Leisure Parcs Limited

Directors' report and consolidated financial statements

Registered number 03127502

31 March 2010

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Principal activities

During the year the group's principal activity was 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

On 29 March 2010, the fixed assets of the group were sold for consideration of £32 5m The group will continue to operate Blackpool Tower and Louis Tussauds Waxworks, Blackpool until 7 November 2010

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

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review

As set out in note 1 the directors consider that the group has adequate resources to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements

Results and dividends

The loss for the year is £294,000 *(2009 loss £9,107,000)* and has been transferred to reserves The directors do not recommend the payment of a dividend *(2009 £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 *(2009 £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

16 September 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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently, or
- 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 group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and 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 2006 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 financial statements of Leisure Parcs Limited for the year ended 31 March 2010 set out on pages 6 to 22 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of the financial statements is provided on the APB's web-site at www frc org uk/scope/uknp

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 Newsholme

M Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Preston

22 September 2010

Consolidated profit and loss account
for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover	*1*		
Continuing operations		7,658	7,231
Discontinued operations		5,750	6,156
		13,408	13,387
Cost of sales		(1,584)	(1,657)
Gross profit		11,824	11,730
Administrative expenses		(10,981)	(11,280)
Other operating income	*4*	1,299	1,483
Continuing operations	*3*	609	537
Discontinued operations	*3*	1,533	1,396
Group operating profit	*2*	2,142	1,933
Profit on the disposal of fixed assets		-	514
Profit on the disposal of investments		-	1,117
Impairment of fixed assets		-	(11,200)
Exceptional item – discontinued		(1,749)	-
Profit/(loss) on ordinary activities before interest		393	(7,636)
Interest receivable and similar income	*7*	47	196
Interest payable and similar charges	*8*	(1,492)	(1,694)
Loss on ordinary activities before taxation	*2*	(1,052)	(9,134)
Tax on loss on ordinary activities		758	27
Retained loss for the year	*21*	(294)	(9,107)

Statement of total recognised gains and losses
for the year ended 31 March 2010

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 2010

	Note	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Tangible assets	*12*		-		33,513
			-		33,513
Current assets					
Stocks	*15*	164		262	
Debtors	*16*	1,339		1,559	
Cash at bank and in hand		5,879		6,015	
		7,382		7,836	
Creditors amounts falling due within one year	*17*	(6,653)		(6,641)	
Net current assets			729		1,195
Total assets less current liabilities			729		34,708
Creditors amounts falling due after more than one year	*18*		(3,100)		(36,600)
Provisions for liabilities and charges	*19*		-		(185)
Net liabilities			(2,371)		(2,077)
Capital and reserves					
Called up share capital	*20*		1,000		1,000
Profit and loss account	*21*		(3,371)		(3,077)
Equity shareholders' deficit	*22*		(2,371)		(2,077)

These financial statements were approved by the board of directors on 16 September 2010 and were signed on its behalf by

ML Widders
Director

Registered number 03127502

Company balance sheet
at 31 March 2010

	Note	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Tangible assets	*13*		-		30,129
Investments	*14*		533		661
Long term loan to subsidiary undertaking			1,989		1,989
			2,522		32,779
Current assets					
Stocks	*15*	148		237	
Debtors	*16*	1,174		1,504	
Cash at bank and in hand		5,698		5,957	
		7,020		7,698	
Creditors amounts falling due within one year	*17*	(8,755)		(6,375)	
Net current (liabilities)/assets			(1,735)		1,323
Total assets less current liabilities			787		34,102
Creditors amounts falling due after more than one year	*18*		(3,100)		(36,600)
Provisions for liabilities and charges	*19*		-		(49)
Net liabilities			(2,313)		(2,547)
Capital and reserves					
Called up share capital	*20*		1,000		1,000
Profit and loss account	*21*		(3,313)		(3,547)
Equity shareholders' deficit	*22*		(2,313)		(2,547)

These financial statements were approved by the board of directors on 16 September 2010 and were signed on its behalf by

ML Widders
Director

Registered number 03127502

Consolidated cash flow statement

for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Cash flow from operating activities		6,441	2,849
Dividends received from associate		-	150
Returns on investments and servicing of finance	25	(1,261)	(1,418)
Taxation		110	(43)
Capital expenditure and financial investment	25	30,311	(1,077)
Acquisitions and disposals	25	-	1,481
Cash inflow before financing		35,601	1,942
Financing	25	(35,000)	-
Increase in cash		601	1,942

Reconciliation of operating profit to net cash flow from operating activities

for the year ended 31 March 2010

	2010 £000	2009 £000
Operating profit	2,142	1,933
Depreciation and amortisation charges	1,324	1,458
Impairment of investment	128	-
Decrease in stock	98	23
Decrease in debtors	684	70
Increase/(decrease) in creditors	2,065	(635)
Net cash inflow from operating activities	6,441	2,849

Reconciliation of net cash flow to movement in net debt

for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Increase in cash in the year		601	1,942
Repayment of loans		35,000	-
Movement in net debt in the year		35,601	1,942
Net debt at the beginning of the year		(32,832)	(34,774)
Net debt at the end of the year	26	2,769	(32,832)

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 company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1

As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

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 2010

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 on ordinary activities before taxation

	2010	2009
Loss on ordinary activities before taxation is stated	**£000**	£000
after charging		
Auditors remuneration		
Audit - Group	**6**	6
- Company	**19**	19
Other services – fees paid to the auditors and their associates	**48**	20
Depreciation	**1,324**	1,445
Amortisation of goodwill	**-**	13
Operating lease rentals		
Plant and machinery	**39**	20
Impairment of fixed assets	**-**	11,200
after crediting		
Property rents receivable	**819**	1,483
(Loss)/profit on the sale of fixed assets	**(1,278)**	514
Profit on the sale of investments	**-**	1,117
Release of insurance proceeds	**-**	341

Notes *(continued)*

3 Analysis of continuing and discontinued operations

	2010 Continuing operations £000	2010 Discontinued operations £000	2010 Total £000	2009 Continuing operations £000	2009 Discontinued operations £000	2009 Total £000
Turnover	7,658	5,750	13,408	7,231	6,156	13,387
Cost of sales	(993)	(591)	(1,584)	(970)	(687)	(1,657)
Gross profit	6,665	5,159	11,824	6,261	5,469	11,730
Administrative expenses	(7,355)	(3,626)	(10,981)	(7,207)	(4,073)	(11,280)
Other operating income	1,299	-	1,299	1,483	-	1,483
Group operating profit	609	1,533	2,142	537	1,396	1,933

On 29 March 2010, the fixed assets of the group were sold Blackpool Tower and Louis Tussauds, Blackpool continue to be operated by the Group and therefore remain in continuing operations

4 Other operating income

	2010 £000	2009 £000
Rents and concessions	1,299	1,483

5 Remuneration of directors

The directors received no remuneration from the group in either year

6 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 2010	Number of employees 2009
Operational	217	229
Administration and management	81	96
	298	325

The aggregate payroll costs of these persons were as follows

	2010 £000	2009 £000
Wages and salaries	3,192	3,742
Social security costs	225	263
Other pension costs	52	59
	3,469	4,064

Notes *(continued)*

7 Interest receivable and similar income

	2010 £000	2009 £000
Bank interest	47	196

8 Interest payable and similar charges

	2010 £000	2009 £000
On bank loans and overdrafts	952	1,151
On loan notes	540	543
	1,492	1,694

9 Taxation

	2010 £000	2009 £000
UK corporation tax at 28% - current year	-	-
Adjustment in relation to prior period	(41)	(86)
Corporation tax credit	(41)	(86)
Movement on deferred taxation (see note 17)		
- origination/reversal of timing differences	(718)	22
- in respect of prior year	1	37
Deferred tax (credit)/debit	(717)	59
Tax credit	(758)	(27)

Notes *(continued)*

9 Taxation *(continued)*

Factors affecting the current tax for the period

The tax assessed on the loss on ordinary activities for the period is lower *(2009 lower)* than the standard rate of corporation tax in the UK of 28% *(2009 28%)* The differences are explained below

	£000	£000
Loss on ordinary activities before taxation	**(1,052)**	(9,134)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% *(2009 28%)*	**(295)**	(2,558)
Effects of		
Capital allowances less than depreciation	**928**	20
Expenses not deductible for tax purposes and non-taxable income	**(633)**	(518)
Effects of associated company	**-**	42
Other short term timing differences	**11**	(8)
Adjustment in relation to prior period	**(41)**	(86)
Utilisation of tax losses	**(11)**	(159)
Chargeable gains	**-**	45
Impairment of fixed assets not taxable	**-**	3,136
Current tax credit for the period	**(41)**	(86)

10 Company result for the financial year

Leisure Parcs Limited has not presented its own profit and loss account as permitted by s408 of the Companies Act 2006 The profit for the financial year dealt with in the accounts of the holding company, Leisure Parcs Limited, is £234,000 *(2009 loss £9,797,000)*

11 Intangible assets

Goodwill	**Group goodwill arising on acquisitions**
Group	**£000**
Cost or valuation	
At 1 April 2009 and at 31 March 2010	121
Amortisation	
At 1 April 2009	121
Charge for the year	-
At 31 March 2010	121
Net book value	
At 31 March 2010	-
At 1 April 2009	-

Notes *(continued)*

12 Tangible fixed assets - group

	Land and buildings Freehold land and Buildings £000	Improvements to freehold properties £000	Plant and equipment £000	Motor vehicles £000	Assets in the course of construction £000	Total £000
Cost						
At beginning of year	42,586	8,387	7,235	9	8	58,225
Additions	255	1,082	411	-	-	1,748
Disposals	(42,841)	(9,469)	(7,646)	(9)	(8)	(59,973)
At end of year	-	-	-	-	-	-
Depreciation						
At beginning of year	15,324	3,165	6,215	8	-	24,712
Charge for year	268	765	291	-	-	1,324
Disposals	(15,592)	(3,930)	(6,506)	(8)	-	(26,036)
At end of year	-	-	-	-	-	-
Net book value						
At 31 March 2010	-	-	-	-	-	-
At 31 March 2009	27,262	5,222	1,020	1	8	33,513

The cost of freehold land and buildings includes £nil *(2009 £7,607,000)* of non-depreciable assets

13 Tangible fixed assets - company

	Land and buildings Freehold lan and buildings £000	Improvements to freehold properties £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of year	40,322	7,292	6,565	6	54,185
Additions	-	399	174	-	573
Disposals	(40,322)	(7,691)	(6,739)	(6)	(54,758)
At end of year	-	-	-	-	-
Depreciation					
At beginning of year	15,224	2,870	5,956	6	24,056
Charge for year	255	683	237	-	1,175
Disposals	(15,479)	(3,553)	(6,193)	(6)	(25,231)
At end of year	-	-	-	-	-
Net book value					
At 31 March 2010	-	-	-	-	-
At 31 March 2009	25,098	4,422	609	-	30,129

The cost of freehold land and buildings includes £nil *(2009 £7,169,000)* of non-depreciable assets

Notes *(continued)*

14 Investments

Company	Interest in subsidiary undertaking £000	Total £000
Cost		
At 1 April 2009 and 31 March 2010	661	661
Impairment		
At 1 April 2009	-	-
Impairment	128	128
At 31 March 2010	128	128
Net book value		
At 31 March 2010	**533**	**533**
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			
LTWB Limited (formerly Louis Tussauds Waxworks (Blackpool) Limited)	United Kingdom	Leisure	ordinary 100%
Activeclaim Limited	United Kingdom	Dormant	ordinary 100%
LP Tower Limited (formerly The Blackpool Tower Company Limited)	United Kingdom	Dormant	ordinary 100%
The Savoy Hotel (Blackpool) Limited	United Kingdom	Dormant	ordinary 100%

15 Stocks

	2010		2009	
	Group £000	Company £000	Group £000	Company £000
Goods for resale	164	148	262	237

Notes *(continued)*

16 Debtors

	2010 Group £000	2010 Company £000	2009 Group £000	2009 Company £000
Trade debtors	**171**	**169**	349	348
Amounts owed by subsidiary undertakings	**-**	**24**	-	26
Corporation tax	**41**	**41**	110	94
Prepayments and accrued income	**334**	**305**	1,025	988
Other debtors	**793**	**635**	75	48
	1,339	**1,174**	1,559	1,504

Group other debtors includes a deferred tax asset of £532,000 (*2009 liability £185,000*) (see note 19)

Company other debtors includes a deferred tax asset of £420,000 (*2009 liability £49,000*) (see note 19)

17 Creditors amounts falling due within one year

	2010 Group £000	2010 Company £000	2009 Group £000	2009 Company £000
Bank loans and overdrafts	**10**	**10**	2,247	1,500
Trade creditors	**331**	**304**	795	766
Amounts due to subsidiary undertakings	**-**	**2,514**	-	533
Taxation and social security	**355**	**348**	267	260
Accruals and deferred income	**1,034**	**4,561**	1,439	1,424
Other creditors	**4,923**	**1,018**	1,893	1,892
	6,653	**8,755**	6,641	6,375

18 Creditors amounts falling due after more than one year

	Group and Company 2010 £000	Group and Company 2009 £000
Unsecured loan notes	**3,100**	18,100
Bank loans	**-**	18,500
	3,100	36,600

	2010 £000	2009 £000
Analysis of debt		
Debt can be analysed as falling due		
In one year or less, or on demand	**-**	1,500
Between one and two years	**-**	18,500
Between two and five years	**3,100**	8,000
In five years or more	**-**	10,100
	3,100	38,100

Notes *(continued)*

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

Amounts repayable in more than five years	Group and Company 2010 £000	2009 £000
Unsecured loan notes	-	10,100

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 A repayment of £15 000 000 was made during the year A final repayment of £3,100,000 will occur in December 2014

19 Provisions for liabilities and charges

	Deferred taxation £000
Group	
At start of year	185
Credit to the profit and loss account in the year	(717)
At end of year	**(532)**

The elements of deferred taxation are as follows	2010 £000	2009 £000
Other timing differences	-	(45)
Capital allowances less than/(in excess of) depreciation	**(532)**	230
	(532)	185

	Deferred taxation £000
Company	
At start of year	49
Credit to the profit and loss account in the year	(469)
At end of year	**(420)**

The elements of deferred taxation are as follows	2010 £000	2009 £000
Other timing differences	-	(45)
Capital allowances less than/(in excess of) depreciation	**(420)**	94
	(420)	49

The deferred tax asset is held within other debtors (see note 16)

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011 The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011 This will reduce the company's future current tax charge accordingly If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have had the effect of reducing the deferred tax asset recognised at that date by £19,000 Group and £15,000 Company It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets/liabilities accordingly

Notes *(continued)*

20 Called up share capital

	2010 £000	2009 £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

21 Reserves - profit and loss account

	Group £000	Company £000
At 31 March 2009	(3,077)	(3,547)
Retained (loss)/profit for the year	(294)	234
At 31 March 2010	**(3,371)**	**(3,313)**

22 Reconciliation of movements in shareholders' funds

	2010		2009	
	Group £000	Company £000	Group £000	Company £000
(Loss)/profit for the financial year	**(294)**	**234**	(9,107)	(9,797)
Net (reduction to)/increase in shareholders' funds	**(294)**	**234**	(9,107)	(9,797)
Opening shareholders' deficit/funds	**(2,077)**	**(2,547)**	7,030	7,250
Closing shareholders' deficit	**(2,371)**	**(2,313)**	(2,077)	(2,547)

23 Commitments

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

	Group and Company	
	2010 £000	2009 £000
Contracted not incurred	-	190
Authorised not yet contracted	-	90

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

	Plant and machinery	
	2010 £000	2009 £000
Operating leases which expire		
Within one year	5	653
In the second to fifth years inclusive	-	2,098
Over 5 years	-	292
	5	3,043

Notes *(continued)*

24 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 £52,000 *(2009 £59,000)* Amounts outstanding at the year end amounted to £nil *(2009 £8,000)*

25 Analysis of cash flows

	2010 £000	2009 £000
Returns on investment and servicing of finance		
Interest received	**184**	196
Interest paid	**(1,445)**	(1,614)
	(1,261)	(1,418)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(714)**	(1,591)
Proceeds from sale of fixed assets	**31,025**	514
	30,311	(1,077)
Acquisitions and disposals		
Proceeds from sale of associate	**-**	1,481
Financing		
Repayment of bank loan	**(20,000)**	-
Repayment of unsecured loan notes	**(15,000)**	-
	(35,000)	-

26 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	6,015	(136)	-	**5,879**
Overdrafts	(747)	737	-	**(10)**
Bank loans	(1,500)	1,500	-	**-**
	3,768	2,101	-	**5,869**
Debt due after one year	(36,600)	33,500	-	**(3,100)**
Total	(32,832)	35,601	-	**2,769**

Notes *(continued)*

27 Related party disclosures

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 £95,000 *(2009 £80,000)* for these services At the year end a balance of £nil *(2009 £1,000)* was due by the group to Hemway Limited

Crown Leisure Limited

During the year the group paid an amount of £246,000 *(2009 £298,000)* 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 2010 amounted to £450,000 *(2009 £450,000)*

The group also recharged an amount of £150,000 *(2009 £nil)* to Crown Leisure Limited in relation to licence costs

A balance of £205,000 *(2009 £180,000)* 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 £1,300 (*2009 £27,000*) 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

West Manor Limited

During the year the group repaid an amount of £9,000,000 *(2009 £nil)* on the loan notes owed to West Manor Limited A balance of £1,860,000 *(2009 £10,860,000)* on the loan notes was outstanding at the year end

Notes *(continued)*

28 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 £1,860,000 (*2009 £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

29 Ultimate controlling party

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