PD Parks Holdings Limited

Directors' report and financial statements

Registered number 05729719

31 January 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 January 2012

Principal activities and business review

The principal activity of the PD Parks Holdings Limited Group is the ownership and management of 24 freehold and leasehold holiday parks within the United Kingdom under the Parkdean brand The business benefits from the diverse and complementary income streams of holiday sales, on-park spend in the Group's retail and leisure facilities, holiday home sales to private owners and owner income including annual pitch fees

The Group generated turnover of £118 98m *(2011 £119 07m)* and EBITDA of £30 38m *(2011 £32 06m)* during the year

The Group has invested £12 32m *(2011 £12 17m)* into the expansion and development of the holiday parks during the year

The Group finances its activities with a combination of bank loans, finance leases and both institutional shareholder and management shareholder loan notes

The Group has net liabilities of £5 51m *(2011 £46 86m)* These net liabilities include unsecured management and institutional shareholder loan notes of £98 75m *(2011 £133 87m)*

The shareholder loan notes carry a fixed rate of interest (9%) PD Parks Limited may, on giving prior notice to the note holders, elect to defer the payment of all or part of any interest due, in the form of a Payment In Kind "PIK" note The deferred interest is then repayable on redemption of the notes The loan note holders are also shareholders

On 24 June 2011 the Loan Note holders exchanged £45,194,555 of the principal outstanding on their loan notes into ordinary shares in PD Parks Limited, a subsidiary company Immediately these shares were exchanged for preferred ordinary shares in PD Parks Holdings Limited

Excluding the shareholder owned, unsecured fixed rate shareholder loan notes, the Group has a net assets position of £93 24m *(2011 £87 01m)*

	2012	2011
	£000	£000
Net liabilities as reported	**(5,510)**	(46,861)
Fixed rate shareholder loan notes	**98,750**	133,871
Net assets excluding fixed rate shareholder loan notes	**93,240**	87,010

Operating cash inflows were £29 91m *(2011 £31 43m)* The net cash outflow from capital expenditure was £9 79m *(2011 £10 40m)* of which £nil was bank funded *(2011 £nil)* Cash inflows before financing were £11 45m *(2011 £9 15m)* Overall, there were net cash inflows of £4 14m *(2011 £3 13m)*

Directors' report *(continued)*

Business review *(continued)*

Risks and uncertainties

Financial Instruments

The Group's principal financial instruments comprise cash, debtors, creditors, bank loans, shareholder loan notes, finance leases, hire purchase contracts and financial derivatives

- Liquidity risk

The holiday park business is seasonal but predictable Cash flows are negative in the winter months and positive during the main holiday season

The Group has a £9m guarantee facility from Irish Bank Resolution Corporation Limited ("IBRC") until June 2014 This is used to guarantee the combined exposure of any working capital overdraft facility and the exposure to the payment card merchant for holidays paid for by payment card in advance of the holiday commencement The Group chose not to take out a working capital overdraft facility as the Group's forecasts and projections do not show any need for an overdraft for the foreseeable future

The Group's forecasts and projections, taking account of reasonable changes in trading performance, show that the Group should be able to operate within its working capital facilities for the foreseeable future

The repayment of the Shareholder Loan Notes ("Loan Notes") and the rights of the Shareholder Loan Note Holders ("Note Holders") in respect of the Loan Notes are governed by the terms of an intercreditor deed dated 16 March 2006 between inter alia Irish Bank Resolution Corporation Limited ("IBRC"), the persons listed as Loan Note Creditors therein and the Company as amended (the "Intercreditor Deed") The Intercreditor Deed provides that at all times until the senior facility made available by the senior lender (IBRC) is paid and discharged in full, the rights of the Note Holders are subordinated to those of the senior lender so that until the senior facility is paid in full the Company cannot make any payment or repayment in respect of the Loan Notes and the Note Holders cannot demand repayment or exercise any rights in respect of non payment of the Loan Notes The senior facility does not fall to be repaid until June 2014 and therefore no repayment can be made or demanded in respect of the Loan Notes until the senior facility is repaid on 30 June 2014 (or on earlier repayment in accordance with the terms of the senior facility)

- Interest rate risk

£203 14m *(2011 £210 14m)* of the Group's bank loans are subject to floating rates of interest To reduce the Group's exposure to floating rates of interest, the Group has taken out interest rate caps which effectively hedge the Group's exposure to floating rates of interest on £170m up to 31 October 2012 The Group does not trade in financial derivatives

- Credit risk

The Group's objective is to reduce the risk of financial loss due to a customer not honouring their obligations The vast majority of holidays are paid for directly by holiday makers before commencement of their holiday Credit terms on holidays are only offered to credit-worthy corporate agents, again with the vast majority of revenue from these agents paid prior to the holiday being taken Holiday homes are not released to customers until payment has been received in full Annual pitch fees are paid in advance by holiday home owners or via an agreed instalment plan

Other risks

- Property risk

The Group has appropriate insurance policies in place to cover many of the risks surrounding the properties including damage, business interruption and both employer's and public liability

Directors' report *(continued)*

Business review *(continued)*

- Financial covenants

The Group is subject to banking covenants in relation to bank loans Management regularly forecast to monitor future compliance with the covenants Current forecasts show that the banking covenants will be met for the foreseeable future

- Economic conditions

The Group experienced a decline in holiday home sales in previous years, which was inherently linked to the worsening of the UK economy A sustained downturn in the UK economy may result in further reduction in demand for holiday homes and may result in our customers changing their spending habits

The directors regularly review key performance indicators available within the business and the industry to identify underperforming areas and identify opportunities for earnings generation The Group regularly changes the mix of caravan holiday home bases on the holiday parks between those available for holiday hire and those available for private ownership depending on prevailing demand levels

- Tax risks

The Chancellor of the Exchequer, George Osborne, announced in his budget on 21 March 2012 a consultation to change the VAT on a holiday caravan from zero rated to standard rated Should this be implemented then this would be effective from 1 October 2012 The directors have assessed the risks and opportunities that may arise should this change be implemented and have assessed that this would not have a significant impact on the other risks noted above

Key performance indicators

The directors consider the following key performance indicators (KPIs) are the most effective measures for performance against the Group's objectives

- Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA")

This is calculated excluding any one-off exceptional costs and is considered the best indicator of performance in the business

- Holiday hire revenue per unit per annum

This is calculated from the annual holiday hire revenue divided by the number of holiday hire units

- Holiday home sales average unit margin

This is calculated by taking the overall gross profit for holiday home sales divided by the number of units sold

Outlook for 2012/13 onwards

The UK holiday park market continues to be robust The economic conditions that have created a decline in the demand for holiday homes sales have created opportunities in other areas of the business – particularly to increase holiday hire revenue by increasing the number of hire fleet across the Group The Directors have confidence in both the long-term durability of the market in which the business operates and in the quality of the assets owned

The Group is investing a further £11 00m in the accommodation and facilities of the holiday parks in the year to 31 January 2013.

At 16 April 2012, bookings representing 62% of the holiday hire revenue target for the year had been achieved

The Board are confident of a successful trading year for the period to 31 January 2013

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

John Waterworth
Darrin Bamsey
Michael Wilmot
Reade Griffith
Simon Oakland
Robert Hewson (resigned 14 June 2011)

The Company has effected and maintained insurance for the directors against liabilities as officers in relation to the Company

Employees

Regular meetings are held between management and employees to allow for the free flow of information and ideas

The Group's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests

Information on matters concerning employees is given through the Group magazine (Parklife), the Group intranet (MyParkdean) and information bulletins and meetings, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance

The Group gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a handicapped or disabled person 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 Where an existing employee becomes disabled, the Group's policy is to provide continuing employment under normal terms and conditions wherever possible

Political and charitable contributions

The Group made no political donations *(2011 £nil)* and made charitable donations of £17,904 to various charities in the year *(2011 £5,360)*

Disclosure of information to auditor

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 auditor is 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's auditor is aware of that information

Directors' report *(continued)*

Auditor

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

By order of the board

Judith Archibold
Secretary

2nd floor
One Gosforth Park Way
Gosforth Business Park
Newcastle upon Tyne
NE12 8ET

24 April 2012

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,
- make judgements 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 LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of PD Parks Holdings Limited

We have audited the financial statements of PD Parks Holdings Limited for the year ended 31 January 2012 set out on pages 9 to 35 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 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 Directors' Responsibilities Statement set out on page 6, 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 (APB'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 APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 January 2012 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

Independent auditor's report to the members of PD Parks Holdings Limited *(continued)*

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

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 company, 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

Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

24 April 2012

Consolidated Profit and Loss Account

for the year ended 31 January 2012

	Note	2012		2011	
		£000	£000	£000	£000
Turnover	*1,2*		**118,975**		119,074
Cost of sales			**(34,050)**		(34,282)
Gross profit			**84,925**		84 792
Administrative expenses					
- other expenses			**(67,221)**		(64,771)
Operating profit	*3-5*		**17,704**		20,021
Analysed as					
EBITDA*		**30,378**		32,057	
Depreciation and amortisation		**(12,674)**		(12,036)	
Operating profit		**17,704**		20,021	
Interest receivable and similar income	*6*		**109**		57
Interest payable and similar charges	*7*		**(19,111)**		(23,328)
Analysed as					
Other interest costs		**(8,857)**		(11,861)	
Shareholder loan notes finance costs		**(10,254)**		(11,467)	
Interest payable and similar charges		**(19,111)**		(23,328)	
Loss on ordinary activities before taxation			**(1,298)**		(3,250)
Tax on loss on ordinary activities	*8*		**(2,609)**		(4,199)
Loss for the financial year			**(3,907)**		(7,449)

There were no recognised gains or losses other than the loss for the financial year in either the current or preceding year and, accordingly, no separate statement of total recognised gains and losses is shown

There is no material difference between the result as disclosed in the consolidated profit and loss account and the result as given by an unmodified historical cost basis

*EBITDA refers to earnings before interest, tax, depreciation and amortisation

Consolidated Balance Sheet
at 31 January 2012

	Note	2012		2011	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9		14,272		15,275
Tangible assets	10		296,514		296,991
			310,786		312,266
Current assets					
Stocks	12	6,041		5,229	
Debtors	13	7,973		6,414	
Cash at bank and in hand		11,014		6,871	
		25,028		18,514	
Creditors amounts falling due within one year	14	(39,116)		(34,728)	
Net current liabilities			(14,088)		(16,214)
Total assets less current liabilities			296,698		296,052
Bank loans and other borrowings		(196,200)		(202,796)	
Fixed rate shareholder loan notes		(98,750)		(133,871)	
Creditors amounts falling due after more than one year	16		(294,950)		(336,667)
Provisions for liabilities	17		(7,258)		(6,246)
Net liabilities			(5,510)		(46,861)
Capital and reserves					
Called up share capital	18		12		12
Share premium account	19		46,429		1,209
Own share reserve	19		-		(38)
Profit and loss account	19		(51,951)		(48,044)
Shareholders' deficit			(5,510)		(46,861)

	2012	2011
Non-GAAP measures		
Net liabilities as reported	(5,510)	(46,861)
Fixed rate shareholder loan notes	98,750	133,871
Net assets excluding fixed rate shareholder loan notes	93,240	87,010

These financial statements were approved by the board of directors on 24 April 2012 and were signed on its behalf by

John Waterworth
Director
Registered number 05729719

Company Balance Sheet
at 31 January 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Investments	*11*		**46,195**		1,000
Current assets					
Debtors	*13*	**46**		23	
Cash at bank and in hand		**25**		9	
Creditors: amounts falling due within one year	*14*	**(583)**		(377)	
Net current liabilities			**(512)**		(345)
Debtors amounts falling due after more than one year	*15*		**307**		280
Net assets			**45,990**		935
Capital and reserves					
Called up share capital	*18*		**12**		12
Share premium account	*19*		**46,429**		1,209
Own share reserve	*19*		**-**		(38)
Profit and loss account	*19*		**(451)**		(248)
Shareholders' funds			**45,990**		935

These financial statements were approved by the board of directors on 24 April 2012 and were signed on its behalf by

John Waterworth
Director

Registered number 05729719

Consolidated Cash Flow Statement

for the year ended 31 January 2012

	Note	2012 £000	2011 £000
Cash flow from operating activities	23	**29,910**	31,433
Returns on investments and servicing of finance	24	**(7,031)**	(11,251)
Taxation		**(1,639)**	(640)
Capital expenditure	24	**(9,790)**	(10,397)
Cash inflow before financing		**11,450**	9,145
Financing	24	**(7,307)**	(6,019)
Increase in cash in the year		**4,143**	3,126

Reconciliation of net cash flow to movement in net debt

	Note	2012 £000	2011 £000
	25		
Increase in cash in the year		**4,143**	3,126
Repayment of long term bank loans		**7,000**	5,500
Payment of issue costs on interest rate caps		**-**	1,131
Capital element of finance lease and hire purchase contract rental payments		**332**	519
Change in net debt resulting from cash flows		**11,475**	10,276
Other non-cash changes			
Movement in accrued finance costs on shareholder loan notes		**161**	(144)
Issue of PIK notes to satisfy interest payments on institutional shareholder loan notes		**(10,028)**	(11,151)
Amortisation of issue costs on long term bank loans and shareholder loan notes		**(1,946)**	(1,806)
Debt for Equity swap		**45,195**	-
Movement in net debt in the year		**44,857**	(2,825)
Net debt at the start of the year		**(335,386)**	(332,561)
Net debt at the end of the year		**(290,529)**	(335,386)

Reconciliations of Movements in Shareholders' (Deficit)/Funds

for the year ended 31 January 2012

	2012		2011	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Loss for the financial year	**(3,907)**	**(203)**	(7,449)	(55)
Issue of preferred ordinary shares	**45,195**	**45,195**	-	-
Issue of super preferred ordinary shares	**25**	**25**	-	-
Write off of own shares	**38**	**38**	-	-
Net (reduction in)/ addition to shareholders' (deficit)/funds	**41,351**	**45,055**	(7,449)	(55)
Opening shareholders' (deficit)/ funds	**(46,861)**	**935**	(39,412)	990
Closing shareholders' (deficit)/ funds	**(5,510)**	**45,990**	(46,861)	935

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 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 has taken advantage of available exemptions from disclosure of related party transactions which are eliminated on consolidation.

Going concern

The Company's business activities, its financial position, cash flows and liquidity position, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 1 to 3

The Group has a £9m guarantee facility from Irish Bank Resolution Corporation Limited ("IBRC") until June 2014 This is used to guarantee the combined exposure of any working capital overdraft facility and the exposure to the payment card merchant for holidays paid for by payment card in advance of the holiday commencement The Group chose not to take out a working capital overdraft facility as the Group's forecasts and projections do not show any need for an overdraft for the foreseeable future

The Group's bank loans and fixed rate shareholder loan notes are detailed in note 16

The Group's forecasts and projections, taking account of reasonable changes in trading performance, show that the Group should be able to operate within its working capital facilities and banking covenants for the foreseeable future

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to prepare the financial statements on a going concern basis

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 January 2012 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation is capitalised

Purchased goodwill is amortised through the profit and loss account on a straight line basis over a period of 20 years, which is considered by management to be a fair reflection of the useful economic life of the underlying assets acquired

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable If any such indication exists, the assets' recoverable amount is estimated

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use In assessing value in use, the expected future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the rate of return expected on an equally risky investment For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Investments

Investments in subsidiary undertakings are included in the Company's financial statements at cost less amounts written off

Tangible fixed assets and depreciation

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

Freehold land	-	land not depreciated, site services over 10 – 25 years
Leasehold land	-	over the period to the end of the lease
Freehold and leasehold buildings	-	10 – 50 years
Plant and equipment	-	3 – 15 years
Caravans and lodges	-	8 – 20 years
Motor vehicles	-	4 years
IT equipment and software	-	3 – 5 years

Notes *(continued)*

1 Accounting policies *(continued)*

Leases and hire purchase commitments

Assets acquired under finance leases and hire purchase contracts 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

Post retirement benefits

The Group makes defined contributions to personal pension plans of individual employees Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the plans

Stocks

Stocks are stated at the lower of purchase cost, on a first in first out basis, or net realisable value Stocks include caravans previously held for use as hire fleet in the business but now designated for resale The net realisable value of holiday home stock is ascertained through reference to the Glass Guide for caravan values

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group), and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee

The Group has interest rate protection instruments in place, specifically interest rate caps The Group's policy is to use interest rate hedging instruments to generate the desired interest rate risk exposure profile

Notes *(continued)*

1 Accounting policies *(continued)*

Interest bearing borrowings

Immediately after issue, debt is stated at fair value of the consideration received on the issue of the capital instrument after the deduction of issue costs The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount

Turnover

Revenue from the sale of holidays is recognised over the period of the holiday Revenue from insurance products is recognised when the Group has fulfilled all of its contractual obligations Revenue from concession operations is included gross in turnover if the Group is in substance acting as principal Where the Group is in substance acting as agent, only the Group's share of revenue under concession arrangements is recognised in turnover Revenue from caravan sales is recognised when the Group has fulfilled all of its obligations in respect of the sale which is typically when all the proceeds have been received and the keys are handed over Revenue from pitch fees is recognised evenly over the period to which it relates

Own shares held by Employee Benefit Trust (EBT)

The employee benefit trust is established to facilitate employee share ownership in the Company Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the parent Company and Group financial statements In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity

Dividends on shares presented within shareholders' (deficit)/funds

Dividends are only recognised as a liability to the extent that they are declared prior to the year end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Finance costs

Finance costs are deducted from loans and are charged to the profit and loss account over the life of the instrument

Brochure costs

Brochure costs are charged to the profit and loss account in the season to which they relate

2 Segmental information

Turnover represents the amount derived from the provision of goods and services falling within the Group's activities after deduction of trade discounts and value added tax

Turnover, loss before tax and net liabilities are attributable to one continuing activity being the management of holiday parks, and arise wholly within the UK All income streams result from the activity of managing holiday parks

Notes *(continued)*

3 Notes to the profit and loss account

	2012 £000	2011 £000
Loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Owned	**11,533**	10,803
Under finance leases and hire purchase contracts	**138**	230
Amortisation of goodwill	**1,003**	1,003
Hire of plant and machinery - operating leases	**438**	653
Hire of other assets - operating leases	**1,887**	174
Auditors' remuneration:		
Audit of these financial statements	18	17
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	76	74
Other services pursuant to such legislation	9	8
Other services relating to taxation	116	61
All other services	69	-

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

The auditors' remuneration is borne by Parkdean Holiday Parks Limited

Notes *(continued)*

4 Remuneration of directors

	2012 £000	2011 £000
Directors' emoluments	573	654
Company contributions to personal money purchase pension schemes	68	64
Amounts paid to third parties in respect of directors' services	73	71
	714	789

During the year fees of £73,000 *(2011 £71,000)* were paid to Alchemy Partners LLP for monitoring services

The emoluments of the highest paid director were £268,000 *(2011 £318,000)*, and Company pension contributions of £32,000 *(2011 £32,000)* were made to a personal money purchase scheme on his behalf

	Number of directors	
	2012	2011
Retirement benefits are accruing to the following number of directors under		
Personal money purchase schemes	3	3

5 Staff numbers and costs

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

	Group	
	2012	2011
Full time	525	516
Seasonal	1,114	1,068
	1,639	1,584

The aggregate payroll costs of these persons were as follows

	Group	
	2012 £000	2011 £000
Wages and salaries	23,205	22,363
Social security costs	1,637	1,638
Other pension costs (note 22)	341	339
	25,183	24,340

The Company employed no staff during the current or preceding year

Notes (continued)

6 Interest receivable

	Group 2012 £000	Group 2011 £000
Bank interest receivable	**109**	57

7 Interest payable and similar charges

	Group 2012 £000	Group 2012 £000	Group 2011 £000	Group 2011 £000
Other interest costs				
Interest payable on bank loans	**7,269**		10,181	
Amortisation of bank loan issue costs	**995**		1,486	
Amortisation of interest rate caps issue costs	**564**		141	
Finance charges payable in respect of finance leases and hire purchase contracts	**29**		53	
		8,857		11,861
Shareholder loan notes finance costs				
Interest payable on shareholder loan notes – PIK notes issued	**10,028**		11,151	
Movement in accrued interest on fixed rate shareholder loan notes (note 16)	**(161)**		137	
Amortisation of loan note issue costs	**387**		179	
		10,254		11,467
		19,111		23,328

Notes *(continued)*

8 Taxation

Analysis of charge in year

	2012		2011	
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the year	**1,641**		1,017	
Adjustments in respect of prior periods	**(44)**		-	
		1,597		1,017
Deferred tax (note 17)				
Origination/reversal of timing differences	**1,465**		2,213	
Adjustment in respect of previous periods	**8**		1,117	
Remeasurement of deferred tax – change in UK tax rate	**(461)**		(148)	
		1,012		3,182
Tax on loss on ordinary activities		**2,609**		4,199

Factors affecting the tax charge for the current year

The current tax charge for the year is higher *(2011 higher)* than the standard rate of corporation tax in the UK 26 32% *(2011 28%)* The differences are explained below

	2012	2011
	£000	£000
Current tax reconciliation		
Loss on ordinary activities before tax	**(1,298)**	(3,250)
Current tax at 26 32% *(2011 28%)*	**(342)**	(910)
Effects of		
Depreciation of non qualifying assets	**1,533**	1,669
Expenses not deductible for tax purposes	**5**	42
Goodwill amortisation	**264**	281
Finance costs on shareholder loan notes	**1,722**	2,229
Capital allowances for year more than depreciation	**(1,541)**	(2,294)
Adjustments in respect of prior periods	**(44)**	-
Total current tax charge (see above)	**1,597**	1,017

Notes *(continued)*

Taxation *(continued)*

Factors that may affect future current and total tax charges

No provision has been made for deferred tax on gains recognised on revaluing land and buildings to their fair value on acquisitions Such tax would become payable only if the property was sold without it being possible to claim rollover relief The total amount unprovided is £38,439,000 *(2011 £40,900,000)* It is not envisaged that any of this tax will become payable in the foreseeable future

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012

This will reduce the Company's future current tax charge accordingly and further reduce the deferred tax liability at 31 January 2012 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £290,000

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liability accordingly

9 Intangible fixed assets

Group	**Goodwill £000**
Cost	
At beginning and end of year	25,365
Amortisation	
At beginning of year	10,090
Charged in year	1,003
At end of year	11,093
Net book value	
At 31 January 2012	**14,272**
At 31 January 2011	15,275

The Company has no intangible fixed assets

Notes *(continued)*

10 Tangible fixed assets

Group	Capital work in progress £000	Freehold land and buildings £000	Long leasehold land and buildings £000	Caravans, plant, machinery and equipment £000	Total £000
Cost					
At beginning of year	5,925	254,621	22,475	62,285	345,306
Additions	5,932	64	10	6,311	12,317
Disposals	-	-	-	(3,814)	(3,814)
Transfers	(4,824)	1,000	-	3,824	-
At end of year	7,033	255,685	22,485	68,606	353,809
Depreciation					
At beginning of year	-	19,965	2,633	25,717	48,315
Charge for year	-	1,203	317	10,151	11,671
On disposals	-	-	-	(2,691)	(2,691)
At end of year	-	21,168	2,950	33,177	57,295
Net book value					
At 31 January 2012	**7,033**	**234,517**	**19,535**	**35,429**	**296,514**
At 31 January 2011	5,925	234,656	19,842	36,568	296,991

Depreciation charges are recognised within administrative expenses in the consolidated profit and loss account

Included in caravans, plant, machinery and equipment are the following balances in respect of assets held under finance leases and hire purchase contracts

Group	2012 £000	2011 £000
Cost	**668**	1,269
Accumulated depreciation	**(341)**	(528)
Net book value	**327**	741

The Company has no tangible fixed assets

Notes *(continued)*

11 Fixed asset investments

	Shares in subsidiary undertaking £000
Company	
At beginning of the year	1,000
Additions	45,195
At end of the year	46,195

The Group has no fixed asset investments

The addition in the year relates to the acquisition of further shares issued in the year by PD Parks Limited, a subsidiary company On 24 June 2011 the Company issued 45,195 preferred ordinary shares at a premium of 999 999 pence per share in exchange for 45,195 shares in PD Parks Limited

The principal undertakings in which the Group's interest at the year end is more than 20% are as follows

Subsidiary undertakings	Principal activity	Percentage of ordinary shares held by PD Parks Holdings Limited or its subsidiaries
PD Parks Limited	Holding company	100%
Parkdean Holidays Limited*	Holding company	100%
Parkdean Holiday Parks Limited*	Operation of holiday parks	100%
Upperbay Limited*	Operation of holiday parks	100%
Premier Dawn Properties Limited*	Property holding	100%
Premier Dawn (EBT) Limited*	Dormant	100%
Southerness Holiday Village (Holdings) Limited*	Holding company	100%
Southerness Holiday Village Limited*	Operation of holiday parks	100%
Parkdean Caravan Parks Limited*	Operation of holiday parks	100%
Wemyss Bay Caravan Park Limited*	Property holding	100%
Parkdean Properties Limited*	Property holding	100%
Weststar Holdings Limited*	Holding company	100%
Weststar Acquisitions Limited*	Holding company	100%
The Generations Group Limited*	Dormant	100%
Hayling Island Holiday Park Limited*	Dormant	100%
Bryson Group Limited*	Dormant	100%
Weststar Holidays Limited*	Operation of holiday parks	100%
Newquay Holiday Parks Limited*	Dormant	100%
Parkdean Leisure Limited*	Dormant	100%
Parkdean Holidays (South West) Limited*	Dormant	100%
Ruda Holiday Park Limited*	Dormant	100%
Parkdean Limited*	Dormant	100%
Pactrem Limited*	Dormant	100%

*held by subsidiary undertakings

All companies are incorporated in England and Wales apart from Southerness Holiday Village (Holdings) Limited and Southerness Holiday Village Limited which are incorporated in Scotland

Notes *(continued)*

12 Stocks

	2012		2011	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Retail	**542**	-	477	-
Caravans & lodges	**4,963**	-	4,360	-
Consumables	**536**	-	392	-
	6,041	-	5,229	-

In the opinion of the directors, there is no material difference between the replacement cost of stock and the amounts above

13 Debtors

	2012		2011	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Trade debtors	**4,635**	-	3,449	-
Amounts due from group undertakings	-	**41**	-	19
Other debtors	**187**	**4**	115	3
Prepayments and accrued income	**3,151**	**1**	2,850	1
	7,973	**46**	6,414	23

14 Creditors: amounts falling due within one year

	2012		2011	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Bank loans and other borrowings (note 16)	**6,410**	-	5,261	-
Obligations under finance leases and hire purchase contracts	**183**	-	329	-
Trade creditors	**5,660**	-	4,884	-
Amounts owed to group undertakings	-	**542**	-	363
Corporation tax	**336**	-	377	-
Other taxation and social security	**1,682**	-	1,539	-
Other creditors	**1,295**	-	1,168	-
Accruals and deferred income	**23,550**	**41**	21,170	14
	39,116	**583**	34,728	377

Notes *(continued)*

15 Debtors: amounts falling due after more than one year

	2012 Group £000	2012 Company £000	2011 Group £000	2011 Company £000
Amounts due from group undertakings	-	307	-	280

16 Creditors: amounts falling due after more than one year

	2012 Group £000	2012 Company £000	2011 Group £000	2011 Company £000
Bank loans and other borrowings	196,141	-	202,551	-
Fixed rate shareholder loan notes	98,750	-	133,871	-
Obligations under finance leases and hire purchase contracts	59	-	245	-
	294,950	-	336,667	-

Analysis of bank loans and other borrowings

Debt can be analysed as falling due

2012

	Bank loans £000	Fixed rate shareholder loan notes £000	Total £000
Repayable			
Within one year or on demand	7,000	-	7,000
Between one and two years	7,000	-	7,000
Between two and five years	189,141	97,606	286,747
	203,141	97,606	300,747
Accrued finance costs	-	1,144	1,144
Unamortised issue costs	(590)	-	(590)
	202,551	98,750	301,301

Notes *(continued)*

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

2011

	Bank loans £000	Fixed rate shareholder loan notes £000	Total £000
Repayable			
Within one year or on demand	7,000	-	7,000
Between one and two years	7,000	132,773	139,773
Between two and five years	196,141	-	196,141
	210,141	132,773	342,914
Accrued finance costs	-	1,305	1,305
Unamortised issue costs	(2,149)	(387)	(2,536)
	207,992	133,691	341,683

The issue cost of each instrument, together with the interest expense, are allocated to the profit and loss account over the term of the respective facilities at a constant rate based on the original value of each instrument

The bank loans are subject to a number of financial covenants Any breach of these covenants would result in these amounts being classified as repayable on demand

Bank loans

The bank loans are repayable by £7m amortisation payments in July of each year and a bullet repayment on 30 June 2014 The bank loans are secured by a fixed and floating charge over the entire assets of the Group The bank loans bear interest at variable rates based on LIBOR + a margin of 2 6% until 13 March 2012 when the margin shall be 2 75% The average interest charge in the year was 3 45% *(2011 3 29%)*

Fixed rate shareholder loan notes

The notes carry the right to interest at the rate of 9% per annum

The repayment of the shareholder loan notes ("Loan Notes") and the rights of the Loan Note holders ("Note Holders") in respect of the Loan Notes are governed by the terms of an intercreditor deed dated 16 March 2006 between inter alia Irish Bank Resolution Corporation Limited ("IBRC"), the persons listed as Loan Note Creditors therein and the Company as amended (the "Intercreditor Deed") The Intercreditor Deed provides that at all times until the senior facility made available by the senior lender (IBRC) is paid and discharged in full, the rights of the Note Holders are subordinated to those of the senior lender so that until the senior facility is paid in full the Company cannot make any payment or repayment in respect of the Loan Notes and the Note Holders cannot demand repayment or exercise any rights in respect of non payment of the Loan Notes The senior facility does not fall to be repaid until June 2014 and therefore no repayment can be made or demanded in respect of the Loan Notes until the senior facility is repaid on 30 June 2014 (or on earlier repayment in accordance with the terms of the senior facility)

The loan notes are unsecured £93,390,000 *(2011 £126,273,000)* of shareholder loan notes have been admitted to the official list of the Channel Islands Stock Exchange Following the year end a further £4,216,000 *(2011 £5,742,000)* shareholder loan notes have been admitted

Notes *(continued)*

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

Accrued finance costs on fixed rate shareholder loan notes

PIK notes of £10,028,000 *(2011 £11,151,000)* have been issued during the year on the institutional shareholder loan notes

No interest payments have been made nor PIK notes issued in respect of the £758,000 *(2011 £758,000)* shareholder loan notes held by certain of the directors and interest continues to accrue

Interest rate hedging

The Group has two interest rate protection instruments in place

	Cap rate	Commencement date	Maturity date	Fair value of asset £000
£120m interest rate cap	1%	29 October 2011	31 October 2012	63
£50m interest rate cap	1%	29 October 2011	31 October 2012	26

The Group's derivative financial instruments are not recognised at fair value The fair values of these instruments at the year end are shown in the table above

Finance lease and hire purchase contract obligations

The net finance lease and the hire purchase contract obligations to which the Group is committed to are

	Group 2012 £000	Group 2011 £000
Within one year (see note 14)	**183**	329
In the second to fifth years	**59**	245
	242	574

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

Notes *(continued)*

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

Debt for equity swap

On 24 June 2011 the Loan Note holders exchanged £45,194,555 of the principal outstanding on their loan notes into capitalisation shares in PD Parks Limited, a subsidiary company Immediately these capitalisation shares were exchanged for preferred ordinary shares in PD Parks Holdings Limited The table below summarises the transactions

	Total
	£000
Unsecured loan notes	963
PIK notes	44,232
	45,195

Satisfied by	
Preferred ordinary shares in PD Parks Holdings Limited	
– nominal value	-
Share premium on share issue in PD Parks Holdings Limited	45,195
	45,195

17 Provisions for liabilities

	2012		2011	
	Group £000	Company £000	Group £000	Company £000
Deferred taxation				
At beginning of year	6,246	-	3,064	-
Charge to the profit and loss for the year	1,012	-	3,182	-
At end of year	7,258	-	6,246	-

The elements of deferred taxation are as follows

	2012		2011	
	Group £000	Company £000	Group £000	Company £000
Difference between accumulated depreciation and amortisation and capital allowances	7,258	-	6,246	-
Deferred tax liability	7,258	-	6,246	-

Notes *(continued)*

18 Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
1,220,936 Ordinary shares of £0 01 each *(2011 1,220,936)*	12	12
45,195 Preferred Ordinary shares of £0 00001 each *(2011 nil)*	-	-
50,000 Super Preferred Ordinary shares of £0 00001 each *(2011 nil)*	-	-
Shares classified in shareholders' funds	12	12

As part of the of the debt for equity swap described in note 16, on 24 June 2011 the Company issued 45,195 preferred ordinary shares at a premium of 999 999 pence per share in exchange for 45,195 shares in PD Parks Limited, a subsidiary company, held by the loan note holders On the same date the Company issued 50,000 super preferred ordinary shares at a premium of 49 999 pence per share to management

Share rights

Ordinary shares

The ordinary shares carry one vote per share On an income distribution the sum distributed is apportioned amongst the ordinary shareholders in proportion to the number of shares held The ordinary shares carry no right of redemption On a Realisation the Realisation proceeds are distributed as set out below

Preferred ordinary shares and Super preferred ordinary shares

The preferred ordinary shares and super preferred ordinary shares carry no rights to vote, of redemption or to share in any income distribution On a Realisation the Realisation proceeds are distributed as set out below

Realisation

On a sale, listing or winding up of the Company (a Realisation) the Realisation proceeds are distributed amongst the shareholders in the following order of priority First in paying to all shareholders the aggregate sum of £100 in proportion to the number of shares held, second in paying the super preferred ordinary shareholders the super preferred return (see below) in proportion to the number of shares held, third in paying the preferred ordinary shareholders, the hurdle amount (see below) and fourth in paying the balance to the holders of the ordinary shares in proportion to the number of shares held

The super preferred return is an amount equal to (A x (B/50,000)) where A is the lower of 12 5% of the Realisation proceeds and £8 1m and where B is the aggregate number of super preferred ordinary shares held by employees and former employees on the date of the Realisation The hurdle amount in respect of the Realisation proceeds is (a) £49 8m if the Realisation occurs between 24 April 2012 and 31 July 2012 (b) £52 1m if the Realisation occurs between 1 August 2012 and 31 January 2013 (c) £54 4m if the Realisation occurs between 1 February 2013 and 31 July 2013 and (d) £56 9m if the Realisation Date occurs on or after 1 August 2013

Notes *(continued)*

19 Share premium and reserves

Group	Share premium account £000	Own shares reserve £000	Profit and loss account £000
At start of year	1,209	(38)	(48,044)
Loss for the financial year	-	-	(3,907)
Premium arising on issue of preferred ordinary share capital (note 16)	45,220	-	-
Write off of own share reserve	-	38	-
At end of year	**46,429**	-	**(51,951)**

Company	Share premium Account £000	Own shares reserve £000	Profit and loss account £000
At start of year	1,209	(38)	(248)
Loss for the financial year	-	-	(203)
Premium arising on issue of ordinary share capital (note 16)	45,220	-	-
Write off of own share reserve	-	38	-
At end of year	**46,429**	-	**(451)**

The Company's loss for the financial year after taxation was £203,000 *(2011 £55,000 loss)*

20 Guarantees and contingent liabilities

The Company is party to a group cross guarantee in respect of the Group's bank borrowings The aggregated unprovided potential liability of the Company at the balance sheet date in respect of this guarantee was £203,141,000 *(2011 £210,141,000)* The Group's borrowings are secured on the entire assets of the Group

The Group sells caravan holiday homes sited on the Group's holiday parks to private customers A proportion of these caravan sales are funded in part by third party finance companies An obligation may arise as a consequence of default by the Group's customer resulting in the Group being required to purchase the caravan from the finance Company at a price based on an agreed formula These caravan holiday homes, if repurchased, are immediately written down to trade values In due course the caravans are resold in the normal course of trade and the net financial impact to the Group would be insignificant.

Notes *(continued)*

21 Commitments

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

	2012		2011	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Contracted	**3,783**	**-**	4,734	-

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

	2012		2011	
Group	**Land and buildings**	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating leases which expire				
Within one year	**188**	**167**	174	361
In the second to fifth years inclusive	**-**	**268**	-	256
After five years	**-**	**11**	-	-
	188	**446**	174	617

The Company does not have any commitments under non-cancellable operating leases

22 Pension scheme

Group

The Group makes defined contributions to personal pension plans of individual employees The pension cost charge for the year represents contributions payable by the Group to the plans and amounted to £341,000 *(2011 £339,000)*

There were £50,000 of contributions outstanding at the end of the year *(2011 £44,000)*

Notes *(continued)*

23 Reconciliation of operating profit to operating cash flows

	2012 £000	2011 £000
Operating profit	**17,704**	20,021
Depreciation of tangible fixed assets	**11,671**	11,033
Amortisation of goodwill	**1,003**	1,003
(Increase)/decrease in stocks	**(812)**	382
Increase in debtors	**(1,559)**	(1,196)
Increase in creditors	**1,903**	190
Net cash inflow from operating activities	**29,910**	31,433

24 Analysis of cash flows

	2012 £000	2012 £000	2011 £000	2011 £000
Returns on investment and servicing of finance				
Interest received	**109**		57	
Interest paid	**(7,111)**		(10,124)	
Interest element of finance lease and hire purchase contract rental payments	**(29)**		(53)	
Payment of issue costs on interest rate caps	-		(1,131)	
		(7,031)		(11,251)
Capital expenditure				
Purchase of tangible fixed assets	**(10,999)**		(11,859)	
Sale of tangible fixed assets	**1,209**		1,462	
		(9,790)		(10,397)
Financing				
Debt due within one year				
Repayment of long term bank loans	**(7,000)**		(5,500)	
Capital element of finance lease and hire purchase contract rental payments	**(332)**		(519)	
Debt due after more than one year				
Issue of super preferred ordinary shares	**25**		-	
		(7,307)		(6,019)

Notes *(continued)*

25 Analysis of net debt

	At beginning of year £000	Cash flow £000	Other non cash changes £000	**At end of year £000**
Cash at bank and in hand	6,871	4,143	-	**11,014**
Debt due within one year				
Bank loans	(5,261)	7,000	(8,149)	**(6,410)**
Debt due after one year				
Bank loans	(202,551)	-	6,410	**(196,141)**
Fixed rate shareholder loan notes	(133,871)	-	35,121	**(98,750)**
Finance leases and hire purchase contracts	(574)	332	-	**(242)**
Total	(335,386)	11,475	33,382	**(290,529)**

Other non cash changes are detailed in the consolidated cash flow statement on page 12

26 Related party disclosures

During the year, PD Parks Limited, a wholly owned subsidiary, issued fixed rate unsecured shareholder loan notes 2013 to The Alchemy Investment Plan, a collection of limited partnerships managed by Alchemy Partners (Guernsey) Limited and to Polygon Recovery Fund L P as follows

	At start of year £000	**Issued during the year £000**	**Repaid during the year £000**	**Debt for equity swap £000**	**At end of year £000**
The Alchemy Investment Plan	105,113	7,985	-	(35,985)	77,113
Polygon Recovery Fund L P	26,902	2,043	-	(9,210)	19,735

In addition, £514,000 of accrued interest was owed to The Alchemy Investment Plan at 31 January 2012 *(2011 £726,000)* Accrued interest owed to Polygon Recovery Fund L P at 31 January 2012 was £131,000 *(2011 £186,000)*

The following amounts of fixed rate unsecured shareholder loan notes 2013 and accrued interest was payable to directors at the start and the end of the year

	2012		2011	
	Capital £000	**Accrued Interest £000**	Capital £000	Accrued Interest £000
John Waterworth	**700**	**461**	700	364
Darrin Bamsey	**58**	**38**	58	30

On 24 June 2011 The Alchemy Investment Plan and Polygon Recovery Fund L P completed a debt for equity swap, details of which are disclosed in note 16

During the year PD Parks Holdings Limited paid £73,000 to Alchemy Partners LLP, the advisor to The Alchemy Investment Plan (*2011 £71,000*) in respect of monitoring fees No balances were owed to Alchemy Partners LLP at 31 January 2012 or 31 January 2011

Notes *(continued)*

27 Ultimate controlling party

65 52% of the issued share capital of the Company is held by Alchemy Partners Nominees Ltd on behalf of investors in the Alchemy Investment Plan The Alchemy Investment Plan is managed by Alchemy Partners (Guernsey) Limited