PD Parks Holdings Limited

Annual report and financial statements

Registered number 05729719

31 January 2014

Contents

Strategic Report

Principal activity

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

Business model

The business is managed across four complementary income streams

- Holiday hire income includes holiday rental of Parkdean's own fleet of caravan holiday homes, lodges, apartments and chalets, the sub-hire of privately owned caravan holiday homes and lodges and touring and camping fees
- Holiday home sales relates to the sale of caravan holiday homes and lodges, accompanied by a licence to occupy a pitch for holiday use
- Owner income comprises annual pitch fees from holiday home owners for use of a pitch, together with other services including utilities charges, insurance, repairs and accessories
- On park spend income is generated through food and beverage retail outlets, convenience stores, amusement arcades concessions and sports, leisure and entertainment activities on the holiday parks

Business review and results

The Group's key financial and other performance indicators during the year were as follows

	2014 £000	2013 £000	Change %
Turnover	**130,204**	122,241	6 5
EBITDA			
- for the 52 week period period	**30,694**	30,026	2 2
- for the week ended 31 January 2014	**(523)**	-	-
- total EBITDA	**30,171**	30,026	0 5
Operating profit	**16,549**	16,624	(0 5)
Net interest payable (excluding Shareholder Loan Notes)	**(7,250)**	(7,874)	7 9
Profit before tax and Shareholder Loan Notes	**9,299**	8,750	6 3
Capital expenditure net of disposals	**(12,623)**	(11,340)	(11 3)
Net assets excluding Shareholder Loan Notes	**107,313**	99,860	7 5
Cash inflows prior to interest and financing	**15,274**	17,453	(12 5)
Average number of employees	**1,835**	1,731	6 0

Turnover has increased by 6 5%, EBITDA has increased by 0 5%

The Group's financial year is typically a 52 week period ending on a Friday on or around 31 January each year In the year ended 31 January 2014, an additional trading week was included to bring the year end in line with 31 January This week was loss making due to all parks and facilities being closed and due to

Strategic report *(continued)*

Business review and results *(continued)*

fixed overheads and seasonal marketing expenditure Excluding this week, the 52 week like-for-like EBITDA was £30,694k, 2 2% higher than last year

Net interest payable (excluding fixed rate shareholder loan notes) in the current year includes £526k of professional fees relating to the amendment and restatement of the senior debt facilities which completed on 28 March 2014

Capital expenditure increased by 11 3% as the Group continues to invest in the park facilities and accommodation

Net assets excluding fixed rate shareholder loan notes have increased by 7 5% Cash inflows prior to interest and financing have decreased by 12 5% as a result of capital expenditure and professional fees noted above

The average number of employees has increased by 104 to support the growth of the business The Group continues to display high levels of staff engagement as demonstrated by employee survey results Regular employee briefing and recognition cafes are held across all locations

Customer satisfaction and product quality are key to Parkdean's business strategy and the Group continues to sustain high levels of customer satisfaction from their owners and holidaymakers

Environmental responsibilities remain high on the Group's agenda and all of its holiday parks have achieved a David Bellamy Conservation award, 20 parks achieving a Gold award Parkdean also has a *Save It!* culture embedded within the business to continue to drive reductions in the Group's carbon footprint

Principal risks and uncertainties

Financial Instruments

The Group's principal financial instruments comprise cash, debtors, creditors, bank loans, fixed rate shareholder loan notes ("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

On 28 March 2014, the Group repaid £9,141k of its senior term debt to Irish Bank Resolution Corporation Limited (in special liquidation) ("IBRC") Simultaneously the remaining senior term debt of £180,000k was purchased at par by funds managed by Ares Management Limited ("Ares") and GE Corporate Finance Bank SAS ("GE"), Ares made available a secured term loan facility of £27,000k ("2021 Term Loan") repayable on 28 March 2021 which the Group drew down in full, £27,000k of the senior debt was repaid so that the amount outstanding under the senior facility as at 28 March 2014 was £153,000k, and the senior facility agreement was amended and restated inter alia to extend the repayment date of the senior term debt to 31 January 2020

The Shareholder Loan Notes are subordinated to the senior term debt so that until the senior term debt is repaid in full the Group cannot make any repayment of the Shareholder Loan Notes and the holders of the Shareholder Loan Notes cannot demand or require payment or repayment of any interest or capital or exercise any rights in respect of non payment or repayment of any sum due under the Shareholder Loan Notes The senior term debt does not fall to be repaid until 31 January 2020 and therefore no repayment of the Shareholder Loan Notes can be made and no payment or repayment can be demanded in respect of the Shareholder Loan Notes until the senior term debt is repaid on 31 January 2020 (or on earlier repayment in accordance with the terms of the senior facility agreement)

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

The Group has a £5m Revolving Credit Facility available up to 31 July 2019 and has sufficient cash resources to meet the working capital requirements of the business 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 and banking covenants for the foreseeable future

- Interest rate risk

The senior facility and 2021 Term Loan are subject to floating rates of interest To reduce the Group's exposure to floating rates of interest, in April 2014 the Group procured a 1% interest rate cap with £102m nominal value with a maturity of 30 April 2017 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 direct debit 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

Future developments

The UK holiday park market continues to be robust 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 0m in the accommodation and facilities of the holiday parks in the year to 31 January 2015

At 7 April 2014, bookings representing 60 9% of the holiday hire revenue target for the year had been made

The Board are confident of a successful trading year for the period to 31 January 2015

Signed on behalf of the Board

John Waterworth
Director

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

13 May 2014

Directors' report

The directors present their directors' report and financial statements for the year ended 31 January 2014

Directors

The directors who held office during the year were as follows

John Waterworth
Darrin Bamsey
Michael Wilmot
Reade Griffith
Martin Bolland
Simon Oakland (resigned 9 September 2013)

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

Employees

The Group's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests The Group maintains an Employee Business Forum to allow exchange of information, ideas and opinions In addition regular meetings are held between management and employees to allow for the free flow of information and ideas

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 *(2013 £nil)* and made charitable donations of £1,540 to various charities in the year *(2013 £6,224)*

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 himself 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

13 May 2014

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 2014 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 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 Financial Reporting Council's website at www frc org uk/auditscopeukprivate

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 2014 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 Strategic Report and 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) 13 May 2014
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Consolidated Profit and Loss Account

for the year ended 31 January 2014

	Note	2014 £000	£000	2013 £000	£000
Turnover	*1,2*		**130,204**		122,241
Cost of sales			**(38,757)**		(34,578)
Gross profit			**91,447**		87,663
Administrative expenses			**(74,898)**		(71,039)
Operating profit	*3-5*		**16,549**		16,624
Analysed as					
EBITDA*		**30,171**		30,026	
Significant one-off costs	*3*	**-**		(470)	
Depreciation and amortisation		**(13,622)**		(12,932)	
Operating profit		**16,549**		16,624	
Interest receivable and similar income	*6*	**158**		126	
Interest payable and similar charges	*7*	**(17,504)**		(17,034)	
Analysed as					
Other interest costs		**(6,882)**		(8,000)	
Shareholder Loan Notes finance costs		**(10,096)**		(9,034)	
Finance costs		**(526)**		-	
Interest payable and similar charges		**(17,504)**		(17,034)	
Loss on ordinary activities before taxation			**(797)**		(284)
Tax on loss on ordinary activities	*8*		**(1,846)**		(2,130)
Loss for the financial year			**(2,643)**		(2,414)

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 2014

	Note	2014 £000	£000	2013 £000	£000
Fixed assets					
Intangible assets	9		12,265		13,269
Tangible assets	10		294,843		295,501
			307,108		308,770
Current assets					
Stocks	12	6,345		5,991	
Debtors	13	9,340		8,503	
Cash at bank and in hand		15,368		13,513	
		31,053		28,007	
Shareholder Loan Notes		(117,880)		-	
Other amounts falling due within one year		(222,845)		(39,556)	
Creditors amounts falling due within one year	14	(340,725)		(39,556)	
Net current liabilities			(309,672)		(11,549)
Total assets less current liabilities			(2,564)		297,221
Bank loans and other borrowings		-		(189,141)	
Shareholder Loan Notes		-		(107,784)	
Other amounts falling due after more than one year		(351)		(339)	
Creditors: amounts falling due after more than one year	16		(351)		(297,264)
Provisions for liabilities	17		(7,652)		(7,881)
Net liabilities			(10,567)		(7,924)
Capital and reserves					
Called up share capital	18		12		12
Share premium account	19		46,429		46,429
Profit and loss account	19		(57,008)		(54,365)
Shareholders' deficit			(10,567)		(7,924)

	2014 £000	2013 £000
Non-GAAP measures		
Net liabilities as reported	(10,567)	(7,924)
Shareholder Loan Notes	117,880	107,784
Net assets excluding Shareholder Loan Notes	107,313	99,860

These financial statements were approved by the board of directors on 13 May 2014 and were signed on its behalf by

John Waterworth
Director
Registered number 05729719

Company Balance Sheet
at 31 January 2014

	Note	2014 £000	£000	2013 £000	£000
Fixed assets					
Investments	*11*		**46,195**		46,195
Current assets					
Debtors	*13*	**93**		92	
Cash at bank and in hand		**26**		26	
Creditors amounts falling due within one year	*14*	**(882)**		(762)	
Net current liabilities			**(763)**		(644)
Debtors: amounts falling due after more than one year	*15*		**364**		334
Net assets			**45,796**		45,885
Capital and reserves					
Called up share capital	*18*		**12**		12
Share premium account	*19*		**46,429**		46,429
Profit and loss account	*19*		**(645)**		(556)
Shareholders' funds			**45,796**		45,885

These financial statements were approved by the board of directors on 13 May 2014 and were signed on its behalf by

John Waterworth
Director

Registered number 05729719

Consolidated Cash Flow Statement

for the year ended 31 January 2014

	Note	**2014 £000**	2013 £000
Cash flow from operating activities	*23*	**29,503**	30,339
Returns on investments and servicing of finance	*24*	**(6,356)**	(7,773)
Taxation		**(1,608)**	(1,546)
Capital expenditure	*24*	**(12,623)**	(11,340)
Cash inflow before financing		**8,916**	9,680
Financing	*24*	**(7,061)**	(7,181)
Increase in cash in the year		**1,855**	2,499

Reconciliation of net cash flow to movement in net debt

	Note	**2014 £000**	2013 £000
Reconciliation of net cash flow to movement in net debt	*25*		
Increase in cash in the year		**1,855**	2,499
Repayment of long term bank loans		**7,000**	7,000
Payment of issue costs on interest rate caps		**-**	490
Capital element of finance lease and hire purchase contract rental payments		**61**	181
Change in net debt resulting from cash flows		**8,916**	10,170
Other non-cash changes			
Movement in accrued finance costs on Shareholder Loan Notes		**(363)**	(123)
Issue of PIK notes to satisfy interest payments on institutional Shareholder Loan Notes		**(9,733)**	(8,912)
Amortisation of issue costs on long term bank loans and Shareholder Loan Notes		**(368)**	(711)
Movement in net debt in the year		**(1,548)**	424
Net debt at the start of the year		**(290,105)**	(290,529)
Net debt at the end of the year		**(291,653)**	(290,105)

Reconciliations of Movements in Shareholders' (Deficit)/Funds

for the year ended 31 January 2014

	2014 Group £000	**Company £000**	2013 Group £000	Company £000
Loss for the financial year	**(2,643)**	**(89)**	(2,414)	(105)
Net reduction in shareholders' (deficit)/funds	**(2,643)**	**(89)**	(2,414)	(105)
Opening shareholders' (deficit)/ funds	**(7,924)**	**45,885**	(5,510)	45,990
Closing shareholders' (deficit)/ funds	**(10,567)**	**45,796**	(7,924)	45,885

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 Group'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 Strategic Report on pages 1 to 3

The Group's bank loans and Shareholder Loan Notes are detailed in note 16

On 28 March 2014, the Group repaid £9,141k of its senior term debt to Irish Bank Resolution Corporation Limited (in special liquidation) ("IBRC") Simultaneously the remaining senior term debt of £180,000k was purchased at par by funds managed by Ares Management Limited ("Ares") and GE Corporate Finance Bank SAS ("GE"), Ares made available a secured term loan facility of £27,000k ("2021 Term Loan") repayable on 28 March 2021 which the Group drew down in full, £27,000k of the senior debt was repaid so that the amount outstanding under the senior facility as at 28 March 2014 was £153,000k, and the senior facility agreement was amended and restated inter alia to extend the repayment date of the senior term debt to 31 January 2020

The Shareholder Loan Notes are subordinated to the senior term debt so that until the senior term debt is repaid in full the Group cannot make any repayment of the Shareholder Loan Notes and the holders of the Shareholder Loan Notes cannot demand or require payment or repayment of any interest or capital or exercise any rights in respect of non payment or repayment of any sum due under the Shareholder Loan Notes The senior term debt does not fall to be repaid until 31 January 2020 and therefore no repayment of the Shareholder Loan Notes can be made and no payment or repayment can be demanded in respect of the Shareholder Loan Notes until the senior term debt is repaid on 31 January 2020 (or on earlier repayment in accordance with the terms of the senior facility agreement)

The Group has sufficient cash resources to meet the working capital requirements of the business 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 and banking covenants for the foreseeable future

After making enquiries, the directors have a reasonable expectation that the Group 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 2014 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	-	1 - 3 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

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate

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

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

	2014 £000	2013 £000
Loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Owned	**12,618**	11,842
Under finance leases and hire purchase contracts	**-**	87
Amortisation of goodwill	**1,004**	1,003
Hire of plant and machinery - operating leases	**549**	458
Hire of other assets - operating leases	**285**	253

There were no significant one-off costs in the current year (2013 £470,000) Significant one-off costs in the prior year relate to a voluntary output VAT disclosure

Auditor's remuneration:

	2014	2013
Audit of these financial statements	**19**	19
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	**82**	80
Other services pursuant to such legislation	**15**	14
Other services relating to taxation	**98**	110
All other services	**200**	-

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 auditor's remuneration is borne by Parkdean Holiday Parks Limited

Notes *(continued)*

4 Remuneration of directors

	2014	2013
	£000	£000
Directors' emoluments	**760**	587
Company contributions to personal money purchase pension schemes	**102**	98
Amounts paid to third parties in respect of directors' services	**78**	75
	940	760

During the year fees of £78,000 *(2013 £75,000)* were paid to Alchemy Partners LLP for monitoring services

The emoluments of the highest paid director were £336,000 *(2013 £261,000)*, and Company pension contributions of £47,000 *(2013 £45,000)* were made to a personal money purchase scheme on his behalf

	Number of directors	
	2014	2013
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	
	2014	2013
Established	**569**	530
Seasonal	**1,266**	1,201
	1,835	1,731

The aggregate payroll costs of these persons were as follows

	Group	
	2014	2013
	£000	£000
Wages and salaries	**27,582**	25,002
Social security costs	**1,731**	1,687
Other pension costs (note 22)	**368**	358
	29,681	27,047

The Company employed no staff during the current or preceding year

Notes *(continued)*

6 Interest receivable

	Group	
	2014	2013
	£000	£000
Bank interest receivable	**158**	126

7 Interest payable and similar charges

	Group		Group	
	2014		2013	
	£000	**£000**	£000	£000
Other interest costs				
Interest payable on bank loans	**6,507**		7,271	
Amortisation of bank loan issue costs	**-**		165	
Amortisation of interest rate caps issue costs	**368**		547	
Finance charges payable in respect of finance leases and hire purchase contracts	**7**		17	
		6,882		8,000
Shareholder Loan Notes finance costs				
Interest payable on Shareholder Loan Notes – PIK notes issued	**9,733**		8,912	
Movement in accrued interest on fixed rate Shareholder Loan Notes (note 16)	**363**		122	
		10,096		9,034
Finance costs				
Costs of rising new finance		**526**		-
		17,504		17,034

Notes *(continued)*

8 Taxation

Analysis of charge in year

	2014 £000	£000	2013 £000	£000
UK corporation tax				
Current tax on income for the year	**1,863**		1,603	
Adjustments in respect of prior periods	**212**		(96)	
		2,075		1,507
Deferred tax (note 17)				
Origination/reversal of timing differences	**878**		1,159	
Adjustment in respect of previous periods	**(95)**		46	
Remeasurement of deferred tax – change in UK tax rate	**(1,012)**		(582)	
		(229)		623
Tax on loss on ordinary activities		**1,846**		2,130

Factors affecting the tax charge for the current year

The current tax charge for the year is higher *(2013 higher)* than the standard rate of corporation tax in the UK 23 16% *(2013 24 33%)* The differences are explained below

	2014 £000	2013 £000
Current tax reconciliation		
Loss on ordinary activities before tax	**(797)**	(284)
Current tax at 23 16% *(2013 24 33%)*	**(185)**	(69)
Effects of		
Depreciation of non qualifying assets	**1,243**	1,260
Expenses not deductible for tax purposes	**32**	17
Goodwill amortisation	**232**	244
Finance costs on Shareholder Loan Notes	**1,558**	1,378
Capital allowances for year more than depreciation	**(1,017)**	(1,227)
Adjustments in respect of prior periods	**212**	(96)
Total current tax charge (see above)	**2,075**	1,507

Notes *(continued)*

8 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 £29,052,000 (*2013 £33,540,000*) It is not envisaged that any of this tax will become payable in the foreseeable future

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly The deferred tax liability at 31 January 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date

9 Intangible fixed assets

Group	**Goodwill £000**
Cost	
At beginning and end of year	25,365
Amortisation	
At beginning of year	12,096
Charged in year	1,004
At end of year	13,100
Net book value	
At 31 January 2014	**12,265**
At 31 January 2013	13,269

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	4,018	256,127	22,485	78,913	361,543
Additions	5,037	18	-	7,839	12,894
Disposals	-	-	-	(3,993)	(3,993)
Transfers	(4,018)	(25)	-	4,043	-
At end of year	5,037	256,120	22,485	86,802	370,444
Depreciation					
At beginning of year	-	22,378	3,267	40,397	66,042
Charge for year	-	1,210	317	11,091	12,618
On disposals	-	-	-	(3,059)	(3,059)
At end of year	-	23,588	3,584	48,429	75 601
Net book value					
At 31 January 2014	**5,037**	**232,532**	**18,901**	**38,373**	**294,843**
At 31 January 2013	4,018	233,749	19,218	38 516	295 501

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	**2014 £000**	2013 £000
Cost	-	668
Accumulated depreciation	-	(428)
Net book value	-	240

The Company has no tangible fixed assets

Notes *(continued)*

11 Fixed asset investments

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

The Group has no fixed asset investments

The principal undertakings in which the Company'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 leasing & 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

	2014 Group £000	Company £000	2013 Group £000	Company £000
Retail	541	-	592	-
Caravans & lodges	5,302	-	4,859	-
Consumables	502	-	540	-
	6,345	-	5,991	-

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

13 Debtors

	2014 Group £000	Company £000	2013 Group £000	Company £000
Trade debtors	4,438	-	5,756	-
Amounts due from Group undertakings	-	93	-	90
Other debtors	2,798	-	97	-
Prepayments and accrued income	2,104	-	2,650	2
	9,340	93	8,503	92

Other debtors include £2,737k (2013 £nil) held under a deferred settlement arrangement on credit card payments

14 Creditors: amounts falling due within one year

	2014 Group £000	Company £000	2013 Group £000	Company £000
Bank loans and other borrowings (note 16)	189,141	-	6,632	-
Shareholder Loan Notes (note 16)	117,880	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	61	-
Trade creditors	3,657	5	6,663	-
Amounts owed to Group undertakings	-	778	-	702
Corporation tax	763	-	296	-
Other taxation and social security	2,122	-	2,539	-
Other creditors	1,318	-	1,733	-
Accruals and deferred income	25,844	99	21,632	60
	340,725	882	39,556	762

As the bank loans were due for repayment on 30 June 2014, the bank loans and Shareholder Loan Notes are classified as current See note 16 for details of the amendment and restatement of bank loans and new lending following the year end

Notes *(continued)*

15 Debtors: amounts falling due after more than one year

	2014 Group £000	Company £000	2013 Group £000	Company £000
Amounts due from group undertakings	-	364	-	334

16 Creditors: amounts falling due after more than one year

	2014 Group £000	Company £000	2013 Group £000	Company £000
Bank loans and other borrowings	-	-	189,141	-
Shareholder Loan Notes	-	-	107,784	-
Accruals and deferred income	351	-	339	-
	351	-	297,264	-

Analysis of bank loans and other borrowings

Debt can be analysed as falling due

2014

	Bank loans £000	Shareholder Loan Notes £000	Total £000
Repayable			
Within one year or on demand	189,141	116,251	305,392
Between one and two years	-	-	-
Between two and five years	-	-	-
	189,141	116,251	305,392
Accrued finance costs	-	1,629	1,629
Unamortised issue costs	-	-	-
	189,141	117,880	307,021

Notes *(continued)*

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

2013

	Bank loans	Shareholder Loan Notes	Total
	£000	£000	£000
Repayable			
Within one year or on demand	7,000	-	7,000
Between one and two years	189,141	106,518	295,659
Between two and five years	-	-	-
	196,141	106,518	302,659
Accrued finance costs	-	1,266	1,266
Unamortised issue costs	(368)	-	(368)
	195,773	107,784	303,557

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 average interest charge in the year was 3 26% (*2013 3 53%*) On 28 March 2014, the Group repaid £9,141k of its senior term debt to IBRC Simultaneously the remaining senior term debt of £180,000k was purchased at par by funds managed by Ares and GE, Ares made available a secured term loan facility of £27,000k repayable on 28 March 2021 which the Group drew down in full, £27,000k of the senior term debt was repaid so that the amount outstanding as at 28 March 2014 was £153,000k, and the senior facility agreement was amended and restated inter alia to extend the repayment date of the senior term debt to 31 January 2020

Shareholder Loan Notes

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

The repayment of the Shareholder Loan Notes and the rights of the Shareholder Loan Note holders in respect of the Shareholder Loan Notes are governed variously by the terms of an intercreditor deed stated 16 March 2006 between inter alia Ares Management Limited, Ares, GE, the persons listed as loan note creditors therein, the Company and the Company's subsidiaries, the terms of an intercreditor deed dated 28 March 2014 between inter alia Ares Management Limited, Ares, GE, the persons listed as the Shareholder Loan Note Creditors therein, the Company, the Company's subsidiaries, and Barclays Bank PLC, and the terms of certain of the Shareholder Loan Note instruments to which Ares Management Limited is a party Together these documents provide that until the senior debt is repaid in full the Group cannot make any repayment of the Shareholder Loan Notes and the holders of the Shareholder Loan Notes cannot demand or require payment or repayment of any interest or capital or exercise any rights in respect of non payment or repayment of any sum due under the Shareholder Loan Notes The senior term does not fall to be repaid until 31 January 2020 and therefore no repayment of the Shareholder Loan Notes can be made and no payment or repayment can be made or demanded in respect of the Shareholder Loan Notes until the senior debt is repaid on 31 January 2020 (or on earlier repayment in accordance with the terms of the senior facility agreement)

The Shareholder Loan Notes are unsecured £110,480,000 *(2013 £101,180,000)* of loan notes and payment in kind ("PIK") notes issued pursuant to Shareholder Loan Notes have been admitted to the official list of the Channel Islands Securities Exchange Following the year end a further £5,012,000 *(2013 £4,579,000)* Shareholder Loan Notes have been admitted

Notes *(continued)*

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

Accrued finance costs on Shareholder Loan Notes

PIK notes of £9,733,000 *(2013 £8,912,000)* 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 *(2013 £758,000)* Shareholder Loan Notes held by certain of the directors and interest continues to accrue

Interest rate hedging

At the balance sheet date, the Group had no interest rate protection instruments in place (2013 two)

In April 2014 the Group procured a 1% interest rate cap with £102m nominal value with a maturity of 30 April 2017

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 2014 £000	Group 2013 £000
Within one year (see note 14)	-	61
	-	61

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

Notes *(continued)*

17 Provisions for liabilities

	2014 Group £000	**Company £000**	2013 Group £000	Company £000
Deferred taxation				
At beginning of year	**7,881**	**-**	7,258	-
Charge to the profit and loss for the year (note 8)	**(229)**	**-**	623	-
At end of year	**7,652**	**-**	7,881	-

The elements of deferred taxation are as follows

	2014 Group £000	**Company £000**	2013 Group £000	Company £000
Difference between accumulated depreciation and amortisation and capital allowances	**7,652**	**-**	7,881	-
Deferred tax liability	**7,652**	**-**	**7,881**	-

Notes *(continued)*

18 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
1,220,936 Ordinary shares of £0 01 each *(2013 1,220,936)*	**12,209**	12,209
45,195 Preferred Ordinary shares of £0 00001 each *(2013 45,195)*	**-**	-
50,000 Super Preferred Ordinary shares of £0 00001 each *(2013 50,000)*	**-**	-
Shares classified in shareholders' funds	**12,209**	12,209

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 (£56 9m) 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

Notes *(continued)*

19 Share premium and reserves

Group	Share premium account £000	Profit and loss account £000
At start of year	46,429	(54,365)
Loss for the financial year	-	(2,643)
At end of year	**46,429**	**(57,008)**

Company	Share premium Account £000	Profit and loss account £000
At start of year	46,429	(556)
Loss for the financial year	-	(89)
At end of year	**46,429**	**(645)**

The Company's loss for the financial year after taxation was £89,000 *(2013 £105,000)*

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 £189,141,000 *(2013 £205,141,000)* 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

	2014 Group £000	**Company £000**	2013 Group £000	Company £000
Contracted	**2,359**	**-**	5,398	-

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

Group	**2014 Land and buildings £000**	**Other £000**	2013 Land and buildings £000	Other £000
Operating leases which expire				
Within one year	**13**	**94**	-	190
In the second to fifth years inclusive	**-**	**449**	11	326
After five years	**272**	**1**	177	-
	285	**544**	188	516

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 £368,000 *(2013 £358,000)*

There were £62,000 of contributions outstanding at the end of the year *(2013 £53,000)*

Notes *(continued)*

23 Reconciliation of operating profit to operating cash flows

	2014 £000	2013 £000
Operating profit	**16,549**	16,624
Depreciation of tangible fixed assets	**12,618**	11,929
Amortisation of goodwill	**1,004**	1,003
Decrease/(increase) in stocks	**(354)**	50
Increase in debtors	**(837)**	(530)
Increase in creditors	**523**	1,263
Net cash inflow from operating activities	**29,503**	30,339

24 Analysis of cash flows

	2014 £000	£000	2013 £000	£000
Returns on investment and servicing of finance				
Interest received	**158**		126	
Interest paid	**(6,507)**		(7,392)	
Interest element of finance lease and hire purchase contract rental payments	**(7)**		(17)	
Payment of issue costs on interest rate caps	**-**		(490)	
		(6,356)		(7,773)
Capital expenditure				
Purchase of tangible fixed assets	**(13,563)**		(12,151)	
Sale of tangible fixed assets	**940**		811	
		(12,623)		(11,340)
Financing				
Debt due within one year				
Repayment of long term bank loans	**(7,000)**		(7,000)	
Capital element of finance lease and hire purchase contract rental payments	**(61)**		(181)	
		(7,061)		(7,181)

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	13,513	1,855	-	**15,368**
Debt due within one year				
Bank loans	(6,632)	7,000	(189,509)	**(189,141)**
Shareholder Loan Notes	-	-	(117,880)	**(117,880)**
Debt due after one year				
Bank loans	(189,141)	-	189,141	-
Shareholder Loan Notes	(107,784)	-	107,784	-
Finance leases and hire purchase contracts	(61)	61	-	-
Total	(290,105)	8,916	(10,464)	**(291,653)**

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 PIK notes 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	84,208	7,749	-	-	91,957
Polygon Recovery Fund L P	21,552	1,983	-	-	23,535

In addition, £703,000 of accrued interest was owed to The Alchemy Investment Plan at 31 January 2014 *(2013 £519,000)* Accrued interest owed to Polygon Recovery Fund L P at 31 January 2014 was £180,000 *(2013 £133,000)*

The following amounts of Shareholder Loan Notes and accrued interest was owed to directors at the start and the end of the year

	2014 Capital £000	**Accrued Interest £000**	2013 Capital £000	Accrued Interest £000
John Waterworth	**700**	**690**	700	568
Darrin Bamsey	**58**	**57**	58	47

During the year PD Parks Holdings Limited paid £78,000 to Alchemy Partners LLP, the advisor to The Alchemy Investment Plan (*2013 £75,000)* in respect of monitoring fees Of the above amount, £19,000 was owed to Alchemy Partners LLP at 31 January 2014 (*2013 £19,000*)

Notes *(continued)*

27 Post balance sheet events

On 28 March 2014, the Group repaid £9,141k of its senior term debt to IBRC Simultaneously the remaining senior term debt of £180,000k was purchased at par by Ares and GE At the same time Ares made available a secured term loan facility of £27,000k repayable on 28 March 2021 which the Group drew down in full, £27,000k of the senior term debt was repaid so that the amount outstanding as at 28 March 2014 was £153,000k, and the senior facility agreement was amended and restated inter alia to extend the repayment date of the senior term debt to 31 January 2020

In April 2014 the Group procured a 1% interest rate cap with £102m nominal value with a maturity of 30 April 2017

28 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