Company Registration No. 6061765

Dome Holdings Limited

Report and Financial Statements

For the year ended 31 March 2010

Dome Holdings Limited

Contents

Dome Holdings Limited

Officers and professional advisers

Directors

David Vaughan
Robert Sewell
Alan Castledine
Brad Altberger
Daniel Cavanagh
Jeremy Sharman

Secretary

T&H Secretarial Services (Park Resorts) Limited

Registered Office

Sceptre Court
40 Tower Hill
London
EC3N 4DX

Bankers

Bank of Scotland
London Chief Office
PO Box 54873
London
SW1Y 5WX

Solicitors

Trowers & Hamlins
Sceptre Court
40 Tower Hill
London
EC3N 4DX

Auditors

Deloitte LLP
Chartered Accountants
Birmingham
United Kingdom

Dome Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements on behalf of the group for the year ended 31 March 2010

Principal activities

The principal activity of the group is the operation of holiday parks generating revenue from the provision of holiday accommodation, the sale of holiday homes and from the associated retail and services income which is expected to continue going forward The individual company acts as a holding company for the group

The main trading activities of the group take place through Park Resorts Limited, a group company The group operates 37 holiday parks, which are each located in prime coastal locations The parks provide over 19,000 holiday home and tourer pitches and a comprehensive range of leisure facilities including swimming pools, clubs and entertainment complexes

Business review

Within the prevailing economic climate market conditions were mixed, with an increased demand for domestic holidays benefiting tariff sales but the continued pressure on high value expenditure items limited the recovery in caravan sales Nevertheless, following on from the change in management of the business at the end of 2008 there was a significant year on year improvement in the group's performance throughout the 2009/10 financial year

The turnover for the group increased by 15% during the year, primarily due to increases in caravan sales (23%), tariff sales (17%) and retail income (18%)

Earnings before interest tax, depreciation, amortisation and exceptional items rose by 82% compared with 2009 (from £14 579 000 to £26,604,000) This was due to the above turnover gains and improved percentage margins thereon The group also incurred £4 528,000 of exceptional costs due to the expenditure related to the reorganisation of the group's debt (2009 £4 421,000 of reorganisation expenditure plus goodwill impairment of £50,215 000)

In October 2009 the bank debt and loan note structure was renegotiated and subsequently reorganised The specific details of this are described within the Borrowing facilities and liquidity section below It has provided the group with a sound base for the future development of the business and has already permitted the group to increase capital investment, which this year was £13,522 000 (2009 6 782,000) As well as routine replacement expenditure the main elements were hire fleet replacements and additions plus a wide range of park improvements

Trading for the first three months of the financial year ending 31 March 2011 has been encouraging when compared with last year with an increase in holiday revenue and steady caravan sales

Results and dividends

The group's results for the year comprised turnover of £154 505,000 (2009 £134,884,000), an operating profit before depreciation amortisation exceptional items interest and tax of £26 604 000 (2009 £14,579 000) and a loss after interest and tax of £40.204 000 (2009 £100 591,000)

The exceptional costs amounting to £4,528,000 (2009 £54,636,000) primarily relate to costs associated with restructuring the group's debt

The group had net assets employed of £347 909 000 as at 31 March 2010 (2009 £416,998 000)

The directors do not recommend the payment of an ordinary share dividend (2009 nil)

Dome Holdings Limited

Directors' report (continued)

Borrowing facilities and liquidity

In October 2009 the bank debt structure of the Dome Holdings Limited group was renegotiated and subsequently reorganised The bank debt of £306,207 000 in Dome Propco Limited and £18,120 000 in Dome Bidco Limited both of which are group companies, was consolidated into a single facility expiring in 2014 Consequently the assets of the group will be pooled delivering an equal security package to all lenders Under the previous arrangement the Dome Propco Limited lenders held security over the land on which the group operates while the security of the lenders to Dome Bidco Limited was the other operating assets

Additionally, a new super senior debt facility of £25,000 000 has been created to provide additional liquidity permitting increased capital expenditure within the business

Finally, as part of the reorganisation of the group's banking facilities the amount of shareholder debt within the group has been significantly reduced by converting it into preference shares

Going concern

The group s business activities and the factors likely to affect its future development, performance and position are set out in the Business review above The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the Borrowing facilities and liquidity section above

Following the successful completion of the restructuring of the group s borrowing facilities the directors are of the opinion that the group's forecasts and projections taking account of reasonably possible changes in trading performance show that the group should be able to operate within its borrowing facilities and comply with banking covenants

The group is subject to a number of risks and uncertainties which arise as a result of the current economic environment In determining that the group is a going concern these risks which are described in the Principal risks and uncertainties section, have been considered by the directors

After reviewing the financial projections and facilities available the directors consider that the group has adequate resources to continue in operational existence for the next 12 months and the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Principal risks and uncertainties

The principal risk to the business is if there is a further deterioration in the underlying economic climate in the United Kingdom However tariff volumes have improved and caravan sales have been steady during 2010 so there is currently no indication of any further deterioration having a detrimental effect on the business

The group s activities expose it to a number of financial risks including credit risk interest rate risk and liquidity risk The group s activities do not expose it to significant commodity price risk

Credit risk

The group s principal financial assets are bank balances and cash trade debtors and other receivables The group s credit risk is primarily attributable to trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables The group has no significant concentration of credit risk with exposure spread over a large range of customers The credit risk of liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies

Interest rate risk

The group's exposure to interest rate risk is managed by the use of interest rate swaps which cover the term of the external loans

Dome Holdings Limited

Directors' report (continued)

Liquidity risk

The group s ultimate parent undertaking and subsidiaries have arranged long and short term debt facilities in order to ensure sufficient funds are available for ongoing operations and future developments The ability of the group to operate within these facilities and comply with the associated covenants is described above

Directors

The directors who held office during the year and subsequently were as follows

Brad Altberger
Alan Castledine
Robert Sewell
David Vaughan
Mark Tagliaferri (resigned 18 December 2009)
Daniel Cavanagh (appointed 18 December 2009)
Jeremy Sharman (appointed 16 April 2010)

Employees

The group 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 group 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

Political and charitable contributions

The group made no political contributions during the year (2009 £nil) Donations to UK charities amounted to £1,573 (2009 £911) All donations were to local charities in areas that the group operates in

Auditors

Each of the persons who are a director at the date of approval of this report confirms that

(1) So far as the director is aware there is no relevant audit information of which the company's auditors are unaware and

(2) The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company s auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006 A resolution to reappoint Deloitte LLP Auditors as the company s auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

David Vaughan
Director

Dome Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and 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,
- state whether applicable UK Accounting Standards have been followed, 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 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

Independent auditors' report to the members of Dome Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Dome Holdings Limited for the year ended 31 March 2010 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets the consolidated cash flow statement, the notes to the consolidated cash flow statement and the related notes 1 to 25 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company s members those matters we are required to state to them in an auditors 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 auditors

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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company s circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Jane Whitlock (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham United Kingdom
24 July 2010

Dome Holdings Limited

Consolidated profit and loss account
Year ended 31 March 2010

	Note	2010 £'000	2009 £'000
Turnover	2	154,505	134,884
Cost of sales		(59 504)	(52,624)
Gross profit		95,001	82,260
Total administrative expenses		(82 300)	(134,499)
Other operating income		52	-
Operating profit/(loss)		12,753	(52 239)
Operating profit before depreciation amortisation & exceptional costs		26,604	14,579
Depreciation	3	(8,385)	(8,459)
Amortisation of goodwill	3	(938)	(3,723)
Exceptional costs	3	(4 528)	(54 636)
Operating profit/(loss)		12 753	(52,239)
Interest receivable and similar income	6	43	243
Interest payable and similar charges	7	(53,000)	(48,552)
Loss on ordinary activities before taxation	3	(40,204)	(100,548)
Tax on loss on ordinary activities	8	-	(43)
Loss on ordinary activities after taxation being the retained loss for the financial year		(40 204)	(100,591)

All activities are derived from continuing operations

The company has no recognised gains or losses other than the loss for the current and prior periods accordingly no statement of total recognised gains and losses is presented

Dome Holdings Limited

Consolidated balance sheet
31 March 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	10	15,964	16,902
Tangible assets	11	430 921	428,396
		446 885	445 298
Current assets			
Stocks	13	12 724	10 353
Debtors	14	14,112	12,250
Short-term investments		2	22
Cash at bank and in hand		5 227	13 454
		32 065	36 079
Creditors: amounts falling due within one year	15	(128 315)	(60 875)
Net current liabilities		(96 250)	(24,796)
Total assets less current liabilities		350,635	420,502
Provisions for liabilities	18	(2,726)	(3,504)
Net assets employed		347 909	416 998
Financed by			
Creditors amount falling due after more than 1 year	16	513 611	542 496
Called up share capital	19	1 917	1 917
Profit and loss account	20	(167,619)	(127,415)
Total financing		347 909	416,998

The financial statements of Dome Holdings Limited registered number 6061765, were approved by the Board of Directors and authorised for issue on 29th July 2010

Signed on behalf of the Board of Directors

David Vaughan
Director

Dome Holdings Limited

Company balance sheet
31 March 2010

	Note	2010 £'000	2009 £'000
Fixed Assets			
Investments	12	-	-
Current assets			
Debtors (due after more than one year)	14	174,843	173,707
Short term investments		-	21
Cash at bank and in hand		-	1 980
		174,843	175 708
Creditors: amounts falling due within one year	15	(68,050)	-
Net current assets and total assets less current liabilities		106,793	175,708
Net assets employed		106 793	175 708
Financed by			
Creditors amounts falling due after more than one year	16	248,580	290,037
Called up share capital	19	1,917	1,917
Profit and loss account	20	(143,704)	(116,246)
Total financing		106,793	175,708

The financial statements of Dome Holdings Limited, registered number 6061765, were approved by the Board of Directors and authorised for issue on 29th JULY 2010

Signed on behalf of the Board of Directors

David Vaughan
Director

Dome Holdings Limited

Consolidated cash flow statement
Year ended 31 March 2010

	Note	2010 £'000	2009 £'000
Net cash inflow from operating activities	(i)	22,655	4,078
Returns on investments and servicing of finance	(ii)	(23,106)	(23 779)
Capital expenditure	(ii)	(10,785)	(5,743)
Cash outflow before management of liquid resources and financing		(11,236)	(25,444)
Management of liquid resources		20	10,627
Financing	(ii)	2,989	15,237
(Decrease)/ increase in cash in the year		(8 227)	420

Reconciliation of net cash flow to movement in net debt
Year ended 31 March 2010

	Note	2010 £'000	2009 £'000
(Decrease)/ increase in cash in the year		(8,227)	420
Cash inflow from increase in debt		(2,989)	(13,989)
Change in net debt resulting from cash flows		(11,216)	(13 569)
Preference share dividends and interest rolled up into debt		(27,458)	(22,869)
Amortisation of issue costs		(2,160)	(2,160)
Other non-cash movements		44	-
Movement in net debt in the year		(40,790)	(38 598)
Net debt at the start of the year		(537,105)	(498,507)
Net debt at the end of the year	(iii)	(577,895)	(537 105)

Dome Holdings Limited

Notes to the consolidated cash flow statement
Year ended 31 March 2010

(i) **Reconciliation of operating profit/(loss) to operating cash flows**

	2010 £'000	2009 £'000
Operating profit/(loss)	12,753	(52,239)
Depreciation and amortisation	9,323	12 182
Impairment charge	-	50,215
Profit on sale of tangible fixed assets	(125)	(25)
(Increase)/decrease in stocks	(2,371)	5 529
Increase in debtors	(1,862)	(1,090)
Increase/(decrease) in creditors	5,715	(12,122)
(Decrease)/increase in provisions	(778)	1 628
Net cash inflow from operating activities	22,655	4,078

(ii) **Analysis of cash flows**

	2010 £'000	2009 £'000
Returns on investments and servicing of financing		
Interest received	17	243
Interest paid	(23,123)	(24 022)
	(23,106)	(23,779)
Capital expenditure		
Purchase of tangible fixed assets	(13,522)	(6 782)
Sale of plant and machinery	2,737	1,039
	(10,785)	(5,743)

Dome Holdings Limited

Notes to the consolidated cash flow statement
Year ended 31 March 2010

(ii) **Analysis of cash flows (continued)**

	2010 £'000	2009 £'000
Financing		
Issue of ordinary share capital	-	314
(Repayment)/ issue of loan notes	(864)	31,379
Increase/ (repayment) of bank loans	3,853	(16,456)
	2 989	15,237

(iii) **Analysis of net debt**

	2009 £'000	Cash flow £'000	Other non cash movements £'000	2010 £'000
Cash in hand and at bank	(13,454)	8,227	-	(5 227)
Debt due after one year	501 904	9,973	1 734	513,611
Preference share dividends and interest rolled-up into debt	40,592	-	27,458	68 050
Debt due within one year	8,063	(6 984)	382	1 461
Net debt	537,105	11,216	29,574	577 895

The non-cash movement of £27 458,000 relates to rolled-up interest on loan notes and preference share dividends held by Dome Finance Sarl and current and former directors and management of the group The rolled-up interest on the loan note interest and preference share dividends are at a rate of 12% The directors have considered the circumstances when cash consideration for the loan notes and preference shares would be required and due to the priority of debt repayments, these amounts are not forecast to be paid within the next 12 months

The other non cash movements primarily relate to amortisation of issue costs

1. **Accounting policies**

The financial statements are prepared in accordance with applicable UK accounting standards The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding year

Going concern

The group s business activities and the factors likely to affect its future development, performance and position are set out in the Business review in the Directors' report The financial position of the group, its cash flows liquidity position and borrowing facilities are described in the Borrowing facilities and liquidity section in the Directors report

Following the successful completion of the restructuring of the group's borrowing facilities the directors are of the opinion that the group's forecasts and projections, taking account of reasonably possible changes in trading performance show that the group should be able to operate within its borrowing facilities and comply with banking covenants

The group is subject to a number of risks and uncertainties which arise as a result of the current economic environment In determining that the group is a going concern these risks, which are described in the Principal risks and uncertainties section, have been considered by the directors

After reviewing the financial projections and facilities available, the directors consider that the group has adequate resources to continue in operational existence for the next 12 months and the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings drawn up to 31 March each year 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

Balance sheet format

The group has amended the balance sheet presentation format of the consolidated and company balance sheets in the current year The effect of this is to present a total for net assets employed and present creditors falling due after more than one year below this in arriving at a total for total financing The change has been made because management consider creditors falling due after more than one year to be part of the long-term financing of the group

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life, which is 20 years Provision is made for any impairment

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative impact on the estimated cash flows of that asset All impairment losses are recognised in the profit and loss account An impairment loss in respect of goodwill is not reversed

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost or valuation less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows

Freehold buildings	-	15-50 years
Leasehold land and buildings	-	Shorter of the unexpired period of the lease or 50 years
Caravan fleet	-	10 years
Motor Vehicles	-	5 years
Fixtures and fittings	-	7 to 15 years
Plant and machinery	-	3 to 20 years

No depreciation is provided on freehold land

Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment

In the company balance sheet, for investments in subsidiaries acquired for consideration including the issues of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued Any premium is ignored

Short term investments

This is cash held in a bank account controlled by the group's lawyers This cash is payable to the group on demand providing there are no outstanding debts due

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

Stocks

Stocks are stated at the lower of cost and net realisable value Net realisable value is based on estimated selling price, less further costs expected to be incurred Provision is made for obsolete slow moving or defective items where required

Taxation

Current tax including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over being charged to tax only if and when the replacement assets are sold

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Group relief is applied across the group and in the current year payments between group companies will be made for the relief received

Other provisions

The group underwrites an element of finance arrangements entered into by customers in order to fund caravan purchases Amounts are provided to cover the expected value of future obligations under these arrangements

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 a signed third party finance agreement Owners' rents are recognised on a straight line basis over the 12 month year to which invoiced amounts relate Hiring and touring income is recognised in full upon commencement of the holidays Retail and other income are recognised at the point of sale

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

Financial guarantee contracts

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

Classification of financial instruments issued by the group

Following the adoption of FRS 25, 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 on 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 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 equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy The finance cost on the financial liability component is correspondingly higher over the life of the instrument

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, are dealt with as appropriations in the reconciliation of movements in shareholders funds

Dome Holdings Limited
Notes to the financial statements (continued)
Year ended 31 March 2010

1 **Accounting policies (continued)**

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including premiums payable on settlement or redemption and direct issue costs are accounted for on an accrual basis in profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year to which they arise

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements The group does not hold or issue derivative instruments for speculative purposes

2 **Segmental information**

All group turnovers were derived from the company's principal activity All operations occurred within the United Kingdom

3 **Loss on ordinary activities before taxation**

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation is stated after charging/ (crediting)		
Depreciation and other amounts written off tangible fixed assets	8,385	8,459
Profit on disposal of tangible fixed assets	(125)	(25)
Amortisation of goodwill	938	3,723
Amortisation of issue costs	2,160	2,160
Operating lease rentals		
- land and buildings	1,816	1,717
- other	167	166
Exceptional costs	4 528	54 636

Exceptional costs include costs associated with reorganizing the group s debt of £4 528,000 (2009 £4,421 000 of reorganisation expenditure plus goodwill impairment of £50,215,000)

The analysis of auditors' remuneration is as follows.	2010 £'000	2009 £'000
Fees payable to the company s auditors for the audit of the company s financial statements	21	21
Fees payable to the company's auditor and their associates for other services to the group		
- The audit of the company's subsidiaries pursuant to legislation	140	102
- Other services	4	5

Auditors remuneration is borne by a fellow subsidiary undertaking and is not recharged to the relevant group company

Dome Holdings Limited
Notes to the financial statements (continued)
Year ended 31 March 2010

4 Staff numbers and costs

	2010	2009
Average number of persons employed (including directors)	**Number**	**Number**
Group		
Directors	5	5
Permanent	633	622
Seasonal	1 013	903
	1 651	1,530

	2010	2009
	£'000	**£'000**
Staff costs during the year (including directors)		
Wages and salaries	27,363	24,732
Social security costs	2,225	2,102
Other pension costs	-	21
	29 588	26,855

There are no employees of the individual company

The group operates defined contribution retirement benefit schemes for all qualifying employees of its subsidiary, Park Resorts Ltd The assets of the schemes are held separately from those of the Group in funds under the control of trustees Where there are employees who leave the schemes prior to vesting fully in the contributions the contributions payable by the Group are reduced by the amount of forfeited contributions

The total cost of £701 (2009 £21 000) represents contributions payable to these schemes by the group at rates specified in the rules of the plans As at 31 March 2010 contributions of £nil (2009 £2 000) due in respect of the current reporting period had not been paid over to the schemes

5 Remuneration of directors

	2010	2009
	£'000	**£'000**
Group		
Directors' emoluments	342	639
Compensation for loss of office	-	400
	342	1 039

The aggregate of emoluments and amounts receivable of the highest paid director was £168,000 (2009 £243 000) No pension contributions were made by the group in respect of the highest paid director

No directors have benefited from contributions into a defined contribution scheme during the year (2009 £nil)

Of the other three directors who served in the year none performed any services on behalf of the group for which remuneration was earned Accordingly they are not included in the analysis above

Company

The company had no employees other than directors who do not receive any remuneration for services in respect of this company

Dome Holdings Limited
Notes to the financial statements (continued)
Year ended 31 March 2010

6 Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest receivable and similar income	43	243

7. Interest payable and similar charges

	2010 £'000	2009 £'000
Bank loans and overdrafts	23,382	23 523
Other loans	27 458	22 869
Amortisation of issue costs	2,160	2,160
	53,000	48 552

8. Tax on loss on ordinary activities

a) **Analysis of credit in the year**	2010 £'000	2009 £'000
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	-	43
Total current tax	-	43
Deferred tax		
Origination and reversal of timing differences	-	-
Total tax on loss on ordinary activities	-	43

8. Tax on loss on ordinary activities (continued)

b) Factors affecting the current tax charge

The current tax charge for the year is different from the standard rate of corporation tax in the UK The differences are explained below

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	(40 204)	(100 548)
Current tax credit at 28%	(11 257)	(28,153)
Effects of		
Income not chargeable to corporation tax	(314)	(143)
Expenses not deductible for tax purposes	8 667	402
Depreciation in excess of capital allowances for the year	1,719	1,792
Movements in other timing differences	202	-
Depreciation on non-qualifying items	-	576
Adjustment to prior year tax	-	(43)
Goodwill write down not subject to corporation tax	-	14,060
Unrelieved tax losses carried forward	983	11,552
Group current tax charge for year	-	43

Deferred tax assets of £6,778,000 in respect of tax losses have not been recognised on the grounds that there is insufficient evidence that the asset will be recovered The asset would be recovered if Park Resorts Limited a group company, generated suitable net taxable income in future periods

Deferred tax assets of £10 716 000 in respect of decelerated capital allowances and £763,000 in respect of other timing differences have not been recognised on the grounds that there is insufficient evidence that the assets will be recoverable The assets would be recovered if the group generates suitable taxable profits in future periods

In June 2010, the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 27% with effect from 1 April 2011 This legislation was substantively enacted on 21 July 2010 The effective tax rate for the period to 31 March 2011 will reduce accordingly

9 Loss of parent company

As permitted by S408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts The parent company's loss for the financial year amounted to £27 458 000 (2009 £98 504 000)

Dome Holdings Limited
Notes to the financial statements (continued)
Year ended 31 March 2010

10. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 April 2009 and at 31March 2010	74,640
Amortisation	
At 31 March 2009	(57 738)
Charged in year	(938)
At 31 March 2010	(58 676)
Net book value	
At 31 March 2009	16,902
At 31 March 2010	15,964

The purchased goodwill is being amortised over a period of 20 years This estimated economic life takes account of the value to the group of the continuing investment of the Park Resorts brand and the greater benefits derived from operating a portfolio of holiday parks

11. Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Hire Fleet £'000	Motor Vehicles £'000	Fixtures and Fittings £'000	Plant and Machinery £'000	Total £'000
Cost							
At 1 April 2009	387 572	15 654	13,705	353	4 546	20,192	442,022
Additions	2,418	160	5,711	61	483	4,689	13 522
Disposals	(350)	-	(4,988)	(43)	(29)	(95)	(5,505)
At 31 March 2010	389,640	15 814	14 428	371	5 000	24 786	450 039
Accumulated depreciation							
At 1 April 2009	3,547	356	1 792	134	1 122	6 675	13 626
Charge for year	1 941	180	2 372	81	633	3,178	8 385
Disposals	(17)	-	(2,743)	(36)	(9)	(88)	(2,893)
At 31 March 2010	5,471	536	1,421	179	1 746	9,765	19 118
Net book value							
At 31 March 2009	384 025	15,298	11 913	219	3 424	13 517	428,396
At 31 March 2010	384,169	15,278	13 007	192	3 254	15 021	430 921

Included in freehold land and buildings is land with a value of £309 998,000 (2009 £309 998,000) which is not depreciated

Company

The company held no tangible fixed assets during either period

Dome Holdings Limited
Notes to the financial statements (continued)
Year ended 31 March 2010

12 Investments

Company	Shares in group undertakings £'000
At 1 April 2009 and 31 March 2010	-

Details of subsidiary undertakings, which have all been included in the consolidated results, are as follows

Subsidiary undertakings	Principal Activity	Class of share	Percentage of shares held Group	Company
Dome Bidco Limited	Investment	Ordinary	-	100%
Dome Opco Limited	Dormant	Ordinary	-	100%
Skipsea Sands Holiday Park Limited	Dormant	Ordinary	100%	-
Dome Structureco Limited	Intermediate holding company	Ordinary	100%	-
Dome Propco Limited	Provision of assets	Ordinary	100%	-
Park Resorts Group Limited	Dormant	Ordinary	100%	-
Beach Finance Bond Limited	Dormant	Ordinary	100%	-
Beach Mezzanine Limited	Dormant	Ordinary	100%	-
GB Holiday Parks (Holdings) Limited	Dormant	Ordinary	100%	-
Park Resorts Holdings Limited	Dormant	Ordinary	100%	-
GB Holiday Parks Limited	Operation of holiday parks	Ordinary	100%	-
Church Point (Leisure) Limited	Dormant	Ordinary	100%	-
Park Resorts Limited	Operation of holiday parks	Ordinary	100%	-
Park Resorts UK Limited	Dormant	Ordinary	100%	-
Park Resorts Transport Limited	Provision of transport services	Ordinary	100%	-
Valley Farm Camping Ground Limited	Dormant	Ordinary	100%	-

13 Stocks

Group	2010 £'000	2009 £'000
Stock of caravans held for resale	11,494	9 068
Goods for resale	1 230	1 285
	12,724	10 353

There is no material difference between the balance sheet value of stocks and their replacement cost

14 Debtors

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Amounts due within one year				
Trade debtors	10 996	-	9 388	-
Prepayments and accrued income	3 116	-	2 862	-
	14 112	-	12 250	-

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Amounts due after more than one year				
Amounts owed by group undertakings	-	174,843	-	173 707

15 Creditors: amounts falling due within one year

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Bank loans	1,461	-	8,063	-
Payments received on account	32,933	-	30 585	-
Trade creditors	10,933	-	10,231	-
Taxation and social security	81	-	417	-
Accruals	14,857	-	11 579	-
Preference share dividends	68,050	68 050	-	-
	128,315	68,050	60,875	-

16. Creditors amounts falling due after more than one year

	Repayable within	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Bank loans	1 – 2 years	-	-	5 591	-
	2 – 5 years	324,928	-	23 373	-
	> 5 years	-	-	283 392	-
Preference shares	>5 years	164 988	164 988	-	-
Loan notes	> 5 years	23 695	23 695	230 140	230,140
Amounts due to group undertakings		-	59,897	-	59 897
		513,611	248 580	542 496	290 037

The interest payable on loans is an aggregate measure calculated with reference to a contracted loan margin (ranging from 1 15% - 4 5%) depending on the facility and the LIBOR rate relevant to the interest year The bank loans held in Dome Bidco Limited a group company which total £335,027 000 (2009 £23,075 000) gross of issue costs, are repayable in full in April 2014

During the financial year the group has successfully completed a reorganisation of its debt details of which are provided in the Directors report

Loan notes and preference shares are held by Dome Finance Sarl and management The loan notes have a zero interest rate and are redeemable in either 2016 or 2018 The preference shares are redeemable fixed rate 12% cumulative non -voting shares The company shall seek to redeem all the issued preference shares by no later than 31 March 2017 The borrowings are secured on assets of a certain subsidiary undertaking

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

The group has entered into three interest rate swaps to manage its exposure to interest rate movements on its bank loans The swaps were entered into on 19 March 2007 21 June 2007 and 8 October 2007 The fair value liability of the swaps at the balance sheet date were £38,107,345, £2 230,049 and £2,213,286 respectively, which were based on a bank valuation and are not included at fair value in the financial statements The interest rate swaps contract with principal amounts of £288,121,209, £22,000 000 and £16,523 366 respectively, and have fixed interest payments at rates ranging from 5 53% to 5 6% for years up until 2014 and have floating rate receipts at LIBOR

17 **Borrowings**

	2010 Group £'000	2010 Company £'000	2009 Group £'000	2009 Company £'000
Preference shares	233,038	233,039	-	-
Bank loans	326 389	-	320,419	-
Loan notes	23 695	23,695	230 140	230,140
	583 122	256 734	550,559	230 140
The maturity of the above amounts is as follows -				
In one year or less or on demand	69.511	68,050	8 063	-
In more than one year but not more than five years	324,928	-	28,964	-
In more than five years	188 683	188,684	513.532	230 140
	583,122	256,734	550 559	230 140

18 **Provisions for liabilities**

	Refinancing provision £'000	Buyback provision £'000	Total £'000
Group			
At beginning of year	1,525	1,979	3,504
Charged in the year	404	1.589	1,993
Utilised in the year	(1.525)	(1 246)	(2 771)
At end of year	404	2 322	2 726

The buyback provision is the estimated cost of buyback agreements on finance arrangements and is based on the historical level of repossessions Finance agreements are for an average period of 7 years

The refinancing provision is for the exceptional costs which have been incurred in the year to 31 March 2010 The details of these exceptional costs are provided in the Directors Report

Company

The company has no provisions for liabilities

19 Called up share capital

	Group and company 2010 £'000	Group and company 2009 £'000
Authorised·		
10.000 000 Ordinary Class A Shares of £1 each	10,000	10 000
2,200.000 Ordinary Class B Shares of £0 01 each	22	22
204 354 Deferred Ordinary B Shares of £0 01 each	2	2
	10,024	10 024

Called up, allotted and fully paid	Group and company 2010 £'000	Group and company 2009 £'000
1,895 482 Ordinary Class A Shares of £1 each	1 895	1,895
2 001,985 Ordinary Class B Shares of £0 01 each	20	20
204,354 Deferred Ordinary B Shares of £0 01 each	2	2
	1 917	1 917

The rights of the classes of shares are

(i) Income – The profits available for distribution are distributed firstly to the Preference shareholders and then to the A Ordinary shareholders up to a threshold amount Thereafter the distribution is to the B Ordinary share holders A deferred share shall have no right to receive any distribution or dividend

(ii) Voting – At a general meeting of the Group on a show of hands every A and B Ordinary shareholder shall have one vote for every ordinary share they hold A deferred share shall have no right to vote

New preference shares have been issued as part of the reorganisation of the group's debt the details of which are provided in the Directors report

20 Statement of reserves and reconciliation of shareholders' deficit

Group	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	1 603	(26.824)	(25,221)
Issue of shares – Ordinary A Shares	314	-	314
Issue of shares – Ordinary B Shares	2	-	2
Shares bought back and cancelled	(2)	-	(2)
Loss for the financial year	-	(100,591)	(100 591)
At 31 March 2009	1 917	(127 415)	(125 498)
Loss for the financial year	-	(40 204)	(40,204)
At 31 March 2010	1,917	(167,619)	(165,702)

20. Statement of reserves and reconciliation of shareholders' deficit (continued)

Company	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	1,603	(17 742)	(16,139)
Issue of shares – Ordinary A Shares	314	-	314
Issue of shares – Ordinary B Shares	2	-	2
Shares bought back and cancelled	(2)	-	(2)
Loss for the financial year	-	(98 504)	(98 504)
At 31 March 2009	1 917	(116,246)	(114 329)
Loss for the financial year	-	(27,458)	(27 458)
At 31 March 2010	1 917	(143 704)	(141 787)

21. Commitments

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

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
Contracted	149	-	244	-

The capital commitments are primarily electrical upgrades, building and pool refurbishments road/street lighting improvements sound and light equipment plus gas pipe replacement

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

	Land and Buildings 2010 £'000	Other 2010 £'000	Land and buildings 2009 £'000	Other 2009 £,000
Group				
Operating leases which expire				
Within one year	26	141	26	22
Within two to five years	185	93	185	140
Over five years	1 723	-	1 620	-
	1,934	234	1 831	162

The company had no annual commitments at 31 March 2010 (2009 £nil)

22 Contingent liabilities

There are a number of claims for compensation lodged by customers against the company in respect of accidents and disputes at the parks It has been estimated that the maximum liability should the actions be successful is of the order of £172,000 (2009 £249 000)

23. Related party disclosures

The company is controlled by GI Partners Fund II LP Other than the loan notes held by GI Partners Fund II LP and GI Partners Side Fund II LP (indirectly) and management (directly), as disclosed in note 16 there are no loans from the ultimate controlling party or its associated companies or management at the year end, nor have there been at any time during the year There have been no loans to directors during the year under review There has been no trading with any other companies associated with GI Partners Fund II LP

During the year the group purchased and sold caravans at a market value for an aggregate sum of £12 279 and £95,000 respectively (2009 - £143,000 and £nil) from Golden Sands Holiday Camp (Rhyl) Ltd a company of which Mr D Vaughan and Mr R Sewell are shareholders and directors The debtor balance at 31 March 2010 was £509 (2009 £nil) and the creditor balance was £nil (2009 £nil)

24. Ultimate controlling party

The company is jointly owned by Dome Capital Sarl, a company registered in Luxembourg, and Dome Guarantee Limited, a company registered in Jersey The ultimate controlling party is GI Partners Fund II LP, a limited partnership established under the law of Delaware, USA Dome Holdings Limited is not consolidated at a higher level

25 Post balance sheet events

On 21 June 2010 loan notes totalling £2,499,999 were redeemed by current management