Leisure Parcs Limited

Directors' report and consolidated financial statements

Registered number 03127502

31 March 2009

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2009.

Principal activities

During the year the group's principal activity was owner and operator of leisure attractions and other leisure assets.

Business review

The directors are satisfied with the performance during the year, in a difficult trading environment and against a background of inflationary pressures on costs. The directors believe the group is well placed going forward.

The group disposed of its 50% shareholding in Sea Life Centre (Blackpool) Limited during the year.

Principal risks and uncertainties

The principal uncertainties associated with this business are the number of visitors to the group's attractions and the general level of discretionary income. The directors believe that these present both risks and opportunities to the business.

Performance and development during the year including key performance indicators

The directors monitor performance through the production of a detailed annual budget and comparison of results against this budget. Additionally the directors monitor key performance indicators to ensure they are within acceptable parameters, these include:

- Admission numbers and income for key leisure attractions
- Gross profit percentage return on sales
- Operating profit return on sales
- Cash generated from operating activities

Position at the end of the year

The group has a sound financial base and sufficient financial resources to meet the business's requirements.

Results and dividends

The loss for the year is £9,107,000 *(2008: profit £421,000)* and has been transferred to reserves. The directors do not recommend the payment of a dividend *(2008: £nil)*.

Directors and directors' interests

The directors who held office during the year were as follows:

Mr CJ Hemmings
Ms K Revitt
Mr ML Widders

Directors' report (continued)

Employees

Unit managers are responsible for employee relations and development on a day to day basis. This is supported by regular visits by senior executives who are able to explain and provide employees with information on matters of concern to them as employees and to enable their views to be taken into account.

It is the policy and practice of the group to give equal consideration to applications for employment from disabled persons having regard to the particular aptitudes and abilities of the applicants concerned. The services of any existing employee who becomes disabled are retained wherever practicable.

Employee involvement

The group places great emphasis on consultation at all levels where its policy is to encourage an open management style with frequent formal and informal discussions on all aspects of operations.

Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £nil *(2008: £nil).*

Auditors

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.

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 auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

ML Widders
Director

97 Church Street
Blackpool
FY1 1HL

28 January 2010

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).

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditors' report to the members of Leisure Parcs Limited

We have audited the group and parent company financial statements (the "financial statements") of Leisure Parcs Limited for the year ended 31 March 2009 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the reconciliation of operating profit to net cash flow from operating activities, the reconciliation of net cash flow to movement in net debt 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's 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 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 auditors

The directors' responsibilities for preparing the directors' report and 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 3.

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 other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group's and 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.

Independent auditors' report to the members of Leisure Parcs Limited *(continued)*

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 group's and the parent company's affairs as at 31 March 2009 and of the group's loss 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

28|1| 2010

Consolidated profit and loss account
for the year ended 31 March 2009

	Note	**2009**	2008
		£000	£000
Turnover	*1*	**13,387**	14,092
Cost of sales		**(1,657)**	(1,712)
Gross profit		**11,730**	12,380
Administrative expenses		**(11,280)**	(11,824)
Other operating income	*2*	**1,483**	1,509
Operating profit		**1,933**	2,065
Share of operating loss of associated undertaking		**-**	(10)
Profit on the disposal of fixed assets		**514**	-
Profit on the disposal of investments		**1,117**	-
Impairment of fixed assets		**(11,200)**	-
(Loss)/profit on ordinary activities before interest		**(7,636)**	2,055
Interest receivable and similar income	*5*	**196**	244
Interest payable and similar charges	*6*	**(1,694)**	(1,687)
(Loss)/profit on ordinary activities before taxation	*2*	**(9,134)**	612
Tax on (loss)/profit on ordinary activities	*7*	**27**	(191)
Retained (loss)/profit for the year	*19*	**(9,107)**	421

All of the above relate to continuing operations.

Statement of total recognised gains and losses
for the year ended 31 March 2009

There were no recognised gains or losses other than those shown in the profit and loss account for both the current and prior year.

Consolidated balance sheet
at 31 March 2009

	Note	2009		2008	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*9*		**-**		13
Tangible assets	*10*		**33,513**		45,567
Investments	*12*		**-**		514
			33,513		46,094
Current assets					
Stocks	*13*	**262**		285	
Debtors	*14*	**1,559**		1,519	
Cash at bank and in hand		**6,015**		4,796	
		7,836		6,600	
Creditors: amounts falling due within one year	*15*	**(6,641)**		(9,438)	
Net current assets/(liabilities)			**1,195**		(2,838)
Total assets less current liabilities			**34,708**		43,256
Creditors: amounts falling due after more than one year	*16*		**(36,600)**		(36,100)
Provisions for liabilities and charges	*17*		**(185)**		(126)
Net (liabilities)/assets			**(2,077)**		7,030
Capital and reserves					
Called up share capital	*18*		**1,000**		1,000
Profit and loss account	*19*		**(3,077)**		6,030
Equity shareholders' funds	*20*		**(2,077)**		7,030

These financial statements were approved by the board of directors on 28/1/ 2010 and were signed on its behalf by:

ML Widders
Director

Registered number 03127502

Company balance sheet
at 31 March 2009

	Note	2009		2008	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	*11*		30,129		42,295
Investments	*12*		661		1,673
Long term loan to subsidiary undertaking			1,989		1,989
			32,779		45,957
Current assets					
Stocks	*13*	237		253	
Debtors	*14*	1,504		1,545	
Cash at bank and in hand		5,957		4,741	
		7,698		6,539	
Creditors: amounts falling due within one year	*15*	(6,375)		(9,102)	
Net current assets/(liabilities)			1,323		(2,563)
Total assets less current liabilities			34,102		43,394
Creditors: amounts falling due after more than one year	*16*		(36,600)		(36,100)
Provisions for liabilities and charges	*17*		(49)		(44)
Net (liabilities)/assets			(2,547)		7,250
Capital and reserves					
Called up share capital	*18*		1,000		1,000
Profit and loss account	*19*		(3,547)		6,250
Equity shareholders' funds	*20*		(2,547)		7,250

These financial statements were approved by the board of directors on 26 / 1 / 2010 and were signed on its behalf by:

ML Widders
Director

Registered number 03127502

Consolidated cash flow statement

for the year ended 31 March 2009

	Note	2009 £000	2008 £000
Cash flow from operating activities		**2,849**	4,498
Dividends received from associate		**150**	200
Returns on investments and servicing of finance	*24*	**(1,418)**	(1,186)
Taxation		**(43)**	161
Capital expenditure and financial investment	*24*	**(1,077)**	(2,603)
Acquisitions and disposals	*24*	**1,481**	-
Increase in cash in the year	*25*	**1,942**	1,070

All amounts relate to continuing operations

Reconciliation of operating profit to net cash flow from operating activities

for the year ended 31 March 2009

	2009 £000	2008 £000
Operating profit	**1,933**	2,065
Depreciation and amortisation charges	**1,458**	1,208
Decrease in stock	**23**	25
Decrease in debtors	**70**	746
(Decrease)/increase in creditors	**(635)**	454
Net cash inflow from operating activities	**2,849**	4,498

Reconciliation of net cash flow to movement in net debt

for the year ended 31 March 2009

		2009 £000	2008 £000
Increase in cash in the year		**1,942**	1,070
Movement in net debt in the year		**1,942**	1,070
Net debt at the beginning of the year		**(34,774)**	(35,844)
Net debt at the end of the year	*25*	**(32,832)**	(34,774)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

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

The Group's existing banking facilities are due to be renewed in September 2010. Negotiations for renewed facilities with the Group's existing bank are ongoing at the date of signing these financial statements. The Directors are confident that renewed facilities will be made available and that covenants set therein will be at achievable levels.

Basis of consolidation

The consolidated financial statements incorporate the financial statements for the company and its subsidiary and associated undertakings which have been prepared for the financial year ended 31 March 2009.

Where the acquisition method of accounting has been adopted the results of the subsidiary or associated undertaking acquired in the year are included in the profit and loss account from the date of acquisition. Goodwill arising on consolidation represented by the excess of the fair value of the consideration given over the fair value of the separable net assets acquired is capitalised and amortised on a straight line basis over the directors estimate of the useful life. The directors consider each acquisition separately for the purpose of determining amortisation periods. Goodwill capitalised to date is amortised over a period between 5 and 10 years. Any excess of the fair value of separable net assets acquired over the fair value of consideration given (negative goodwill) is recognised and disclosed separately within intangible fixed assets and released to the profit and loss account in the periods in which the assets relating to the negative goodwill are recovered.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of leisure services to third party customers. All turnover arises in the United Kingdom.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold and leasehold properties	-	50 years
Motor vehicles	-	25% per annum
Plant and equipment	-	4 to 8 years
Amusement machines	-	written off over 2-5 years
Freehold property improvements	-	10 years

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The group makes employer contributions to defined contribution pension schemes on behalf of certain of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made without discounting for deferred taxation.

Related party transactions

The directors have taken advantage of the exemptions in Financial Reporting Standard Number 8, paragraph 3 (a) and have not disclosed transactions and balances between group entities that have been eliminated on consolidation.

2 (Loss)/profit on ordinary activities before taxation

	2009 £000	2008 £000
(Loss)/profit on ordinary activities before taxation is stated:		
after charging		
Auditors' remuneration:		
Audit - Group	**6**	7
- Company	**19**	20
Other services – fees paid to the auditors and their associates	**20**	11
Depreciation	**1,445**	1,196
Amortisation of goodwill	**13**	12
Operating lease rentals		
Plant and machinery	**20**	39
Impairment of fixed assets	**11,200**	-
after crediting		
Property rents receivable	**1,483**	1,509
Profit on the sale of fixed assets	**514**	-
Profit on the sale of investments	**1,117**	-
Release of insurance proceeds	**341**	

Notes *(continued)*

3 Remuneration of directors

The directors received no remuneration from the group in either year.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2009	2008
Operational	**229**	260
Administration and management	**96**	103
	325	363

The aggregate payroll costs of these persons were as follows:

	2009	2008
	£000	£000
Wages and salaries	**3,742**	3,906
Social security costs	**263**	291
Other pension costs	**59**	65
	4,064	4,262

5 Interest receivable and similar income

	2009	2008
	£000	£000
Bank interest	**196**	244

6 Interest payable and similar charges

	2009	2008
	£000	£000
On bank loans and overdrafts	**1,151**	1,144
On loan notes	**543**	543
	1,694	1,687

Notes *(continued)*

7 Taxation

	2009 £000	2008 £000
UK corporation tax at 28% - current year	-	87
Adjustment in relation to prior period	(86)	(15)
	(86)	72
Movement on deferred taxation (see note 17)		
- origination/reversal of timing differences	22	-
- in respect of prior year	37	98
	59	98
	(27)	170
Attributable to associate undertaking		
Corporation tax at 28% *(2008: 30%)*	-	21
	(27)	191

Factors affecting the current tax for the period

The tax assessed on the profit on ordinary activities for the period is lower *(2008: lower)* than the standard rate of corporation tax in the UK of 28% *(2008: 30%)*. The differences are explained below:

	£000	£000
(Loss)/profit on ordinary activities before taxation	(9,134)	612
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% *(2008: 30%)*	(2,558)	183
Effects of:		
Capital allowances in excess of depreciation	20	(105)
Expenses not deductible for tax purposes and non-taxable income	(518)	116
Effects of associated company	42	24
Other short term timing differences	(8)	(7)
Adjustment in relation to prior period	(86)	(15)
Utilisation of tax losses	(159)	(103)
Chargeable gains	45	-
Impairment of fixed assets not taxable	3,136	-
Current tax (credit)/charge for the period	(86)	93

Notes *(continued)*

8 Company result for the financial year

Leisure Parcs Limited has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The loss for the financial year dealt with in the accounts of the holding company, Leisure Parcs Limited, is £9,797,000 *(2008:profit £523,000).*

9 Intangible assets

Goodwill	**Group goodwill arising on acquisitions**
Group	**£000**
Cost or valuation	
At 1 April 2008 and at 31 March 2009	121
Amortisation	
At 1 April 2008	108
Charge for the year	13
At 31 March 2009	121
Net book value	
At 31 March 2009	-
At 1 April 2008	13

10 Tangible fixed assets - group

	Land and buildings					
	Freehold land and Buildings	**Improvements to freehold properties**	**Plant and equipment**	**Motor vehicles**	**Assets in the course of construction**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Cost						
At beginning of year	42,586	7,147	6,869	9	23	56,634
Additions	-	1,319	264	-	8	1,591
Transfers	-	(79)	102	-	(23)	-
At end of year	42,586	8,387	7,235	9	8	58,225
Depreciation						
At beginning of year	3,181	2,034	5,846	6	-	11,067
Charge for year	343	731	369	2	-	1,445
Impairment	11,800	400	-	-	-	12,200
At end of year	15,324	3,165	6,215	8	-	24,712
Net book value						
At 31 March 2009	**27,262**	**5,222**	**1,020**	**1**	**8**	**33,513**
At 31 March 2008	39,405	5,113	1,023	3	23	45,567

The cost of freehold land and buildings includes £7,607,000 *(2008: £7,607,000)* of non-depreciable assets.

Notes *(continued)*

11 Tangible fixed assets - company

	Land and buildings Freehold land and buildings	Improvements to freehold properties	Plant and equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At beginning of year	40,322	6,105	6,417	6	52,850
Additions	-	1,187	148	-	1,335
At end of year	40,322	7,292	6,565	6	54,185
Depreciation					
At beginning of year	3,093	1,823	5,635	4	10,555
Charge for year	331	647	321	2	1,301
Impairment	11,800	400	-	-	12,200
At end of year	15,224	2,870	5,956	6	24,056
Net book value					
At 31 March 2009	**25,098**	**4,422**	**609**	**-**	**30,129**
At 31 March 2008	37,229	4,282	782	2	42,295

The cost of freehold land and buildings includes £7,169,000 *(2008: £7,169,000)* of non-depreciable assets.

A provision for impairment of £1,000,000 charged during the period was transferred to fixed assets from other creditors where it was previously held.

During the year the Directors have reduced the carrying value of Freehold Land and Buildings and Improvements by £11,200,000 through an impairment write down. They consider the resulting carrying values to more appropriate.

Notes *(continued)*

12 Investments

Group	Participating interests £000	Total £000
At 1 April 2008	514	514
Share of dividend	(150)	(150)
Disposals	(364)	(364)
At 31 March 2009	-	-

The 50% shareholding in Sea Life Centre (Blackpool) Limited was sold on 19 May 2008 (effective 31 March 2008) for proceeds of £1,481,000.

Company	**Participating interests** £000	**Interest in subsidiary undertaking** £000	**Total** £000
Cost and net book value:			
At 1 April 2008	912	761	1,673
Disposals	(912)	-	(912)
Release of deferred consideration	-	(100)	(100)
At 31 March 2009	-	661	661

Principal operating subsidiary and associated undertakings included in the consolidated accounts are as follows:

	Country of incorporation	**Principal activity**	**Class and percentage**
Subsidiary undertakings			
Louis Tussauds Waxworks (Blackpool) Limited	United Kingdom	Leisure	ordinary 100%
Activeclaim Limited	United Kingdom	Dormant	ordinary 100%
The Blackpool Tower Company Limited	United Kingdom	Dormant	ordinary 100%
The Savoy Hotel (Blackpool) Limited	United Kingdom	Dormant	ordinary 100%

13 Stocks

	2009		2008	
	Group £000	**Company £000**	Group £000	Company £000
Goods for resale	**262**	**237**	285	253

Notes *(continued)*

14 Debtors

	2009		2008	
	Group £000	**Company £000**	Group £000	Company £000
Trade debtors	**349**	**348**	552	541
Amounts owed by subsidiary undertakings	**-**	**26**	-	76
Amounts owed by undertakings in which the company has a participating interest	**-**	**-**	66	66
Corporation tax	**110**	**94**	-	-
Prepayments and accrued income	**1,025**	**988**	808	790
Other debtors	**75**	**48**	93	72
	1,559	**1,504**	1,519	1,545

15 Creditors: amounts falling due within one year

	2009		2008	
	Group £000	**Company £000**	Group £000	Company £000
Bank loans and overdrafts	**2,247**	**1,500**	1,470	655
Unsecured loan notes	**-**	**-**	2,000	2,000
Trade creditors	**795**	**766**	667	646
Amounts due to subsidiary undertakings	**-**	**533**	-	533
Taxation and social security	**267**	**260**	91	83
Corporation tax	**-**	**-**	19	18
Accruals and deferred income	**1,439**	**1,424**	1,894	3,297
Other creditors	**1,893**	**1,892**	3,297	1,870
	6,641	**6,375**	9,438	9,102

16 Creditors: amounts falling due after more than one year

	Group and Company	
	2009 £000	2008 £000
Unsecured loan notes	**18,100**	16,100
Bank loans	**18,500**	20,000
	36,600	36,100

	2009 £000	2008 £000
Analysis of debt:		
Debt can be analysed as falling due:		
In one year or less, or on demand	**1,500**	3,470
Between one and two years	**18,500**	2,000
Between two and five years	**8,000**	26,000
In five years or more	**10,100**	8,100
	38,100	39,570

Notes *(continued)*

16 Creditors: amounts falling due after more than one year *(continued)*

Amounts repayable in more than five years:	Group and Company	
	2009	2008
	£000	£000
Unsecured loan notes	**10,100**	8,100
	10,100	8,100

The unsecured loan notes were issued in September 1998 and are held by the shareholders in proportion to their shareholding. Interest of 3% per annum is payable annually in arrears. Redemption of the loan notes was at the rate of £2,000,000 per annum from December 2005 to December 2014. Repayments have now been deferred until December 2010 at £2,000,000 per annum from December 2010 to December 2013. A final repayment of £10,100,000 will occur in December 2014.

17 Provisions for liabilities and charges

	Deferred taxation
	£000
Group	
At start of year	126
Charge to the profit and loss account in the year	59
At end of year	**185**

The elements of deferred taxation are as follows:

	2009	2008
	£000	£000
Losses carried forward	**-**	(45)
Other timing differences	**(45)**	59
Capital allowances in excess of depreciation	**230**	112
	185	126

Notes *(continued)*

17 Provisions for liabilities and charges *(continued)*

Company	Deferred taxation £000
At start of year	44
Debit to the profit and loss account in the year	5
At end of year	**49**

The elements of deferred taxation are as follows:	2009 £000	2008 £000
Other timing differences	(45)	(68)
Capital allowances in excess of depreciation	94	112
	49	44

18 Called up share capital

	2009 £000	2008 £000
Authorised		
1,000,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	**1,000**	1,000

19 Reserves - profit and loss account

	Group £000	Company £000
At 31 March 2008	6,030	6,250
Retained loss for the year	(9,107)	(9,797)
At 31 March 2009	**(3,077)**	**(3,547)**

20 Reconciliation of movements in shareholders' funds

	2009		2008	
	Group £000	**Company £000**	Group £000	Company £000
(Loss)/profit for the financial year	**(9,107)**	**(9,797)**	421	523
Net reduction to shareholders' funds	**(9,107)**	**(9,797)**	421	523
Opening shareholders' funds	**7,030**	**7,250**	6,609	6,727
Closing shareholders' funds	**(2,077)**	**(2,547)**	7,030	7,250

Notes *(continued)*

21 Contingent liabilities

The company has guaranteed the overdrafts of its subsidiaries; the amount outstanding at the year end was £747,000 *(2008: £815,000)*.

22 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	Group and Company	
	2009	2008
	£000	£000
Contracted not incurred	**190**	382
Authorised not yet contracted	**90**	192

(b) Annual commitments under non-cancellable operating leases are as follows:

	Plant and machinery	
	2009	2008
	£000	£000
Operating leases which expire:		
Within one year	**653**	628
In the second to fifth years inclusive	**2,098**	1,824
Over 5 years	**292**	999
	3,043	3,451

23 Pension scheme

Certain of the group's employees are members of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension charge represents pension contributions payable by the group to the funds and amounted to £59,000 *(2008: £65,000)*. Amounts outstanding at the year end amounted to £8,000 *(2008: £8,000)*.

24 Analysis of cash flows

	2009	2008
	£000	£000
Returns on investment and servicing of finance		
Interest received	**196**	244
Interest paid	**(1,614)**	(1,430)
	(1,418)	(1,186)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(1,591)**	(2,603)
Proceeds from sale of fixed assets	**514**	-
	(1,077)	(2,603)
Acquisitions and disposals		
Proceeds from sale of associate	**1,481**	-

Notes *(continued)*

25 Analysis of net debt

	At beginning of year £000	Cash flow £000	Non cash movements £000	At end of year £000
Cash in hand, at bank	4,796	1,219	-	6,015
Overdrafts	(1,470)	723	-	(747)
Debenture loans	(2,000)	-	500	(1,500)
	1,326	1,942	500	3,768
Debt due after one year	(36,100)	-	(500)	(36,600)
Total	(34,774)	1,942	-	(32,832)

26 Related party disclosures

Sea Life Centre (Blackpool) Limited

The group had a 50% holding in Sea Life Centre (Blackpool) Limited which was disposed with effect from 31 March 2008. The company leases a property to Sea Life Centre (Blackpool) Limited. Charges under this lease in the year ended 31 March 2009 amounted to £217,000 *(2008: £215,000).*

A balance of £10,000 *(2008: £66,000)* was owed by Sea Life Centre (Blackpool) Limited to the group at the year end.

Hemway Limited

Hemway Limited has provided legal, property and accountancy support together with the services of Ms K Revitt, Mr C Hemmings and Mr M L Widders as directors of the company. Hemway Limited has been paid a fee of £80,000 *(2008: £75,000)* for these services. At the year end a balance of £1,000 *(2008: £nil)* was due by the group to Hemway Limited.

Crown Leisure Limited

During the year the group paid an amount of £298,000 *(2008: £224,000)* to Crown Leisure Limited. This payment represents a share of amusement machine income in accordance with an agreement negotiated at arms length.

The group also leased a property to Crown Leisure Limited. Charges under this lease in the year ended 31 March 2009 amounted to £450,000 *(2008: £450,000).*

A balance of £180,000 *(2008: £40,000)* was owed by Crown Leisure Limited to the group at the year end.

Six Piers Limited

The group takes advance ticket sales on behalf of Six Piers Limited. A balance of £27,000 (*2008: £15,000*) was owed by the group to Six Piers Limited at the year end.

The family interests of Mr TJ Hemmings are shareholders in the ultimate parent company of Leisure Parcs Limited, Hemway Limited, Crown Leisure Limited and Six Piers Limited.

Notes *(continued)*

27 Ultimate parent company

The company is a subsidiary undertaking of West Manor Limited which is the ultimate parent company incorporated in Jersey.

West Manor Limited owns 60% of the share capital of the group and holds £10,860,000 *(2008: £10,860,000)* of the unsecured loan notes.

The consolidated accounts of this company are not available to the public. No other group accounts include the results of the company.

28 Ultimate controlling party

The ultimate controlling party are the family interests of Mr TJ Hemmings.