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**CP MEZZCO LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**



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**CP MEZZCO LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

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

**COMPANY SECRETARY**

A B Loch

**COMPANY NUMBER**

05647323

**REGISTERED OFFICE**

Coghurst Hall  
Ivyhouse Lane  
Hastings  
East Sussex  
TN35 4NP

**AUDITOR**

KPMG LLP, Statutory Auditor  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

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## CP MEZZCO LIMITED

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

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

#### PRINCIPAL ACTIVITIES

The principal activity of the company is that of an intermediate holding company. The company is a wholly owned subsidiary of CP Equityco Limited.

#### BUSINESS REVIEW

The financial statements have been prepared on the going concern basis notwithstanding a loss for the year ended 31 December 2010. The directors believe this to be appropriate for the following reasons. The directors have reviewed the projected working capital requirements of CP Mezzco Limited and believe the company has sufficient funding for the foreseeable future. Furthermore, as detailed below, there is no immediate requirement to repay any amount in relation to the Fixed Rate Unsecured PIK notes.

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £648,475 (2009 - loss £591,064).

The directors have not recommended a dividend.

#### DIRECTORS

The directors who served during the year were

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

#### PROVISION OF INFORMATION TO AUDITOR

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

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

#### AUDITOR

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

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



A B Loch  
Secretary

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**CP MEZZCO LIMITED**

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **CP MEZZCO LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CP MEZZCO LIMITED**

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We have audited the financial statements of CP Mezzco Limited for the year ended 31 December 2010, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

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

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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CP MEZZCO LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CP MEZZCO LIMITED

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



M Coughtrey (Senior statutory auditor)

for and on behalf of

**KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley

RH11 9PT

17 May 2011

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**CP MEZZCO LIMITED**

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

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	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
Interest receivable and similar income	4	3,626,200	3,373,935
Interest payable and similar charges	5	<u>(4,526,860)</u>	<u>(4,194,857)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(900,660)</b>	<b>(820,922)</b>
Tax on loss on ordinary activities	6	<u>252,185</u>	<u>229,858</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	13	<b><u>(648,475)</u></b>	<b><u>(591,064)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 7 to 11 form part of these financial statements

**CP MEZZCO LIMITED**  
**REGISTERED NUMBER: 05647323**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Investments	7		1		1
<b>CURRENT ASSETS</b>					
Debtors	8	55,681,250		51,802,865	
<b>CREDITORS</b> amounts falling due within one year	9	<u>(49,978,456)</u>		<u>(46,478,334)</u>	
<b>NET CURRENT ASSETS</b>			<u>5,702,794</u>		<u>5,324,531</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,702,795</u>		<u>5,324,532</u>
<b>CREDITORS</b> amounts falling due after more than one year	10		<u>(12,391,743)</u>		<u>(11,365,005)</u>
<b>NET LIABILITIES</b>			<u>(6,688,948)</u>		<u>(6,040,473)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		1		1
Profit and loss account	13		<u>(6,688,949)</u>		<u>(6,040,474)</u>
<b>SHAREHOLDERS' DEFICIT</b>	14		<u>(6,688,948)</u>		<u>(6,040,473)</u>

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

**J A Sills**  
Director



**A B Loch**  
Director



The notes on pages 7 to 11 form part of these financial statements



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## CP MEZZCO LIMITED

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

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

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

As the Company is a wholly owned subsidiary of CP Equityco Limited, the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The consolidated financial statements of CP Equityco Limited, within which this Company is included, can be obtained from the address given in note 15.

##### 1.2 Going concern

The financial statements have been prepared on the going concern basis notwithstanding a loss for the year ended 31 December 2010. The directors believe this to be appropriate for the following reasons. The directors have reviewed the projected working capital requirements of CP Mezzco Limited and believe the company has sufficient funding for the foreseeable future. Furthermore, as detailed below, there is no immediate requirement to repay any amount in relation to the Fixed Rate Unsecured PIK notes.

##### 1.3 Interest receivable and payable

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

##### 1.4 Cash flow

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

##### 1.5 Investments

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

##### 1.6 Fixed rate unsecured PIK notes

Fixed Rate Unsecured PIK Notes are recorded as an amount due after more than one year on the basis that there is no requirement to repay any element of this debt unless the business or a substantial part of it is sold. Interest in respect of this debt is accrued in relation to the period although there is no requirement to pay the interest unless the business or a substantial part of it is sold.

#### 2. OPERATING PROFIT

Audit fees of £5,200 (2009: £5,200) relating to CP Mezzco Limited have been borne by another group company, Park Holidays UK Limited.

**CP MEZZCO LIMITED**

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

**3. STAFF COSTS**

The company has no employees other than the directors, who did not receive any remuneration (2009 - £NIL)

**4. INTEREST RECEIVABLE**

	2010 £	2009 £
On inter company loans	3,626,200	3,373,935

**5. INTEREST PAYABLE**

	2010 £	2009 £
On inter company loan notes	3,500,122	3,254,068
On fixed rate unsecured PIK notes	1,026,738	940,789
	<u>4,526,860</u>	<u>4,194,857</u>

**6. TAXATION**

	2010 £	2009 £
UK corporation tax credit on loss for the year	(252,185)	(229,858)

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the loss on ordinary activities before tax at the standard rate of corporation tax in the UK of 28% (2009 - 28%)

**7. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2010 and 31 December 2010	<u>1</u>
<b>Net book value</b>	
At 31 December 2010	<u>1</u>
At 31 December 2009	<u>1</u>

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**CP MEZZCO LIMITED**

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

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**7. FIXED ASSET INVESTMENTS (continued)**

**Subsidiary undertakings**

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

<b>Name</b>	<b>Business</b>
CP Acquisitionco Limited	Holding Company
Park Holidays UK Limited*	Holiday Park Operator
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
Park Holidays UK Finance Limited*	Dormant
WSG Operating Company Limited*	Dormant
The South Devon Holiday Parks Limited*	Non-trading
Landscape Holidays Limited*	Non-trading
Golden Sands Limited*	Non-trading
Crumpwood Limited*	Non-trading

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

**8. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b>55,681,250</b>	<b>51,802,865</b>

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

**9. CREDITORS:  
Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>49,978,456</b>	<b>46,478,334</b>

**10. CREDITORS:  
Amounts falling due after more than one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts due to holders of fixed rate unsecured PIK notes	<b>12,391,743</b>	<b>11,365,005</b>

**CP MEZZCO LIMITED**

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

**11. FIXED RATE UNSECURED PIK NOTES**

	At start of period £	Interest accrued £	At end of period £
Fixed rate unsecured PIK notes	11,365,005	1,026,738	12,391,743

Interest is payable on the PIK notes at rates of 8% and 10% per annum. Interest is payable on the 31st December each year. At each interest payment date the company has the option to either pay the amount of interest due or to issue additional PIK notes. The PIK notes would fall due for repayment in the event of the sale of the business or a substantial part of it or its subsidiary company operations.

**12. SHARE CAPITAL**

	2010 £	2009 £
<b>Authorised</b>		
40,000,000 Ordinary shares of £1 each	40,000,000	40,000,000
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

**13. RESERVES**

	Profit and loss account £
At 1 January 2010	(6,040,474)
Loss for the year	(648,475)
At 31 December 2010	(6,688,949)

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2010 £	2009 £
Opening shareholders' deficit	(6,040,473)	(5,449,409)
Loss for the year	(648,475)	(591,064)
Closing shareholders' deficit	(6,688,948)	(6,040,473)

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**CP MEZZCO LIMITED**

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

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**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company is CP Equityco Limited

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

The ultimate controlling party is Graphite Capital Management LLP. No amounts were paid to Graphite and no amounts were outstanding at the end of the year or the prior year.