R

Financial Statements Bryanston Kenmore Manor Park Limited

For the year ended 31 March 2014

Registered number: 05935553

Company Information

Directors	G M L'Estrange Gillon J R Elton
Registered number	05935553
Registered office	64 Great Suffolk Street London SE1 0BL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

Contents

Directors' Report
For the year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors' responsibilities statement

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £2,410,817 (2013 - loss £929,548).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

G M L'Estrange Gillon
J R Elton

Disclosure of information to auditor

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

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

Directors' Report

For the year ended 31 March 2014

Directors' and officers' liability insurance

During the year the company maintained liability insurance for its directors. This provision, which is a qualifying third party indemnity provision as defined by Section 233 of the Companies Act 2006, was in force throughout the year and is currently in force.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....

G M L'Estrange Gillon
Director

Date: 30 July 2014

Strategic Report
For the year ended 31 March 2014

Introduction

The directors present their strategic report for the year ended 31 March 2014.

Business review

The principal activities of the company during the year were those in connection with the operation of a holiday park known as "Manor Park Holiday Village" in Hunstanton, Norfolk.

An arrangement whereby the Park is managed by Park Resorts was introduced in 2010 and has continued throughout the year under review. This has enabled the Park to access management expertise and purchasing power of a significant and respected operator of holiday resorts in the UK, as well as benefitting from association with such a well known brand.

There is still a significant debt owed to National Asset Loan Management Limited (to whom the previous Anglo Irish loans were transferred in 2010). National Asset Loan Management Limited has remained supportive of the business and continues to allow it to trade in accordance with agreed budgets and terms. The directors believe that either this arrangement will continue for the foreseeable future, or there will be an orderly disposal of the company to another owner which will allow National Asset Loan Management Limited to end its involvement. As referred to elsewhere in these accounts negotiations for such an event are currently at an advanced stage.

Trading at the Park throughout 2014 was as expected and reflected the economic conditions, with steadily strengthening caravan sales and continued good demand for holidays. The business has continued to generate positive EBITDA throughout 2014 and this is anticipated to continue. The directors are pleased to report further strengthening performance in the current financial year as the economy continues to recover.

Principal risks and uncertainties

Commercial

The company faces a number of commercial risks which are in keeping with other businesses in the holiday park and leisure sector. The directors see the key ones as being:

- economic conditions affecting consumers' disposable incomes and their ability to obtain finance;
- major external events like the foot and mouth outbreak affecting the UK holiday trade;
- health and safety issues on the park, which are regularly monitored; and
- the ability to attract and retain the right number and quality of staff.

In addition, there is currently significant uncertainty with regards to continued availability of external capital for the company as referred to elsewhere.

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the short term requirements of the business. In the longer term, there remains significant uncertainty over the continuing availability of the company's financing facilities as referred to elsewhere in the financial statements.

Strategic Report (continued)
For the year ended 31 March 2014

Credit risk
Credit checks are made for customers, and in most cases the company ensures that for major sales, like caravans, debts are settled before or at the time of delivery. The company has some exposure to credit risk under arrangements with external finance providers to buy back caravans in cases where the individual borrower defaults, but this exposure is mitigated by the right to sell the caravan and full provision is made in these financial statements for the estimated residual exposure based on default history.

Interest rate and liquidity risk
The company is subject to interest rate risk as it has significant borrowings on which interest charges are linked to floating LIBOR rates and it does not currently undertake any hedging activities. The interest rate has remained fairly stable during the accounting period and the directors remain satisfied that this will be the case for the foreseeable future.

Currency risk
Virtually all sales and purchases are transacted in Sterling, and the company therefore has no foreign exchange risk.

Financial key performance indicators

During the year under review, the company generated a turnover of £3.83m (18 months to 31 March 2013: £4.81m), and an EBITDA loss of £0.34m (2013: profit £2.23m). Pre exceptional costs and one off restructuring items EBITDA was £2.16m (2013: £2.23m).

This report was approved by the board on 30 July 2014 and signed on its behalf.

....
G M L'Estrange Gillon
Director

Grant Thornton

Independent Auditor's Report to the Member of Bryanston Kenmore Manor Park Limited

We have audited the financial statements of Bryanston Kenmore Manor Park Limited for the year ended 31 March 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member 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, 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/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Grant Thornton

Independent Auditor's Report to the Member of Bryanston Kenmore Manor Park Limited

Emphasis of matter - going concern and tax enquiry

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the financial statements concerning the company's ability to continue as a going concern and the existence of an ongoing tax enquiry.

The company is dependent on the continuing availability of external borrowings. The company is in default on these facilities such that they are repayable on demand. The directors are confident that either a transaction will take place imminently whereby the current funder will be replaced by private equity, or, failing that, the facilities will not be called in and will continue to be made available by the current provider under the current arrangements. This matter indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

In addition, the company is currently the subject of an enquiry into its tax affairs by HMRC. Whilst the directors are defending the company's position, the range of possible outcomes is material and at present no amounts have been provided in these financial statements. More details about both these uncertainties are given in notes 2 and 8 to the financial statements.

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.

Grant Thornton UK LLP

Anders Rasmussen
Senior Statutory Auditor
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Norwich

30 July 2014

Profit and Loss Account
For the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Turnover	1,3	**3,831,160**	4,809,331
Cost of sales		**(865,053)**	(1,100,769)
Gross profit		**2,966,107**	3,708,562
Administrative expenses (including exceptional costs of £2,483,397 (2013: £Nil))		**(6,511,242)**	(5,912,654)
Other operating income	4	**1,655,067**	2,143,251
Operating loss	5	**(1,890,068)**	(60,841)
Interest receivable and similar income		**5,859**	2,576
Interest payable and similar charges	7	**(525,448)**	(871,283)
Loss on ordinary activities before taxation		**(2,409,657)**	(929,548)
Tax on loss on ordinary activities	8	**(1,160)**	-
Loss for the financial period	18	**(2,410,817)**	(929,548)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

Balance Sheet
As at 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	9		**3,238,220**		4,459,663
Tangible assets	10		**8,411,276**		8,548,785
			11,649,496		13,008,448
Current assets					
Stocks	11	**34,365**		35,146	
Debtors	12	**1,465,924**		2,544,435	
Cash at bank		**2,101,661**		1,511,692	
		3,601,950		4,091,273	
Creditors: amounts falling due within one year	13	**(19,232,872)**		(18,670,330)	
Net current liabilities			**(15,630,922)**		(14,579,057)
Net liabilities			**(3,981,426)**		(1,570,609)
Capital and reserves					
Called up share capital	17		**3**		3
Share premium account	18		**6,111,934**		6,111,934
Profit and loss account	18		**(10,093,363)**		(7,682,546)
Shareholders' deficit	19		**(3,981,426)**		(1,570,609)

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

....
G M L'Estrange Gillon
Director

Date: 30 July 2014

The notes on pages 9 to 20 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The accounts have been prepared on the going concern basis. Note 2 gives more detail as to why the directors have concluded that the going concern basis is appropriate for the preparation of the financial statements.

1.3 Cash flow

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

1.4 Turnover

Rental and similar income is recognised in the period to which it relates. Holiday income is recognised on the first day of the holiday.

The company receives commission on caravan sales under a concession agreement with Park Resorts Limited. Caravan commissions are recognised at the point at which the full caravan sale value is paid and the customer takes delivery of the caravan. This income is presented under "other operating income" in the profit and loss account.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	10% straight line

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	4% - 10% straight line
Plant & machinery	-	10% - 20% straight line
Motor vehicles	-	25% straight line
Equipment	-	15% straight line

Freehold land is not depreciated.

Notes to the Financial Statements
For the year ended 31 March 2014

1. Accounting Policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

• provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

• deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the Financial Statements

For the year ended 31 March 2014

2. Going concern

The financial statements have been prepared on the going concern basis. The directors have fully considered a number of material uncertainties with regards to the appropriateness of this. A summary of both the key relevant facts and the reasons for the directors' conclusions is as follows.

Following a restructure in 2010, the company and its fellow operating company, Bryanston Kenmore Southview Limited (together referred to hereafter as "the opcos") have continued to operate their respective parks under a management agreement with Park Resorts. This arrangement had been put in place by the directors on behalf of Anglo Irish, the predecessor to National Asset Loan Management Limited ("NALM"), with whom the opcos have substantial loans outstanding. The opcos have been in default on these facilities for sometime and as such are repayable on demand. The opcos have operated for the past few years on the basis that provided the directors continued to cooperate with the various requirements set out as part of the above arrangement, NALM would continue to allow trade and other creditors of the two businesses to be paid out of cash flow in line with agreed budgets and forecasts. It was always NALM's stated aim to realise an orderly sale of all the assets under its control, and in the case of the opcos, NALM made it clear that this would preferably be as a going concern.

Over the past year or so values for businesses like those operated by the opcos have recovered and at the start of the current financial year NALM requested that the directors commence a process to identify parties who might be interested in acquiring the two opcos as going concerns. Following this process, negotiations are now at an advanced stage with a reputable independent private equity fund, and the directors expect this transaction to complete immediately after these financial statements are signed. As part of the transaction, the private equity fund will take ownership of the opcos, will replace NALM as the opcos' funder, and it will continue to operate the two parks in conjunction with an established park operator who already knows the businesses well. Both parks continue to operate in line with budget, and generate sufficient cash from normal activities to sustain working capital requirements. The private equity fund has confirmed to the directors that they will continue to allow the opcos to retain such cash as they may require to fund working capital.

In the unlikely event that the above transaction fails to complete, the directors conclude that the position of the opcos would simply revert to that they were in previously, namely operating the parks as going concerns under the terms of the arrangements with NALM described above. However, there is uncertainty in that the directors cannot be certain that the transaction will complete, and NALM have never provided any formal confirmation as to how long the existing arrangements will continue should it not do so.

Based on the above, the directors, after making enquiries, and having fully considered all the material uncertainties in question, have concluded that they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Notes to the Financial Statements
For the year ended 31 March 2014

3. Turnover

The turnover and loss before tax are attributable to the principal activities of the company.

An analysis of turnover is given below:

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Holiday park operations	**3,831,160**	4,809,331

All turnover arose within the United Kingdom.

4. Other operating income

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Other operating income	**1,655,067**	2,143,251

Other operating income relates to commission on caravan sales made as agent under a concession agreement.

Notes to the Financial Statements

For the year ended 31 March 2014

5. Operating loss

The operating loss is stated after charging:

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Amortisation - intangible fixed assets	**1,221,443**	1,832,167
Depreciation of tangible fixed assets:		
- owned by the company	**327,267**	467,478
Auditor's remuneration	**12,500**	12,500
Loss on disposal of fixed assets	**8,663**	1,981
Provision against balance due from fellow subsidiary undertaking	**2,483,397**	-

During the year, no director received any emoluments (2013 - £NIL). Consultancy payments made to Bluebird Capital Partners LLP, which includes fees for directors services, are disclosed under related party transactions at note 21.

6. Particulars of employees

Staff costs were as follows:

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Wages and salaries	**789,608**	1,160,995
Social security costs	**40,682**	61,038
	830,290	1,222,033

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 March 2014 No.	18 months ended 31 March 2013 No.
Administration	**4**	4
Management	**7**	6
Operations	**39**	34
	50	44

Notes to the Financial Statements

For the year ended 31 March 2014

7. Interest payable

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Interest payable on bank borrowing	**525,448**	871,283

8. Taxation

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Analysis of tax charge in the year/period		
UK corporation tax charge on loss for the year/period	**1,172**	-
Adjustments in respect of prior periods	**(12)**	-
Tax on loss on ordinary activities	**1,160**	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 20% (2013 - 24%). The differences are explained below:

	Year ended 31 March 2014 £	18 months ended 31 March 2013 £
Loss on ordinary activities before tax	**(2,409,657)**	(929,548)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 24%)	**(481,931)**	(223,092)
Effects of:		
Expenses not deductible for tax purposes	**495,319**	18,332
Differences between capital allowances and depreciation	**49,120**	19,107
Unrelieved tax losses	**(61,336)**	184,651
Adjustments to tax charge in respect of prior periods	**(12)**	-
Group relief	**-**	1,002
Current tax charge for the year/period (see note above)	**1,160**	-

Notes to the Financial Statements

For the year ended 31 March 2014

8. Taxation (continued)

Factors that may affect future tax charges

Subject to the UK tax authority's agreement, the company has tax losses of approximately £4,990,000 (2013 - £5,297,000) available for carry forward and offset against future taxable profits arising from the same trade together with fixed asset timing differences of approximately £275,000 (2013 - (£339,000)). The company has a potential deferred tax asset of £943,000 (2013 - £1,141,030), which has not been recognised as it is not regarded as more likely than not that there will be sufficient taxable profits from which the tax losses can be deducted.

Effective from 1 April 2014, the main rate of UK corporation tax will reduce from 23% to 21% and a further reduction in the main rate of UK corporation tax from to 20% will take place with effect from 1 April 2015. Both these rates became substantively enacted on 2 July 2013.

The company is currently the subject of an enquiry from HM Revenue & Customs regarding the tax deductibility of the amortisation of purchased goodwill and the directors are defending the company's position. Depending on the outcome of the enquiry, this may affect the level of tax losses available for carry forward and could result in tax being payable in respect of this period and earlier periods. As the enquiry is still on going the directors are unable to quantify the impact on the financial statements for the year ended 31 March 2014. More details are given in note 16.

9. Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2013 and 31 March 2014	**12,214,434**
Amortisation	
At 1 April 2013	**7,754,771**
Charge for the year	**1,221,443**
At 31 March 2014	**8,976,214**
Net book value	
At 31 March 2014	**3,238,220**
At 31 March 2013	4,459,663

Notes to the Financial Statements
For the year ended 31 March 2014

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2013	8,583,474	1,210,991	34,856	9,829,321
Additions	-	190,715	16,590	207,305
Disposals	-	(49,206)	-	(49,206)
At 31 March 2014	8,583,474	1,352,500	51,446	9,987,420
Depreciation				
At 1 April 2013	761,852	491,903	26,781	1,280,536
Charge for the year	123,535	196,860	6,872	327,267
On disposals	-	(31,659)	-	(31,659)
At 31 March 2014	885,387	657,104	33,653	1,576,144
Net book value				
At 31 March 2014	7,698,087	695,396	17,793	8,411,276
At 31 March 2013	7,821,622	719,088	8,075	8,548,785

Freehold property includes land at a cost of £6,300,000 (2013: £6,300,000) which is not depreciated.

11. Stocks

	2014 £	2013 £
Finished goods	34,365	35,146

12. Debtors

	2014 £	2013 £
Trade debtors	81,927	21,579
Amounts owed by group undertakings (note 22)	-	1,374,694
Other debtors	1,141,798	921,630
Prepayments and accrued income	242,199	226,532
	1,465,924	2,544,435

Notes to the Financial Statements
For the year ended 31 March 2014

13. Creditors:
Amounts falling due within one year

	2014	2013
	£	£
Bank loans	**16,083,390**	15,972,750
Trade creditors	**297,779**	255,465
Corporation tax	**1,172**	12
Other taxation and social security	**13,063**	10,662
Other creditors	**67,770**	15,702
Accruals and deferred income	**2,769,698**	2,415,739
	19,232,872	18,670,330

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	31 March 2014	31 March 2013
	£	£
Bank loans (note 15)	**16,083,390**	15,972,750

Notes to the Financial Statements

For the year ended 31 March 2014

14. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	31 March 2014	31 March 2013
	£	£
Amounts repayable (note 14) in one year or less or on demand	**16,083,390**	15,972,750

All the above amounts are loans payable to NALM as referred to elsewhere. The loans are secured by a debenture and by way of a fixed and floating charge over the assets of the company, and a cross guarantee with fellow subsidiary Bryanston Kenmore Southview Limited. The loans are also secured on the company's shares.

The amount referred to above attracts interest at a margin of 2.75% above LIBOR. The company is in default across a number of terms of the facility and the debt therefore remains repayable on demand.

As part of the financial restructuring referred to elsewhere, the company is committed to pay an exit fee to NALM, with an element also due to Park Resorts. The amount payable varies depending on exit value achieved, with a maximum payable of £15million. This is partly secured, and is jointly payable by the company and its fellow subsidiary Bryanston Kenmore Southview Limited. The fee is payable on the earlier of the repayment of the loan, or the sale of the company or of the company's holiday park. However, NALM have also agreed that the company will only be required to pay the exit fee to the extent that it and its fellow subsidiary have funds to do so after having paid their loan balances in full, and that in the event of only partial or non-payment in these circumstances the contractual commitment will expire. On this basis, the directors have estimated that the likely amount payable based on the company's current circumstances will be zero, and accordingly have not made any provision in these accounts for the exit fee.

15. Deferred taxation

The company has an estimated deferred tax asset calculated at 20% (2013: 23%) amounting to £1,009,000 (2013: £1,141,030), for which no provision has been made in these financial statements due to uncertainty concerning its recovery. The unprovided asset is made up as follows:

	31 March 2014	31 March 2013
	£	£
Tax losses available	**998,000**	1,219,000
Differences between depreciation and capital allowances	**(55,000)**	(77,970)
Total	**943,000**	1,141,030

Notes to the Financial Statements

For the year ended 31 March 2014

16. Contingent liabilities

The company has provided a cross guarantee in respect of the borrowings of its fellow subsidiary undertaking, Bryanston Kenmore Southview Limited, under the terms of bank finance provided to both companies. At 31 March 2014 Bryanston Kenmore Southview Limited had total borrowings subject to this guarantee amounting to £34,994,156 (2013: £36,775,438).

The company has some exposure to credit risk under the concession agreement for arrangements with external finance providers to buy back caravans in cases where the individual borrower defaults, but this exposure is mitigated by the right to sell the caravan and full provision is made in these financial statements for the estimated residual exposure based on default history.

The company has a potential commitment to pay additional fees to NALM under certain circumstances as referred to in note 14.

The company is currently the subject of an enquiry from HM Revenue & Customs in respect of the valuation of purchased goodwill relating to the original acquisition of the park and hence the tax deductibility of the amortisation and impairment of that goodwill. The directors are defending the company's position and correspondence with HMRC is ongoing. Depending on the outcome of the enquiry, this may affect the level of tax losses available for carry forward and could result in tax being payable in respect of this period and earlier periods. The HMRC current position is that the value of separable purchased goodwill at the time of the acquisition was zero. Were this to be the final outcome the directors estimate the financial impact would be that corporation tax of c£1million would be payable in respect of accounting periods up to FY2014 and in addition there would be interest as well as possible penalties payable. As the enquiry is still on going and the directors intend to rigorously defend the company's position they have not provided any amounts in these financial statements in relation to potential underpaid tax or interest or penalties.

17. Share capital

	2014	2013
	£	£
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
3 (2013: 3 ordinary shares of £1 each	**3**	3

18. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 April 2013	**6,111,934**	**(7,682,546)**
Loss for the year		**(2,410,817)**
At 31 March 2014	**6,111,934**	**(10,093,363)**

Notes to the Financial Statements
For the year ended 31 March 2014

19. Reconciliation of movement in shareholders' deficit

	2014	2013
	£	£
Opening shareholders' deficit	**(1,570,609)**	(641,061)
Loss for the financial year/period	**(2,410,817)**	(929,548)
Closing shareholders' deficit	**(3,981,426)**	(1,570,609)

20. Ultimate parent undertaking and controlling party

At the period end, the immediate parent undertaking of the company was Eastern Parks Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking is EPL Holdco Limited, a company incorporated in the United Kingdom. Consolidated financial statements for EPL Holdco Limited are available from Companies House, Cardiff, CF4 3UZ.

At the year end the shares of EPL Holdco Limited were owned by J R Elton and G M L'Estrange Gillon, directors of the company.

21. Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 (revised) whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

Directors
During the period there was a management agreement in place with Bluebird Capital Partners LLP in which J R Elton and G M L'Estrange Gillon are partners. Fees paid to Bluebird Capital Partners LLP in the period amounted to £Nil (2013: £Nil). £56,788 (2013: £63,120) was recharged from Bryanston Kenmore Southview Limited which represented the company's share.