,011,555
Investments	10	32,415,429	21,134,785
		<u>229,333,524</u>	<u>214,147,820</u>
CURRENT ASSETS			
Stocks	11	5,611,540	4,812,497
Debtors	12	15,732,917	15,059,695
Cash at bank and in hand		550,747	4,404,023
		<u>21,895,204</u>	<u>24,276,215</u>
CREDITORS			
Amounts falling due within one year	13	(78,987,175)	(72,207,884)
NET CURRENT LIABILITIES		<u>(57,091,971)</u>	<u>(47,931,669)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>172,241,553</u>	<u>166,216,151</u>
PROVISIONS FOR LIABILITIES AND CHARGES	15	(305,412)	(212,679)
NET ASSETS		<u>171,936,141</u>	<u>166,003,472</u>
CAPITAL AND RESERVES			
Called up equity share capital	17	1,650	1,650
Revaluation reserve	18	121,045,401	121,045,401
Profit and loss account	18	50,889,090	44,956,421
SHAREHOLDERS' FUNDS	19	<u>171,936,141</u>	<u>166,003,472</u>

These financial statements were approved by the directors on the 10 June 2009 and are signed on their behalf by


J A Sills
Director


A B Loch
Director

Park Holidays UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements 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 entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of CP Equityco Limited, within which this Company is included, can be obtained from the address given in note 23.

GOING CONCERN BASIS

The financial statements have been prepared on the going concern basis notwithstanding the existence of net current liabilities as at 31 December 2008. 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.

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.

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.

CASH FLOW STATEMENT

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

INTANGIBLE ASSETS AND AMORTISATION

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets) arising on business combinations in respect of acquisitions is capitalised and amortised to nil by equal annual instalments over its estimated useful life.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10 years straight line

Park Holidays UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

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.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
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.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

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 rate 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.

VALUATION OF INVESTMENTS

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

Park Holidays UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

2 TURNOVER

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

An analysis of turnover is given below

	2008	2007
	£	£
United Kingdom	<u>59,577,809</u>	<u>57,971,453</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Amortisation of goodwill	1,480	27,520
Depreciation of owned fixed assets	1,858,216	1,321,388
Depreciation of assets held under hire purchase agreements	-	32,341
Auditors' remuneration	33,000	31,500
Operating lease costs		
Land and buildings	337,910	275,947
Plant and equipment	161,433	150,866
Profit on sale of fixed assets	-	(1,559)
Exceptional items		
Redundancy costs	259,173	-
Professional fees	<u>150,000</u>	<u>-</u>

4 BUSINESS ACQUISITION IN THE YEAR

On 13th March 2008 the company acquired the companies listed below. The book values (which equal the fair values) of the net assets acquired are summarised below

	Golden Sands Limited	Crumpwood Limited	Total
	£	£	£
Tangible Fixed Assets	7,134,317	8,293,325	15,427,642
Current Assets	78,923	68,634	147,557
Creditors	(143,510)	(26,793)	(170,303)
Loans	(1,660,031)	(2,191,236)	(3,851,267)
Provisions for liabilities and charges	(53,235)	(40,000)	(93,235)
Accruals and Deferred Income	(153,065)	(126,685)	(279,750)
	<u>5,203,399</u>	<u>5,977,245</u>	<u>11,180,644</u>
Consideration			
Cash paid to Vendors			10,596,092
Cash paid in respect of deal fees			584,552
			<u>11,180,644</u>

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2008	2007
	No	No
Administrative staff	71	108
Caravan site operations	437	470
Directors	4	4
	<u>512</u>	<u>582</u>

The aggregate payroll costs of the above were

	2008	2007
	£	£
Wages and salaries	9,786,837	10,072,653
Social security costs	857,930	838,984
Other pension costs	135,360	112,800
	<u>10,780,127</u>	<u>11,024,437</u>

The figures above exclude the emoluments of one of the directors who were paid fees as a consultant to the business (note 20)

DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2008	2007
	£	£
Emoluments receivable	466,500	469,250
Value of company pension contributions to money purchase schemes	135,360	112,800
	<u>601,860</u>	<u>582,050</u>

Emoluments of highest paid director

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>212,000</u>	<u>210,000</u>

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

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank loans and overdrafts	84,556	-
Finance charges	347	1,321
Interest payable on inter-company loans	3,367,559	2,676,691
Other similar charges	196,730	7,462
	<u>3,649,192</u>	<u>2,685,474</u>

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

7 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2008 £	2007 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28.5% (2007 – 30%)	2,764,001	3,621,149
Under/(Over) provision in prior year	743,774	(1,144,421)
Total current tax	<u>3,507,775</u>	<u>2,476,728</u>
Deferred tax		
Origination and reversal of timing differences (note 15)	(23,491)	114,897
Rate change	-	2,237
Tax on profit on ordinary activities	<u>3,484,284</u>	<u>2,593,862</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28.5% (2007 - 30%). The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>9,416,953</u>	<u>11,981,529</u>
Profit on ordinary activities multiplied by the standard rate of tax	2,683,831	3,594,459
Tax effect of		
Expenses not deductible for tax purposes	54,680	164,738
Accelerated capital allowances	25,516	(137,956)
Other timing differences	(26)	(92)
Adjustment in respect of prior period	743,774	(1,144,421)
Total current tax (note 7(a))	<u>3,507,775</u>	<u>2,476,728</u>

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2008 and 31 December 2008	<u>179,250</u>
Amortisation	
At 1 January 2008	177,770
Charge for the year	1,480
At 31 December 2008	<u>179,250</u>
Net book value	
At 31 December 2008	-
At 31 December 2007	<u>1,480</u>

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

9 TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Other Assets £	Total £
Cost or valuation						
At 1 Jan 2008	184,146,204	4,352,834	2,990,936	6,625,619	6,227,032	204,342,625
Additions	3,368,042	-	51,585	697,859	872,462	4,989,948
Transfers (to)/from group companies	-	(152,834)	106,900	10,339	1,528,675	1,493,080
At 31 Dec 2008	<u>187,514,246</u>	<u>4,200,000</u>	<u>3,149,421</u>	<u>7,333,817</u>	<u>8,628,169</u>	<u>210,825,653</u>
Depreciation						
At 1 Jan 2008	42,499	87,057	2,466,891	4,029,439	4,725,184	11,331,070
Charge for the year	44,807	186,952	303,556	623,935	698,966	1,858,216
Transfers from group companies	-	-	70,192	2,971	645,109	718,272
At 31 Dec 2008	<u>87,306</u>	<u>274,009</u>	<u>2,820,639</u>	<u>4,656,345</u>	<u>6,069,259</u>	<u>13,907,558</u>
Net book value						
At 31 Dec 2008	<u>187,426,940</u>	<u>3,925,991</u>	<u>328,782</u>	<u>2,677,472</u>	<u>2,558,910</u>	<u>196,918,095</u>
At 31 Dec 2007	<u>184,103,705</u>	<u>4,265,777</u>	<u>544,045</u>	<u>2,596,180</u>	<u>1,501,848</u>	<u>193,011,555</u>

Included within freehold property is £170,826,140 relating to freehold land that is not depreciated

Hire purchase agreements

Included within the net book value of £196,918,095 is £Nil (2007 - £97,023) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2007 - £32,341)

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 2008 £	Freehold Property 31 December 2007 £	Leasehold Property 31 December 2008 £	Leasehold Property 31 December 2007 £
At 31 December 2008	187,514,246	184,146,204	4,200,000	4,352,834
Aggregate depreciation	(87,306)	(42,499)	(274,009)	(87,057)
Net book value	<u>187,426,940</u>	<u>184,103,705</u>	<u>3,925,991</u>	<u>4,265,777</u>
Historical cost of revalued assets	68,292,744	64,924,702	2,502,821	2,655,655
Aggregate depreciation	(48,026)	(31,479)	(171,095)	(102,054)
Historical cost net book value	<u>68,244,718</u>	<u>68,244,718</u>	<u>2,331,726</u>	<u>2,553,601</u>

A full valuation of the properties was carried out in December 2006 by Humberts Leisure, Chartered Surveyors

Park Holidays UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

10 INVESTMENTS

	Group companies
	£
Cost	
At 1 January 2008	21,134,785
Additions in respect of the acquisition of Crumpwood Ltd and Golden Sands Ltd	11,180,644
Subscription of shares in subsidiary company	100,000
At 31 December 2008	<u>32,415,429</u>
Net book value	
At 31 December 2008	<u>32,415,429</u>
At 31 December 2007	<u>21,134,785</u>

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

Held directly

Coghurst Hall Holiday Village Limited	(Dormant)
Frenchmans Beach Holiday Village Limited	(Dormant)
Harts Holiday Village Limited	(Dormant)
Marlie 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	(Holiday Park Operator to 13 March 2008, Non-trading since)
Crumpwood Ltd	(Holiday Park Operator to 13 March 2008, Non-trading since)

Held indirectly

Park Holidays UK Finance Limited (previously Sotuta Limited)	(Dormant)
WSG Operating Company Limited	(Weighing Scales Operator)

All the directly controlled subsidiaries of the company were dormant throughout the year, or from the date of acquisition, with the exception of Evengain Limited whose principal activity is that of a holding company for a group involved in weighing machines (WSG Operating Company Limited) and with one dormant company (Park Holidays UK Finance Limited)

11 STOCKS

	2008 £	2007 £
Caravan and other stocks	<u>5,611,540</u>	<u>4,812,497</u>

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

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

12 DEBTORS

	2008	2007
	£	£
Trade debtors	7,516,614	7,231,342
Amounts owed by group undertakings	6,814,125	6,258,458
Other debtors	160,191	230,346
Prepayments and accrued income	1,241,987	1,339,549
	<u>15,732,917</u>	<u>15,059,695</u>

All amounts shown under debtors fall due for payment within one year

13 CREDITORS amounts falling due within one year

	2008	2007
	£	£
Bank Loans and Overdrafts	700,000	-
Trade creditors	3,307,829	4,058,225
Amounts owed to group undertakings	54,535,674	46,713,324
Hire purchase agreements	-	8,379
Corporation tax	1,087,882	2,278,793
Other taxes and social security	2,263,771	2,517,688
Other creditors	372,683	256,380
Accruals and deferred income	16,719,336	16,375,095
	<u>78,987,175</u>	<u>72,207,884</u>

Capital Bank plc, who supply funding for caravans to the company, hold a fixed and floating charge over the assets of the company. At the year end £922,841 (2007 £1,425,077) was owed to Capital Bank plc in respect of caravan stock funding. This balance is included within trade creditors.

14 OBLIGATIONS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2008	2007
	£	£
Amounts payable within 1 year	<u>-</u>	<u>8,379</u>

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

15 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2008 £	2007 £
Liability/(asset) brought forward	212,679	(17,864)
Profit and loss account	(23,491)	117,134
Transfer from other group companies	116,224	113,409
Liability carried forward	<u>305,412</u>	<u>212,679</u>
Difference between capital allowances and depreciation on fixed assets	<u>305,412</u>	<u>212,679</u>

If the freehold and leasehold properties were sold at the values shown in the financial statements the tax charge for the year would increase by £52,469,555 (2007 £55,231,111). The company has no plans to sell any of the properties in the foreseeable future. If any of the properties were sold it is probable that rollover relief would be available. On this basis it is unlikely that such a liability will arise in the foreseeable future.

16 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2008 £	2007 £
Operating leases which expire		
Less than 1 year	37,500	-
After 2-5 years	-	37,500
After more than 5 years	294,967	294,967
	<u>332,467</u>	<u>332,467</u>

17 SHARE CAPITAL

	2008 £	2007 £
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>

Park Holidays UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

18 RESERVES

	Revaluation reserve £	Profit and loss account £
Balance brought forward at 1 January 2008	121,045,401	44,956,421
Retained profit for the year	-	5,932,669
Balance carried forward at 31 December 2008	<u>121,045,401</u>	<u>50,889,090</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	5,932,669	9,387,667
Opening shareholders' equity funds	<u>166,003,472</u>	<u>156,615,805</u>
Closing shareholders' equity funds	<u>171,936,141</u>	<u>166,003,472</u>

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 £ 103,011 (2007 £195,929). As at 31 December 2008, the group owed Yesterdays World Limited £Nil (2007 £Nil).

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 BUSINESSES TRANSFERRED IN YEAR

During the year, the trade of the subsidiary companies listed below were transferred to the company.

The summary profit and loss accounts of the businesses for their last financial year and for the periods to date of transfer were as follows:

	Golden Sands Limited		Crumpwood Ltd	
	Year Ended 31 March 2007 £	Period to 13 March 2008 £	Year Ended 31 October 2007 £	Period to 13 March 2008 £
Turnover	1,469,904	1,396,327	1,389,008	197,194
Operating Profit	<u>347,721</u>	<u>263,871</u>	<u>213,676</u>	<u>63,584</u>
Net Profit Before Tax	247,122	154,829	84,301	72
Taxation	(55,760)	(25,031)	(18,586)	(31,258)
Net Profit/(Loss) after tax	<u>191,362</u>	<u>129,798</u>	<u>65,715</u>	<u>(31,186)</u>

Park Holidays UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

23 ULTIMATE PARENT COMPANY

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.