Manor Park Holiday Park Limited

Annual report and financial statements

Registered number 05935553

31 December 2015

Contents

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of Manor Park Holiday Park Limited (the "Company") is the operation of the holiday park known as "Manor Park Holiday Village" in Hunstanton, Norfolk.

Business review

The financial results cover the year to 31 December 2015 and the 9 months to 31 December 2014.

On 10 November 2015, the Company became a member of the Parkdean Resorts Topco Limited (formerly Compass Topco Limited and Bookcroft Limited) group (the "Group"), following the acquisition of Regent Topco Limited (the Company's ultimate holding company prior to 10 November 2015) by Parkdean Resorts Limited (formerly Compass Bidco Limited and Bookhill Limited), a subsidiary of Parkdean Resorts Topco Limited (formerly Compass Topco Limited and Bookcroft Limited).

The Company's result for the year comprised turnover of £7.5m (*9 months to 31 December 2014: £3.1m*), EBITDA (operating profit excluding depreciation and exceptional items) of £2.8m (*9 months to 31 December 2014: loss of £1.7m*) and a profit after tax of £2.1m (*9 months to 31 December 2014: loss of £2.5m*). The Company had net assets of £4.9m as at 31 December 2015 (*31 December 2014: £1.6m*).

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In these financial statements, the Company has adopted FRS 101 for the first time.

Revaluation of properties

As part of the acquisition of Regent Topco Limited by Parkdean Resorts Limited a valuation of the properties was performed by professional valuers, Colliers International Property Advisors UK LLP, and reviewed by the directors on 14 June 2015 and applied at 31 December 2015. The resultant valuation of £19.4m has been reflected appropriately in these accounts.

The directors do not recommend the payment of a dividend (9 months to 31 December 2014: £nil).

Risks and uncertainties

Economic and market risks

A downturn in the UK economy may result in a reduction in demand for holiday homes or holidays and in our customers changing their spending habits.

The directors regularly review key performance indicators available within the business and the industry to identify any 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.

Financial risks

- 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 no requirements to make any capital repayments on the £530m senior loan facility except for payments of excess cash flow and no requirements to make payments of interest, preferential dividend or capital on the shareholder loan notes or preferred ordinary or B2 ordinary shares, unless a change of control event occurs, or until 10 November 2025 (whichever is earlier).

The Group has a £40m revolving credit facility available up to November 2021 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.

Strategic Report *(continued)*

Financial risks *(continued)*

- 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

- IT risks

The Group critical IT infrastructure is held in Tier 3 data centres with live replication. All critical network lines have back up paths in place. The Group upgrades hardware and software regularly to improve network and application performance and security. The Group performs regular risk reviews and tests for network performance and both data and cyber security for internal purposes and as required under the Payment Card Industry Data Security Standards.

- Health and safety risks

The Group has an in house health and safety team and uses industry specialist consultants to review and improve compliance with health and safety standards. All employees are trained to deliver the highest levels of health and safety management.

Financing risks

- Interest rate risk

The senior facility is subject to floating rates of interest. To reduce the Group's exposure to interest rates the Group has interest rate caps and swaps of nominal value ranging from £257.2m to £395.7m until December 2017. The Group does not trade in financial derivatives.

Key performance indicators

The key performance indicators (KPIs) are in line with those of the Group. The principal KPI is EBITDA, which was £2.8m in the year ended 31 December 2015 (*9 months to December 2014: loss of £1.7m*).

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 Board are confident of a successful trading year for the period to 31 December 2016.

By order of the board

John Waterworth
Director

3 Bunhill Row, London EC1Y 8YZ
31 August 2016

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

Directors

The directors who held office during the year and up to the date of signing were as follows:

David Boden	Resigned 11 November 2015
Nigel Brewster	Resigned 31 March 2016
Ian Bull	Appointed 15 June 2016
Alan Castledine	Resigned 11 November 2015
Michael Clark	
John Waterworth	Appointed 11 December 2015

The current directors are also directors of the ultimate parent undertaking, Parkdean Resorts Topco Limited.

Since 10 November 2015 the ultimate parent undertaking, Parkdean Resorts Topco Limited has effected and maintained insurance for the directors against liabilities as officers in relation to the Company. Prior to this date it was maintained by Park Resorts Limited.

Employees

The Company recognises that the contribution made by its employees is crucial to its success. Substantial investment is therefore made in the training, development and motivation of staff with particular attention to ensuring customer satisfaction and the achievement of high standards of service. The Company endorses the application of equal opportunities policies to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find an alternative job and provide appropriate training.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Political contributions

The Company made no political donations during the year (*9 months to 31 December 2014: £nil*).

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 he 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.

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

John Waterworth
Director

3 Bunhill Row, London EC1Y 8YZ
31 August 2016

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Manor Park Holiday Park Limited

We have audited the financial statements of Manor Park Holiday Park Limited for the year ended 31 December 2015 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 4, 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 Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Mike Woodward

Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Clarendon Road
Watford
Hertfordshire WD17 1DE
6 September 2016

Profit and Loss Account
for the year ended 31 December 2015

	Note	Year ended 31 December 2015 Total £000	9 month period ended 31 December 2014 Total £000
Turnover	*2*	7,516	3,103
Cost of sales		(2,326)	(603)
Gross profit		5,190	2,500
Administrative expenses		(2,714)	(5,658)
Other operating income	*3*	-	1,429
Operating profit / (loss)	*4-6*	2,476	(1,729)
Analysed as:			
EBITDA		2,825	1,743
Acquired goodwill written off	*4*	-	(3,238)
Depreciation		(349)	(234)
Operating profit / (loss)		2,476	(1,729)
Interest receivable and similar income	*7*	7	1
Interest payable and similar charges	*8*	(434)	(447)
Profit / (Loss) on ordinary activities before taxation		2,049	(2,175)
Tax on profit / (loss) on ordinary activities	*9*	35	(298)
Profit / (Loss) for the financial year / period		2,084	(2,473)

* EBITDA represents operating profit before depreciation and exceptional items.

All of the activities of the Company are classified as continuing.

Other comprehensive income
for the year ended 31 December 2015

	Year ended 31 December 2015 £000	9 month period ended 31 December 2014 £000
Profit / (loss) for the financial year / period	2,084	(2,473)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation of tangible fixed assets	1,300	10,374
Income tax on items that will not be reclassified to profit or loss	(27)	(2,337)
Other comprehensive income for the year / period, net of income tax	1,273	8,037
Total comprehensive income for the year / period	3,357	5,564

The notes on pages 9 to 21 form an integral part of these financial statements.

Balance Sheet
At 31 December 2015

	Note	**2015** **£000**	**2015** **£000**	2014 £000	2014 £000
Fixed assets					
Tangible assets	*10*	**19,956**		18,593	
			19,956		18,593
Current assets					
Stocks	*11*	**390**		16	
Debtors	*12*	**1,954**		1,843	
Cash at bank and in hand		**483**		1,115	
		2,827		2,974	
Creditors: amounts falling due within one year	*13*	**(15,503)**		(17,606)	
Net current liabilities			**(12,676)**		(14,632)
Total assets less current liabilities			**7,280**		3,961
Provisions for liabilities					
Deferred tax liability	*14*		**(2,341)**		(2,379)
Net assets			**4,939**		1,582
Capital and reserves					
Called up share capital	*15*		**-**		-
Share premium account			**6,112**		6,112
Revaluation reserve			**9,240**		8,005
Profit and loss account			**(10,413)**		(12,535)
Shareholder's funds			**4,939**		1,582

These financial statements were approved by the board of directors on 31 August 2016 and were signed on its behalf by:

Ian Bull

Ian Bull
Director

Company registered number: 05935553

The notes on pages 9 to 21 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2015

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2014	-	6,112	-	(10,094)	(3,982)
Total comprehensive income for the period					
Loss for the period	-	-	-	(2,473)	(2,473)
Other comprehensive income	-	-	8,037	-	8,037
Total comprehensive income for the period	-	-	8,037	(2,473)	5,564
Transfer from revaluation reserve	-	-	(32)	32	-
Balance at 31 December 2014	-	**6,112**	**8,005**	**(12,535)**	**1,582**
Total comprehensive income for the year					
Profit for the year	-	-	-	2,084	2,084
Other comprehensive income	-	-	1,273	-	1,273
Total comprehensive income for the year	-	-	1,273	2,084	3,357
Transfer from revaluation reserve	-	-	(38)	38	-
Balance at 31 December 2015	-	**6,112**	**9,240**	**(10,413)**	**4,939**

The notes on pages 9 to 21 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Manor Park Holiday Park Limited (the "Company") is a company incorporated in England and Wales and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 18.

The Company's ultimate parent undertaking, Parkdean Resorts Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Parkdean Resorts Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 2nd Floor, One Gosforth Park Way, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 April 2014 for the purposes of the transition to FRS 101.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: Land and buildings.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern

The Company forms part of a group of companies engaged in the ownership, management and operation of holiday parks. The Company's ultimate parent undertaking is Parkdean Resorts Topco Limited. The Parkdean Resorts Topco Limited group (the "Group") is cash generative and has prepared financial forecasts which show that the Group will have sufficient financial resources available for the foreseeable future.

The Group's bank borrowings are held in a Group company, Parkdean Resorts Holdco Limited. There is a cross guarantee secured across a number of the companies in the Parkdean Resorts Midco Limited group. Various intra group balances exist between individual Group companies and ultimately most of the Group companies are inter-dependent and ultimately supported by the Group banking facilities. Parkdean Resorts Topco Limited and Parkdean Resorts Midco Limited have both indicated to the extent that they are lawfully able to do so that they will continue to ensure that sufficient financial support is directly and / or indirectly made available to the Company for at least 12 months from the date of approval of these financial statements and for the foreseeable future thereafter.

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

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.4 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.5 Intra-group 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Tangible fixed assets

Tangible fixed assets, excluding Land and Buildings, are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings included in tangible fixed assets have been revalued to fair value on 14 June 2015, put into effect at 31 December 2015.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Freehold Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings 15-30 years
- Plant and equipment 3-20 years
- Caravans 10 years
- Motor Vehicles 5 years
- Computers and software 4 years
- Fixtures and fittings 7-15 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value of caravan stock is determined with reference to trade published guides. A provision is made for obsolete, slow moving or defective items where required.

1.8 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

***1.8 Impairment excluding stocks and deferred tax assets** (continued)*

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

1.9 Turnover

Turnover represents the amounts, excluding value added tax derived from the provision of goods and services to customers.

Caravan sales are recognised at the point of sale subject to either full cash receipt or an approved finance provider agreement. Owners' rents are recognised on a straight line basis over the 12 month period to which invoiced amounts relate and are normally treated as a deferred income which is released at the time of recognition for the future periods. Hiring and touring income is recognised in full when holidays are taken. Retail and other income are recognised at the point of sale.

1.10 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies *(continued)*

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

The Company operates in one principal area of activity in the United Kingdom, being the operation of Manor Park Holiday Park.

3 Other operating income

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Commission on Caravan sales	-	1,429

In the prior period commission on caravan sales was derived from the operation of the caravan sales activity by Park Resorts Limited under a concession agreement. This arrangement ceased with effect from 1 January 2015, from which time revenue from caravan sales has been reflected in the profit and loss account as turnover.

4 Expenses and auditor's remuneration

Included in profit / loss are the following:

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Depreciation of owned tangible fixed assets	**349**	234
Acquired goodwill written off	**-**	3,238
Auditor's remuneration	**19**	19

During the prior year the Directors considered that the goodwill which was being held was not expected to return any further value and so the remaining amount was written off.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, 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 in the consolidated financial statements of the Company's parent, Parkdean Resorts Topco Limited.

Notes (continued)

5 Staff numbers and costs

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

	Year to 31 December 2015 No of Staff	9 month period to 31 December 2014 No of Staff
Directors	5	6
Permanent	14	15
Seasonal	29	30
	48	51

The aggregate payroll costs of these staff were as follows:

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Wages and salaries	906	468
Social security costs	78	77
Contributions to defined contribution plans	8	-
	992	545

Defined contribution plans

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £8,000 *(2014: £nil)*.

There were outstanding contributions at the end of the financial year of £1,000 *(2014: £nil)*

6 Directors' remuneration

All directors' remuneration was borne by Park Resorts Limited until 10th November 2015. Since 10th November 2015 directors' remuneration has been borne by a combination of Park Resorts Limited and Parkdean Resorts Limited, both members of the group headed by Parkdean Resorts Topco Limited. The notional cost of directors' to the Company was £79,000 for the year. None of the directors received any remuneration from the Company during the current or prior period.

7 Interest receivable and similar income

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Bank interest income	-	1
Interest receivable from Group undertakings	7	-
	7	1

8 Interest payable and similar charges

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Bank interest expense	-	177
Interest payable to Group undertakings	434	270
	434	447

Notes (continued)

9 Taxation

Recognised in the profit and loss account

	Year to 31 December 2015 £000	**£000**	9 month period to 31 December 2014 £000	£000
UK corporation tax				
Current tax on income for the year	-		228	
Adjustments in respect of prior periods	**30**		28	
Total current tax		**30**		256
Deferred tax (see note 14)				
Origination and reversal of temporary differences	**(49)**		42	
Effect of changes in tax rates	**(26)**		-	
Adjustment in respect of previous periods	**10**		-	
Total deferred tax (credit)/charge		**(65)**		42
Tax (credit)/charge on profit on ordinary activities		**(35)**		298
Recognised in Other Comprehensive Income				
Deferred tax (see note 14)				
Deferred tax current year charge	**27**		-	
GAAP adjustment	-		2,337	
Total deferred tax		**27**		2,337
Tax on Comprehensive income		**27**		2,337

Reconciliation of effective tax rate

	Year to 31 December 2015 £000	9 month period to 31 December 2014 £000
Profit / (loss) for the year / period	**2,084**	(2,473)
Total tax (credit) /expense	**(35)**	298
Profit / (Loss) excluding taxation	**2,049**	(2,175)
Tax using the UK corporation tax rate of 20.25% (2014: 21%)	**415**	(457)
Adjustment in respect of prior years	**40**	28
Non-deductible expenses	**25**	692
Tax rate changes	**(26)**	16
Effect of group relief paid	**(489)**	(24)
Timing differences	-	43
Total tax (credit) / expense	(35)	298

For the period ended 31 December 2015, the Company was subject to UK corporation tax at a rate of 21% during the 3 months to 31 March 2015 and 20% from 1 April 2015 to 31 December 2015, giving an average rate for the year of 20.25% (9 months ended 31 December 2014: 21%).

Factors that may affect future current and total tax charges

The main rate of UK corporation tax changed from 21% to 20% on 1 April 2015. A further reduction in the main rate of UK corporation tax, to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020, became substantively enacted on 26 October 2015 and therefore the effect of these further rate reductions on the deferred tax balance as at 31 December 2015 has been included in the figures above. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

Notes (continued)

10 Tangible fixed assets

	Freehold Land and buildings £000	Plant and equipment £000	Fixtures & fittings £000	Total £000
Cost or valuation				
Balance at 1 January 2015	18,030	1,369	57	19,456
Additions	108	258	46	412
Revaluations	1,285	-	-	1,285
Balance at 31 December 2015	19,423	1,627	103	21,153
Depreciation and impairment				
Balance at 1 January 2015	15	812	36	863
Depreciation charge for the year	125	222	2	349
Revaluations	(15)	-	-	(15)
Balance at 31 December 2015	125	1,034	38	1,197
Net book value				
At 31 December 2015	**19,298**	**593**	**65**	**19,956**
At 1 January 2015	18,015	557	21	18,593

Revaluation

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with IAS 16 Property, plant and equipment.

Land and buildings	**31 December 2015 £000**	31December 2014 £000
At fair value		
Revaluation dated June 2015	**19,423**	
Revaluation dated August 2014		18,030
Aggregate depreciation thereon	**(125)**	(15)
Net book value	**19,298**	18,015

	31 December 2015 £000	31 December 2014 £000
Historical cost of revalued assets	**8,714**	8,606
Aggregate depreciation thereon	**(1,121)**	(995)
	7,593	7,611

Land and Buildings

The net book value of land and buildings comprises:	**31 December 2015 £000**	31 December 2014 £000
Freehold land and buildings	**19,298**	18,015

Notes *(continued)*

10 Tangible fixed assets *(continued)*

As part of the acquisition of Regent Topco Limited by Parkdean Resorts Limited a valuation of the properties was performed by professional valuers, Colliers International Property Advisors UK LLP, on 14 June 2015 and applied at 31 December 2015. This valuation led to an increase in the fair value of investment property of £1.3m in the year ending 31 December 2015.

In future years other methods may be used to derive the fair value, including a directors' valuation.

As the consolidated financial statements of Parkdean Resorts Topco Limited include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement. The relevant information regarding the valuation basis is included in note 11 of the Parkdean Resorts Topco Limited financial statements which are available from the address given in note 1.

11 Stocks

	2015	2014
	£000	£000
Caravans and lodges held for resale	**370**	-
Goods for resale	**20**	16
	390	16

12 Debtors

	2015	2014
	£000	£000
Trade debtors	**579**	1,287
Amounts owed by Group undertakings	**1,189**	405
Prepayments and accrued income	**76**	151
Corporation tax	**110**	-
	1,954	1,843

Amounts owed by Group undertakings are repayable on demand and attract interest at a rate of 6% per annum *(2014: 4.56% per annum)*.

13 Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	**138**	85
Amounts owed to Group undertakings	**11,513**	14,396
Taxation and social security	**1,105**	392
Corporation tax	**-**	226
Accruals and deferred income	**2,663**	2,507
Other creditors	**84**	-
	15,503	17,606

Amounts owed to Group undertakings are repayable on demand and attract interest at a rate of 6% per annum *(2014: 4.56% per annum)*.

Notes (continued)

14 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015	2014	**2015**	2014	**2015**	2014
	£000	£000	**£000**	£000	**£000**	£000
Tangible fixed assets	-	-	**4**	63	**4**	63
Other short term timing differences	-	(21)	-	-	-	(21)
GAAP transitional adjustment – fixed asset revaluation	-	-	**2,337**	2,337	**2,337**	2,337
Tax (assets) / liabilities	-	(21)	**2,341**	2,400	**2,341**	2,379

Movement in deferred tax during the year

	1 January 2015 £000	Recognised in income £000	Recognised in equity £000	31 December 2015 £000
Tangible fixed assets	63	(59)	-	4
Other short term timing differences	(21)	21	-	-
GAAP transitional adjustment – fixed asset revaluation	2,337	(27)	27	2,337
	2,379	(65)	27	2,341

Movement in deferred tax during the prior year

	1 April 2014 £000	Recognised in income £000	Recognised in equity £000	31 December 2014 £000
Tangible fixed assets	-	63	-	63
Other short term timing differences	-	(21)	-	(21)
GAAP transitional adjustment – fixed asset revaluation	-	-	2,337	2,337
	-	42	2,337	2,379

15 Authorised, issued and called up share capital

	2015 No. of Shares	2014 No. of Shares
Authorised		
At 31 December	**1,000**	1,000
	2015 £	2014 £
Allotted, called up and fully paid		
3 Ordinary shares at £1 each	**3**	3

Notes (continued)

16 Guarantees and contingent liabilities

Prior to 10 November 2015 the Company was party to a cross guarantee banking arrangement in respect of the bank borrowings of the group headed by Regent Topco Limited.

From 10 November 2015 the Company is a party to a cross guarantee in respect of the bank borrowings of certain members of the Parkdean Resorts Holdco Limited group. The aggregate unprovided potential liability of the Company at the balance sheet date was £530,000,000. The borrowings of Parkdean Resorts Holdco Limited and certain other members of the Parkdean Resorts Topco Limited group are secured on substantially all of the assets of Parkdean Resorts Midco Limited and a majority of its direct and indirect subsidiaries, including those of the Company.

17 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Regent Bidco Limited, a company incorporated in England and Wales.

The Company's ultimate parent company is Parkdean Resorts Topco Limited, a company incorporated in England and Wales. The largest and smallest group in which the results of the Company are consolidated is that headed by Parkdean Resorts Topco Limited. No other group financial statements include the results of the Company. The consolidated financial statements of the Group are publicly available and may be obtained from the address given in note 1.

18 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the 9 months ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 April 2014.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Notes (continued)

18 Explanation of transition to FRS 101 *(continued)*

Reconciliation of equity	*Note*	1 April 2014 UK GAAP £000	Effect of transition to FRS 101 £000	**FRS 101 £000**	31 December 2014 UK GAAP £000	Effect of transition to FRS 101 £000	**FRS 101 £000**
Fixed assets							
Intangible fixed assets		3,238	-	**3,238**	-	-	-
Tangible fixed assets		8,411	-	**8,411**	18,593	-	**18,593**
		11,649	-	**11,649**	18,593	-	**18,593**
Non-current assets							
Amounts owed by Group undertakings	*(a)*	-	-	-	405	(405)	-
Current assets							
Stocks		34	-	**34**	16	-	**16**
Trade debtors		1,224	-	**1,224**	1,287	-	**1,287**
Amounts owed by Group undertakings	*(a)*	-	-	-	-	405	**405**
Prepayments and accrued income		242	-	**242**	151	-	**151**
Cash at bank and in hand		2,102	-	**2,102**	1,115	-	**1,115**
		3,602	-	**3,602**	2,569	405	**2,974**
Creditors: amounts due within one year							
Bank Loans		(16,083)	-	**(16,083)**	-	-	-
Trade creditors		(298)	-	**(298)**	(85)	-	**(85)**
Amounts owed to Group undertakings	*(a)*	-	-	-	-	(14,396)	**(14,396)**
Taxation and social security		(13)	-	**(13)**	(392)	-	**(392)**
Corporation tax		(2)	-	**(2)**	(226)	-	**(226)**
Other creditors		(67)	-	**(67)**	-	-	-
Accruals and deferred income		(2,770)	-	**(2,770)**	(2,507)	-	**(2,507)**
		(19,233)	-	**(19,233)**	(3,210)	(14,396)	**(17,606)**
Net current liabilities		(15,631)	-	**(15,631)**	(641)	(13,991)	**(14,632)**
Creditors: amounts due after more than year							
Amounts owed to Group undertakings	*(a)*	-	-	-	(14,396)	14,396	-
Provisions for liabilities							
Deferred tax liability	*(b)*	-	-	-	(42)	(2,337)	**(2,379)**
Net (liabilities)/assets		(3,982)	-	**(3,982)**	3,919	(2,337)	**1,582**
Capital and reserves							
Called up share capital		-	-	-	-	-	
Share premium account		6,112	-	**6,112**	6,112	-	**6,112**
Revaluation reserve		-	-	-	10,342	(2,337)	**8,005**
Profit and loss account	*(b)*	(10,094)	-	**(10,094)**	(12,535)	-	**(12,535)**
Shareholder's equity		(3,982)	-	**(3,982)**	3,919	(2,337)	**1,582**

a) Reclassification of intercompany balances to current as payable / receivable on demand.

b) Under old UK GAAP deferred taxation was provided on timing differences, but with certain exemptions such as on revaluations. Under FRS 101 a temporary difference approach is used and as a result deferred tax must be recognised on previous revaluations.

Notes (continued)

18 Explanation of transition to FRS 101 *(continued)*

Reconciliation of profit & loss for comparative period

		9 month period ended 31 December 2014		
	Note	UK GAAP £000	Effect of transition to FRS101 £000	**FRS 101 £000**
Turnover		3,103	-	**3,103**
Cost of sales		(603)	-	**(603)**
Gross profit		2,500	-	**2,500**
Administrative expenses	*(a)*	(5,658)	-	**(5,658)**
Other operating income		1,429		**1,429**
Operating loss		(1,729)	-	**(1,729)**
Interest receivable and similar income		1	-	**1**
Interest payable and similar charges		(447)	-	**(447)**
Loss on ordinary activities before taxation		(2,175)	-	**(2,175)**
Taxation		(298)	-	**(298)**
Loss for the year		(2,473)	-	**(2,473)**
Other comprehensive loss				
Income tax on items that will not be reclassified to profit or loss	*(b)*	-	(2,337)	**(2,337)**
Total comprehensive loss for the year		(2,473)	(2,337)	**(4,810)**

Notes to the reconciliation of profit & loss

a) Under FRS 101 goodwill is not amortised. £407,000 of amortisation charged in the prior year has therefore been reversed. However goodwill was fully written off at the year end and so an extra £407,000 debit was charged to the profit and loss account. The net impact of these two adjustments is nil.

b) Under FRS 101, the deferred tax is recognised on temporary timing differences. The revaluation undertaken on acquisition of £10,374,000 recognised in the OCI and £1,311,000 on land and buildings recognised in the income statement gives rise to the deferred tax charge above.