

## **Financial statements**

52 weeks ended 23 April 2015

### **Center Parcs (Holdings 1) Limited**

**Annual report and financial statements**

**For the 52 weeks ended 23 April 2015**

**Company registration number: 07656429**

## Financial statements

52 weeks ended 23 April 2015

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## **Financial statements**

52 weeks ended 23 April 2015

### **Directors and auditors**

#### **Directors**

M P Dalby  
P Inglett  
F Mawji-Karim  
M J Pegler  
A Valeri  
T Daguere-Lindback  
K Caplan

#### **Company Secretary**

R Singh-Dehal

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

#### **Registered office**

One Edison Rise  
New Ollerton  
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NG22 9DP

## Strategic report For the 52 weeks ended 23 April 2015

The Directors present their Strategic report on the Group for the 52 weeks ended 23 April 2015 (2014: 52 weeks ended 24 April 2014).

### Review of the Business

The principal activity of the Group is the operation of short break holiday villages, and the Center Parcs business operates four holiday villages in the United Kingdom, at Sherwood Forest in Nottinghamshire, Elveden Forest in Suffolk, Longleat Forest in Wiltshire and Whinfell Forest in Cumbria.

The results of the Group for the period show a profit of £21.0 million (2014: profit of £16.6 million). Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation, exceptional/non-underlying items and owners' costs (those costs payable to The Blackstone Group and associated entities) was £147.7 million (2014: £146.8 million). The Group has performed well in the 52 weeks ended 23 April 2015, with revenue and adjusted EBITDA growth despite the opening of the fifth UK Center Parcs village at Woburn (see below).

Exceptional/non-underlying items in the period consist of a £16.8 million gain on the revaluation of financial derivatives (note 13), a £4.3 million loss on the accelerated amortisation of unamortised deferred debt issue costs (note 13), costs of £6.3 million incurred as part of the Group's review of its strategic options (note 2) and the taxation thereon. There were no exceptional/non-underlying items in the prior period.

The fifth village at Woburn Forest in Bedfordshire was opened to the public by CP Woburn (Operating Company) Limited, a related party, on 6 June 2014.

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

The Group's holiday villages are set in a forest environment, typically 400-acres in size, and provide high quality accommodation in fully equipped villas, apartments and lodges which are set amongst trees and streams. Each village offers an extensive range of sports and leisure activities plus numerous restaurants, bars and retail outlets and a superb Aqua Sana spa facility. Woodland, water and a natural, healthy environment are the essential elements.

Center Parcs primarily targets families in the UK, who are open to considering good quality, value for money and convenient short break holidays within the UK. The unique Center Parcs proposition of an easily accessible UK 'escape' in a natural environment with a range of activities to appeal to all ages is very much in line with a number of current socio-economic trends such as concern for the environment, fuel costs, security worries and child wellbeing, and gives 'time-poor' parents an opportunity to spend valuable time with their friends and family.

The United Kingdom domestic holiday market is diverse and competitive and Center Parcs considers its main competitors to be high end self-catering cottage accommodation and leisure hotels/resorts although there are several smaller providers of lodges in rural retreats. However, there are still no direct competitors offering the single-site holiday village/resort to the level of quality and range of activities and facilities of Center Parcs. However, what is clear is that Center Parcs will need to continue to deliver innovation and communicate high quality and standards, reliability and good value for money for the family audience. As consumer expectations continue to rise Center Parcs will need to be in a position to exceed these expectations.

## Strategic report

### For the 52 weeks ended 23 April 2015 (continued)

#### Key performance indicators

The Directors use the following key performance indicators to set targets and measure performance:

- Revenue: Revenue for the period was £319.6 million (2014: £314.6 million).
- Adjusted EBITDA: Earnings before interest, taxation, depreciation, amortisation, exceptional/non-underlying items and owners' costs. Adjusted EBITDA for the period was £147.7 million (2014: £146.8 million).
- Occupancy: the average number of villas occupied as a percentage of the total number available. Occupancy for the period was 97.5% (2014: 97.2%).
- ADR (Average Daily Rate): the average daily rent (excluding VAT) achieved based on total rental income divided by the total number of villa nights sold. ADR for the period was £153.90 (2014: £153.67).
- RevPAL (Rent per available lodge night): the average daily rent (excluding VAT) achieved based on total rental income divided by the total available number of villa nights. RevPAL for the period was £150.01 (2014: £149.38).
- Net on-site spend per lodge night: On-site spend at Center Parcs-operated units and the income received from concession partners divided by the number of guest-occupied lodges during a period. Net on-site spend per lodge night for the period was £109.41 (2014: £106.21).

#### Going concern

The Directors have assessed the financial positions of the Group and the Company based upon the net current liabilities positions at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the accounts.

#### Principal risks and uncertainties

The Directors and senior managers adopt a proactive approach to the management of potential risks and uncertainties which could have a material impact on the performance of the business and execution of its growth strategy, and are actively involved in the Group's Risk Committee. In addition to ongoing monitoring, this Risk Committee meets quarterly to oversee risk management arrangements and ensure appropriate processes are put in place to mitigate potential risks and uncertainties. The Fire, Health and Safety Steering Committee also meets bi-monthly to oversee operational risks.

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and execution of its growth strategy. These risks include, but are not limited to:

#### Operational risk factors

##### *Health and safety*

The health, safety and welfare of the Group's guests and employees are central to its operations. The Group is committed to maintaining industry leading standards in health and safety including fire and food safety and adopts a proactive approach to its safety management. All incidents are recorded and reviewed to monitor trends and capture learning points that are then integrated into the business. The Fire, Health and Safety Steering Committee reviews major incidents and is focused on continuous improvement to mitigate the risk.

##### *Business continuity*

The Group operates four holiday villages in the United Kingdom and a significant interruption of any one would have a material impact on the Group. As a result, the Risk Committee supervises comprehensive risk management arrangements including business continuity plans which are regularly tested with the support of external specialists. These arrangements are supported by a broad insurance programme.

##### *Supply chain*

The Group has a large number of suppliers and prides itself on the quality of its product. The Group could be adversely affected by a fall in the standard of goods or services supplied by third parties or by a failure of a key partner. Quality risks are mitigated via a robust supplier registration system with food and safety further supported by independent advisors. In addition, the Risk Committee considers supply chain contingency arrangements and takes appropriate measures to mitigate this risk.

## Strategic report

### For the 52 weeks ended 23 April 2015 (continued)

#### Principal risks and uncertainties (continued)

##### *Contractual arrangements*

The Group has contracts with third parties for the supply of goods and services. Contracts are negotiated at arms' length and the Group does not enter into contracts that are outside the ordinary course of business or those that contain onerous terms. The Group adopts a compliance programme to ensure that it is compliant with its material contractual commitments. There is no single contractual counterparty that is critical to the running of the business. The failure of any critical contractual counterparty is managed through supply chain contingency arrangements (see Supply chain).

##### *Employees*

The Group's performance largely depends on its managers and staff, both on the villages and at head office. The resignation of key individuals or the inability to recruit staff with the right experience and skills could adversely impact the Group's results. To mitigate these issues the Group has invested in training programmes for its staff and has a number of bonus schemes linked to the Group's results and achievement against key performance indicators linked to guest satisfaction that are designed to reward and retain key individuals.

##### *Input price increases*

The Group's margin can be adversely affected by an increase in the price of key costs to the business including, but not limited to, wages, overheads and utilities. The Group takes proactive steps to manage any such increases including cost control, forward buying and budgeting for any increase.

##### *Brand*

The Center Parcs brand could be adversely affected by a serious incident, accident or similar occurrence or just a slow decline in the brand's appeal to consumers. The Group mitigates the risk of a serious incident, accident or similar occurrence by maintaining industry-leading health and safety systems and standards of training. The risk of a slow decline in the brand's appeal is managed through continuous product innovation, marketing campaigns and brand development.

##### *Fraud*

The Group operates four sites across the United Kingdom. Risk of fraud exists in misappropriation of assets, including banking, theft of stock and theft of cash takings. The Group mitigates this risk through the management structure and regular financial review with, and extensive use of, business systems. In addition, the Group's internal audit function undertakes regular reviews of financial controls with particular focus on cash and stock transactions. The Group is also subject to regular external audits.

#### Market risk factors

##### *General Economic conditions*

The disposable income of the Group's guests and/or their holiday preferences are and will be affected by changes in the general economic environment and this may result in a fall in the number of guests and/or a decrease in on-site expenditure. The Group regularly reviews its product offering and engages with guests to ensure it provides value for money to meet guest needs.

##### *Competition*

The Center Parcs brand is synonymous with high quality short breaks in a forest environment but the Group competes for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. The Directors believe that this risk is mitigated by the strength of the Center Parcs brand and the continual investment in the accommodation and central facilities (including retail and restaurants), coupled with the innovation amongst the leisure activities and the responsiveness to guest surveys.

##### *Seasonality and weather*

Demand for short breaks is influenced by the main holiday periods at Easter, the Summer holidays and the Christmas/New year period. This risk is mitigated by online dynamic pricing which encourages demand outside of the peak periods. The accommodation is located within forest environments and a significant number of activities take place outdoors. Therefore, demand may be impacted by the prevailing weather. This risk is minimal because guests tend not to book on impulse and the vast majority of breaks and activities are booked in advance. Additionally, the Group maintains diversity between its indoor and outdoor activities to mitigate this risk.

## Strategic report For the 52 weeks ended 23 April 2015 (continued)

### Principal risks and uncertainties (continued)

#### *Financial risks*

The Directors and senior managers regularly review the financial requirements of the Group and the associated risks. The Group does not use complicated financial instruments and where financial instruments are used they are used to reduce interest rate risk. The Group does not hold financial instruments for trading purposes. The Group finances its operations through a mixture of retained earnings and borrowings as required. Historically, the Group has sought to reduce its cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

#### *Interest rate risk*

Principal sources of borrowings are fixed interest rate loan notes.

#### *Liquidity risk*

The Group maintains sufficient levels of cash to enable it to meet its medium-term working capital and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

#### *Currency risk*

Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible the Group enters into supply contracts denominated in Sterling. The Group does not operate a hedging facility to manage currency risk as it is not considered to be material.

#### *Credit risk*

The Group's cash balances are held on deposit with a number of UK banking institutions. Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance.

#### *Financial reporting risk*

The Group's financial systems are required to process a large number of transactions securely and accurately; any weaknesses in the systems could result in the incorrect reporting of financial results and covenant compliance. This risk is mitigated by the production of detailed management accounts which are regularly compared to budgets and forecasts. The Group is also subject to an annual external audit.

By order of the board



M P Dalby  
Director  
3 June 2015

## Directors' report For the 52 weeks ended 23 April 2015

The Directors present their report and the audited consolidated financial statements for the 52 weeks ended 23 April 2015 (2014: 52 weeks ended 24 April 2014).

The registration number of the Company is 07656429.

### Future developments

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

### Dividends

The Directors have not proposed the payment of a dividend (2014: no dividends declared or paid).

### Directors

The Directors who served during the period and up to the date of this report, unless otherwise stated, were as follows:

A M Robinson	(resigned 2 June 2015)
M P Dalby	
P Inglett	
F Mawji-Karim	
M J Pegler	
P Stoll	(resigned 31 July 2014)
A Valeri	
T Daguere-Lindback	
K Caplan	(appointed 31 July 2014)

During the period and at the date of approval of these financial statements, the Group had in place Directors' and officers' insurance.

### Employees

The Group is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age or religion. Center Parcs is an inclusive employer and values diversity among its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

The Group has a practice of achieving common awareness of all employees in relation to financial and economic factors that affect the performance of the Group.

### Charitable and political donations

The Group made charitable donations of £143,975 during the period (2014: £101,691). No political donations were made in the current or prior period.



## Directors' report For the 52 weeks ended 23 April 2015 (continued)

### Statement of Directors' responsibilities in respect of 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 period. Under that law the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent; and
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

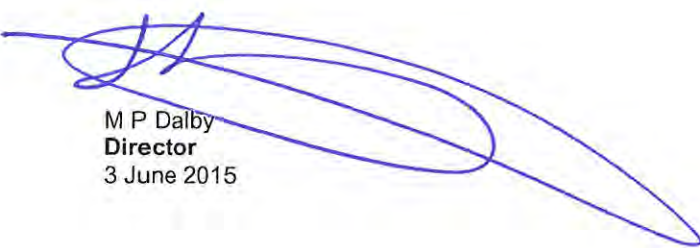
### Statement of disclosure of information to auditors

The Directors who held office at the date of this statement confirm that, so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware. Each Director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

By order of the board



M P Dalby  
Director  
3 June 2015

## Independent auditors' report to the members of Center Parcs (Holdings 1) Limited

### Report on the financial statements

#### *Our opinion*

In our opinion:

- Center Parcs (Holdings 1) Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 23 April 2015 and of the Group's profit and cash flows for the 52-week period (the "period") then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

#### *What we have audited*

Center Parcs (Holdings 1) Limited's financial statements comprise:

- The balance sheets as at 23 April 2015;
- The Group income statement and Group statement of comprehensive income for the period then ended;
- The Group cash flow statement for the period then ended;
- The statements of changes in equity for the period then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted in the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the Directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### *Adequacy of accounting records and information and explanations received*

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the Company, 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.

We have no exceptions to report arising from this responsibility.

#### *Directors' remuneration*

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## Independent auditors' report to the members of Center Parcs (Holdings 1) Limited (continued)

### Responsibilities for the financial statements and the audit

#### *Our responsibilities and those of the Directors*

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 7, 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) ("ISAs (UK & Ireland)". Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### *What an audit of financial statements involves*

We conducted our audit in accordance with ISAs (UK & Ireland). 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 Group and Company's circumstances and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the Directors;
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Smith (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
3 June 2015

## Group Income Statement

For the 52 weeks ended 23 April 2015

	Note	2015			2014 (as restated)		
		Before exceptional and non- underlying items £m	Exceptional and non- underlying items £m	Total £m	Before exceptional and non- underlying items £m	Exceptional and non- underlying items £m	Total £m
Revenue	2	319.6	-	319.6	314.6	-	314.6
Cost of sales		(86.5)	-	(86.5)	(84.3)	-	(84.3)
<b>Gross profit</b>		<b>233.1</b>	<b>-</b>	<b>233.1</b>	<b>230.3</b>	<b>-</b>	<b>230.3</b>
Administrative expenses		(85.4)	(6.3)	(91.7)	(83.5)	-	(83.5)
<b>Adjusted EBITDA</b>	2	<b>147.7</b>	<b>(6.3)</b>	<b>141.4</b>	<b>146.8</b>	<b>-</b>	<b>146.8</b>
Depreciation and amortisation		(32.6)	-	(32.6)	(31.0)	-	(31.0)
Owners' costs		(2.0)	-	(2.0)	(1.5)	-	(1.5)
Total administrative expenses		(120.0)	(6.3)	(126.3)	(116.0)	-	(116.0)
<b>Operating profit</b>	3	<b>113.1</b>	<b>(6.3)</b>	<b>106.8</b>	<b>114.3</b>	<b>-</b>	<b>114.3</b>
Movement in fair value of financial derivatives	13	-	16.8	16.8	-	-	-
Finance income	4	0.7	-	0.7	0.4	-	0.4
Finance expense	4	(96.5)	(4.3)	(100.8)	(94.1)	-	(94.1)
<b>Profit before taxation</b>		<b>17.3</b>	<b>6.2</b>	<b>23.5</b>	<b>20.6</b>	<b>-</b>	<b>20.6</b>
Taxation	5	0.1	(2.6)	(2.5)	(4.0)	-	(4.0)
<b>Profit for the period attributable to equity shareholders</b>		<b>17.4</b>	<b>3.6</b>	<b>21.0</b>	<b>16.6</b>	<b>-</b>	<b>16.6</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The loss for the parent company for the period was £11.1 million (2014: loss of £11.1 million).

All amounts relate to continuing activities.

Cost of sales and Administrative expenses have been restated for the 52 weeks ended 24 April 2014 in order to more accurately reflect the nature of expenses incurred by the Group. Total costs of £53.0 million have been transferred from Administrative expenses to Cost of sales, principally in respect of payroll costs. This restatement has no impact on Adjusted EBITDA or operating profit.

## Group Statement of Comprehensive Income

For the 52 weeks ended 23 April 2015

	Note	2015 £m	2014 £m
<b>Profit for the period</b>		<b>21.0</b>	<b>16.6</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations	22	(1.7)	0.6
<b>Other comprehensive income for the period</b>		<b>(1.7)</b>	<b>0.6</b>
Tax relating to components of other comprehensive income	15	0.3	(0.1)
<b>Total comprehensive income for the period</b>		<b>19.6</b>	<b>17.1</b>

The notes on pages 14 to 42 form part of these financial statements

## Balance Sheets

	Note	Group		Company	
		As at 23 April 2015 £m	As at 24 April 2014 £m	As at 23 April 2015 £m	As at 24 April 2014 £m
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	6	157.5	157.5	-	-
Other intangible assets	7	126.3	126.9	-	-
Property, plant and equipment	8	1,103.9	1,095.1	-	-
Investments in subsidiary undertakings	9	-	-	466.9	466.9
Deferred tax asset	15	14.1	15.1	-	-
		<b>1,401.8</b>	<b>1,394.6</b>	<b>466.9</b>	<b>466.9</b>
<b>Current assets</b>					
Inventories		2.8	2.9	-	-
Trade and other receivables	10	8.3	4.1	526.8	493.0
Current tax asset		4.3	3.1	-	-
Derivative financial instruments	13	16.8	-	-	-
Cash and cash equivalents		84.8	58.2	-	-
		<b>117.0</b>	<b>68.3</b>	<b>526.8</b>	<b>493.0</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings	13	(0.3)	(0.3)	-	-
Trade and other payables	11	(136.3)	(114.6)	(702.7)	(657.8)
		<b>(136.6)</b>	<b>(114.9)</b>	<b>(702.7)</b>	<b>(657.8)</b>
<b>Net current liabilities</b>					
		<b>(19.6)</b>	<b>(46.6)</b>	<b>(175.9)</b>	<b>(164.8)</b>
<b>Non-current liabilities</b>					
Borrowings	13	(1,002.7)	(995.3)	-	-
Trade and other payables	12	(119.7)	(113.1)	-	-
Retirement benefit obligations	22	(2.7)	(0.9)	-	-
Deferred tax liability	15	(111.6)	(112.8)	-	-
		<b>(1,236.7)</b>	<b>(1,222.1)</b>	<b>-</b>	<b>-</b>
		<b>145.5</b>	<b>125.9</b>	<b>291.0</b>	<b>302.1</b>
<b>Equity attributable to owners of the parent</b>					
Equity share capital	16	-	-	-	-
Share premium	17	-	-	-	-
Other reserve	17	10.0	10.0	126.1	126.1
Retained earnings	17	135.5	115.9	164.9	176.0
<b>Total equity</b>		<b>145.5</b>	<b>125.9</b>	<b>291.0</b>	<b>302.1</b>

The financial statements on pages 10 to 42 were approved by the Board of Directors on 3 June 2015 and were signed on its behalf by:



M P Dalby  
Director

The notes on pages 14 to 42 form part of these financial statements

## Group Cash Flow Statement

	Note	52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
<b>Cash flows from operating activities</b>			
Operating profit		106.8	114.3
Depreciation and amortisation		32.6	31.0
Working capital and non-cash movements	18	9.1	2.8
Difference between the pension charge and contributions		0.1	0.1
Corporation tax paid		(1.2)	(2.0)
<b>Net cash from operating activities</b>		<b>147.4</b>	<b>146.2</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(38.9)	(34.5)
Purchase of intangible assets		(2.5)	(2.4)
Sale of property, plant and equipment		0.2	0.2
<b>Net cash used in investing activities</b>		<b>(41.2)</b>	<b>(36.7)</b>
<b>Cash flows from financing activities</b>			
Interest received		0.7	0.4
Interest paid		(80.1)	(80.1)
Repayment of external borrowings		(0.2)	(0.3)
<b>Net cash used in financing activities</b>		<b>(79.6)</b>	<b>(80.0)</b>
Net increase in cash and cash equivalents		26.6	29.5
Cash and cash equivalents at beginning of the period		58.2	28.7
<b>Cash and cash equivalents at end of the period</b>		<b>84.8</b>	<b>58.2</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase in cash and cash equivalents</b>		<b>26.6</b>	<b>29.5</b>
Cash outflow from movement in debt		0.2	0.3
<b>Change in net debt resulting from cash flows</b>		<b>26.8</b>	<b>29.8</b>
Non-cash movements and deferred issue costs		(7.6)	(4.1)
<b>Movement in net debt in the period</b>		<b>19.2</b>	<b>25.7</b>
Net debt at beginning of the period		(937.4)	(963.1)
<b>Net debt at end of the period</b>	19	<b>(918.2)</b>	<b>(937.4)</b>

The Company had no cash flows in the current or prior period.

The notes on pages 14 to 42 form part of these financial statements.

## Statements of Changes in Equity

Group	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 24 April 2014	-	-	10.0	115.9	125.9
<b>Comprehensive income</b>					
Profit for the period	-	-	-	21.0	21.0
Other comprehensive income	-	-	-	(1.4)	(1.4)
<b>At 23 April 2015</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>135.5</b>	<b>145.5</b>

Group	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 25 April 2013	-	199.9	10.0	(101.1)	108.8
<b>Comprehensive income</b>					
Profit for the period	-	-	-	16.6	16.6
Other comprehensive income	-	-	-	0.5	0.5
<b>Transactions with owners</b>					
Capital reduction	-	(199.9)	-	199.9	-
<b>At 24 April 2014</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>115.9</b>	<b>125.9</b>

Company	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 24 April 2014	-	-	126.1	176.0	302.1
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(11.1)	(11.1)
<b>At 23 April 2015</b>	<b>-</b>	<b>-</b>	<b>126.1</b>	<b>164.9</b>	<b>291.0</b>

Company	Share capital £m	Share premium £m	Other reserve £m	Retained earnings £m	Total equity £m
At 25 April 2013	-	199.9	126.1	(12.8)	313.2
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(11.1)	(11.1)
<b>Transactions with owners</b>					
Capital reduction	-	(199.9)	-	199.9	-
<b>At 24 April 2014</b>	<b>-</b>	<b>-</b>	<b>126.1</b>	<b>176.0</b>	<b>302.1</b>

The notes on pages 14 to 42 form part of these financial statements.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015

### 1. Accounting policies

#### General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

#### Basis of preparation

These consolidated financial statements for the 52 weeks ended 23 April 2015 (2014: 52 weeks ended 24 April 2014) have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments and retirement benefit obligations. All accounting policies disclosed have been applied consistently to both periods presented.

The accounting reference date of Center Parcs (Holdings 1) Limited is 22 April.

#### Going concern

The Directors have assessed the financial positions of the Group and the Company in light of the net current liabilities positions at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

#### Basis of consolidation

On 28 February 2012 Center Parcs effected a corporate reorganisation under which Forest Holdco Limited and its subsidiary undertakings and CP Comet Holdings Limited and its subsidiary undertakings were combined into a single consolidated group headed by Center Parcs (Holdings 1) Limited. Before and after this reorganisation the entities were all under common control and hence the business combination was outside the scope of IFRS 3 'Business Combinations (revised)'.

The consolidated financial statements of Center Parcs (Holdings 1) Limited have been prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment results in differences on consolidation between consideration and the fair value of underlying net assets and this difference is included within equity as an other reserve.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the results of CPUK Finance Limited, a company set up with the sole purpose of issuing debt secured on assets owned by the Group. The Directors of Center Parcs (Holdings 1) Limited consider this company meets the definition of a structured entity under IFRS 10 'Consolidated financial statements' and hence for the purpose of the consolidated financial statements it has been treated as a subsidiary undertaking. Details of this company are provided in note 26.

#### Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are principally used in the following areas:

<i>Property, plant and equipment:</i>	Useful lives of assets and residual values (see accounting policy)
<i>Impairment test for goodwill:</i>	Growth and discount rates (note 6)
<i>Other intangible assets:</i>	Useful lives of assets and residual values (see accounting policy)
<i>Retirement benefits:</i>	Actuarial assumptions in respect of the defined benefit scheme (note 22)



## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### Revenue

Revenue relates to villa rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend. Non-rental income is recognised when the related product or service is provided. All revenue is recorded net of VAT.

Payment for villa rental income is received in advance of holidays commencing, and is recorded as 'payments on account' within Trade and other payables until the holiday commences.

A number of trading units on each holiday village are operated by concession partners. Revenue due in respect of such units is recognised on a periodic basis as it is invoiced to the concession partner.

All revenue arises in the United Kingdom.

#### Cost of sales

Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales.

#### Operating segments

The operating segments set out in note 2 to the consolidated financial statements are consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker has been identified as the Board of Directors.

#### Exceptional/non-underlying items

Exceptional/non-underlying items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance.

#### Goodwill

Goodwill arising on acquisitions is capitalised and represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets and liabilities acquired. Goodwill is not amortised but is instead tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

#### Other intangible assets

##### Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be four years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

##### Other purchased intangible assets

Other purchased intangible assets are capitalised at cost and are amortised over their useful economic lives. The Group's water boreholes are amortised on a straight-line basis over 13 years. The brand is not amortised as it is considered to have an indefinite life.

The water boreholes were transferred to property, plant and equipment during the period to better reflect the nature of the assets.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### Property, plant and equipment

Management chose the cost basis under IAS 16 'Property, plant and equipment', rather than to apply the alternative (revaluation) treatment to all items of property, plant and equipment as its ongoing accounting policy. The cost of property, plant and equipment includes directly attributable costs. The Group elected to apply the optional exemption of IFRS 1 'First-time adoption of International Financial Reporting Standards' and, as such, the carrying value of properties that were previously held at fair value was treated as deemed cost at the date of adoption of IFRS.

Depreciation is provided on the cost of all property, plant and equipment (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, using the following rates:

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

#### Maintenance expenditure

It is the policy of the Group to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

#### Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

#### Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

#### Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

#### Financial instruments

The Group classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

#### Investments

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

#### Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

#### Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

## Notes to the financial statements for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

#### **Early termination costs**

Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

#### **Derivative financial instruments**

The Group does not trade in derivative financial instruments. Derivative financial instruments have historically been used by the Group to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Group does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Government grants**

Government grants in respect of capital expenditure are categorised as accruals on receipt and are credited to the income statement over the useful life of the relevant property, plant and equipment. The government grant included in the balance sheet at the period end represents grants received to date, less the amount so far credited to the income statement.

#### **Provisions**

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

#### **Dividend distribution**

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### Employee benefits

##### *Pensions*

- Defined contribution pension scheme

Group employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are charged to the income statement as incurred.

- Defined benefit pension scheme

A funded senior management defined benefit pension scheme also exists. A defined benefit pension scheme is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus or liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds, which have terms to maturity approximating the terms of the related pension liability.

Past-service costs are recognised immediately in the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

##### *Profit-sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### *Holiday pay*

The Group recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

#### Other reserve

The other reserve in the consolidated financial statements represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction.

The other reserve in the Company financial statements represents the application of group reconstruction relief in accordance with section 612 of the Companies Act 2006, following the acquisition of certain subsidiaries in prior periods from fellow group companies.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 1. Accounting policies (continued)

#### New standards and interpretations

The following new accounting standards and interpretations are effective for the first time in the current period:

- A revision to IFRS 10 'Consolidated financial statements' in respect of investment entities.
- A revision to IFRS 12 'Disclosure of interests in other entities' in respect of investment entities.
- A revision to IAS 27 'Separate financial statements' in respect of investment entities.
- A revision to IAS 32 'Financial instruments: Presentation' in respect of offsetting assets and liabilities.
- IFRIC 21 'Levies'

These have not had a material impact on the financial statements of the Group and Company and are unlikely to have a material impact in the future.

The International Accounting Standards Board (IASB) and IFRIC have issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements. The IASB has also issued a number of minor amendments to standards as part of their annual improvement process.

IFRS 7	Financial instruments: Disclosures Mandatory effective date and transition disclosures (amendments to IFRS9 and IFRS7)	1 January 2015
IFRS 9	Financial instruments New accounting standard	1 January 2018
IFRS 10	Consolidated financial statements Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 11	Investment entities: Applying the Consolidation Exception	1 January 2016
IFRS 11	Joint Arrangements	1 January 2016
IFRS 12	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 12	Disclosure of Interests in Other Entities Investment entities: Applying the Consolidation Exception	1 January 2016
IFRS 14	Regulatory Deferral Accounts New accounting standard	1 January 2016
IFRS 15	Revenue from Contracts with Customers New accounting standard	1 January 2018
IAS 1	Presentation of Financial Statements Disclosure Initiative	1 January 2016
IAS 16	Property, Plant and Equipment Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 16	Agriculture: Bearer Plants	1 January 2016
IAS 27	Separate Financial Statements	1 January 2016
IAS 27	Equity Method in Separate Financial Statements	1 January 2016
IAS 28	Investments in Associates and Joint Ventures	1 January 2016
IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IAS 28	Investment entities: Applying the Consolidation Exception	1 January 2016
IAS 38	Intangible Assets Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. The Directors do not anticipate that the adoption of any other standards and interpretations listed above will have a material impact on the Group or Company's financial statements in the period of initial application, although the assessment is ongoing.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 2. Segmental reporting

	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Central Services £m	Group £m
<b>52 weeks ended 23 April 2015</b>						
Revenue	82.9	83.1	77.9	75.7	-	319.6
Adjusted EBITDA	45.6	43.8	39.9	38.3	(19.9)	147.7
Exceptional/non-underlying administrative expenses						(6.3)
Depreciation and amortisation						(32.6)
Owners' costs						(2.0)
<b>Operating profit</b>						<b>106.8</b>

	Sherwood Forest £m	Elveden Forest £m	Longleat Forest £m	Whinfell Forest £m	Central Services £m	Group £m
<b>52 weeks ended 24 April 2014</b>						
Revenue	81.0	83.2	76.6	73.8	-	314.6
Adjusted EBITDA	44.5	44.8	39.5	37.3	(19.3)	146.8
Depreciation and amortisation						(31.0)
Owners' costs						(1.5)
<b>Operating profit</b>						<b>114.3</b>

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, as defined by IFRS 8 'Operating Segments'. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The operating segments are the four holiday villages that the business operates. In addition there are certain centralised administrative costs that cannot be allocated directly to an operating segment.

The primary profit measure used by the Chief Operating Decision Maker is Adjusted EBITDA, being earnings before interest, taxation, depreciation, amortisation, exceptional/non-underlying items and owners' costs (those costs payable to The Blackstone Group and associated entities).

The internal reporting does not disaggregate the balance sheet to each operating segment.

The split of revenue by business stream was £186.8 million (2014: £186.0 million) for accommodation and £132.8 million (2014: £128.6 million) for on-site spend. The split of gross profit was £169.2 million (2014: £169.2 million) for accommodation and £63.9 million (2014: £61.1 million) for on-site spend.

Exceptional/non-underlying administrative expenses are costs incurred in respect of the Group's ongoing review of its strategic options.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 3. Operating profit

The following items have been included in arriving at the Group's operating profit:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs (note 21)	75.0	72.4
Cost of inventories	28.8	28.4
Depreciation of property, plant and equipment – owned assets (note 8)	30.6	28.8
Amortisation of intangible assets (note 7)	2.0	2.2
Operating lease rentals – land and buildings	0.8	0.6
Repairs and maintenance expenditure on property, plant and equipment	8.6	8.2
Services provided by the Group's auditors	1.6	0.2

During the period, the Group obtained the following services from the Group's auditors:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Charged to the income statement:</b>		
Audit of the parent company, subsidiary and consolidated financial statements	0.2	0.2
Tax advisory services	-	0.1
Corporate finance services	1.0	-
<b>Deferred costs in respect of the secured debt:</b>		
Corporate finance services	0.4	-
	1.6	0.3

The Directors monitor the level of non-audit work undertaken by the auditors and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity. The audit fee above includes £2,000 (2014: £2,000) for the audit of the parent company.

In addition to the above services, the Group's auditors act as auditor to the Center Parcs pension scheme. The appointment of auditors to the Group's pension scheme and fees paid in respect of those audits are agreed by the trustees of the scheme who act independently from the management of the Group. The aggregate fees paid to the auditors for these services during the period were £6,000 (2014: £5,000).

### 4. Net finance costs

	Group		Company	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m	£m	£m
<b>Finance expense</b>				
Interest payable on borrowings	(84.7)	(83.6)	-	-
Interest on unsecured loan notes	(11.1)	(10.1)	-	-
Interest payable to Group undertakings	-	-	(44.9)	(44.9)
Other interest and similar charges	(0.7)	(0.4)	-	-
Total finance expense before exceptional/non-underlying items	(96.5)	(94.1)	(44.9)	(44.9)
Accelerated amortisation of deferred issue costs (note 13)	(4.3)	-	-	-
Total finance expense	(100.8)	(94.1)	(44.9)	(44.9)
<b>Finance income</b>				
Bank interest receivable	0.7	0.4	-	-
Interest receivable from Group undertakings	-	-	33.8	33.8
Total finance income	0.7	0.4	33.8	33.8
<b>Net finance costs</b>	(100.1)	(93.7)	(11.1)	(11.1)

Interest payable on borrowings includes amortisation of deferred issue costs of £5.3 million (2014: £4.1 million).



## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 5. Taxation

#### (a) Taxation

The Group tax charge is made up as follows:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Current tax:</b>		
- Current year	(5.1)	(4.5)
- Adjustment in respect of prior periods	2.7	(1.4)
	(2.4)	(5.9)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(0.1)	1.9
<b>Taxation (note 5(b))</b>	<b>(2.5)</b>	<b>(4.0)</b>

The Company had a tax charge of £nil in the period (2014: £nil).

#### (b) Factors affecting the tax charge

##### Group

The tax assessed for the period is lower (2014: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Profit before taxation</b>	<b>23.5</b>	<b>20.6</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK	4.9	4.7
Adjustments in respect of prior periods	(3.0)	13.8
Permanent differences and expenses not deductible for tax purposes	2.2	2.0
Impact of change in corporation tax rate	-	(12.0)
Indexation on future capital gains	(0.7)	(2.5)
Brought forward losses not previously recognised	(0.9)	(2.0)
<b>Tax charge for the period (note 5(a))</b>	<b>2.5</b>	<b>4.0</b>

##### Company

The tax assessed for the period is higher (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The difference is reconciled below:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Loss before taxation</b>	<b>(11.1)</b>	<b>(11.1)</b>
Loss before taxation multiplied by the standard rate of corporation tax in the UK	(2.3)	(2.6)
Group relief not paid for	2.3	2.6
<b>Tax charge for the period (note 5(a))</b>	<b>-</b>	<b>-</b>

#### Change of corporation tax rate and factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 6. Goodwill

<b>Cost and net book value</b>	<b>Group £m</b>
At 23 April 2015, 24 April 2014 and 25 April 2013	<b>157.5</b>

#### Impairment test for goodwill

Goodwill is allocated to the Group's eight cash-generating units (CGUs), being the accommodation and on-site revenue streams at each of the four villages. Goodwill by revenue stream is presented below:

	2015 £m	2014 £m
Accommodation	141.8	141.8
On-site	15.7	15.7
	<b>157.5</b>	<b>157.5</b>

The Directors consider that the economic characteristics and future expectations are materially consistent across each of the villages within each revenue stream.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one year period. Cash flows beyond the one year period are extrapolated using the estimated growth rates stated below.

#### Key assumptions used for value-in-use calculations

The key assumptions of the value-in-use calculation are EBITDA margin, perpetual growth rate and discount rate for each of on-site and accommodation. The long-term growth rate used is 2.5% (2014: 2.5%) in respect of both accommodation and on-site. The discount rate used is 7.73% (2014: 7.73%) in respect of both accommodation and on-site.

Management determine budgeted EBITDA margins based on past performance and expectations of market development. The growth rates used reflect management's expectations of the future market. Discount rates used are pre-tax and reflect the specific risks to the Group.

Based on the value-in-use calculations performed, the Directors have concluded that there is no impairment of goodwill. The Directors have performed sensitivity analysis using the full range of reasonable assumptions and no impairment triggers have been identified.

The Company has no goodwill.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 7. Other intangible assets

Group	Software £m	Brand £m	Water boreholes £m	Total £m
<b>Cost</b>				
At 25 April 2014	10.6	121.2	3.2	135.0
Additions	2.5	-	-	2.5
Disposals	(2.8)	-	-	(2.8)
Reclassifications to property, plant and equipment	-	-	(3.2)	(3.2)
<b>At 23 April 2015</b>	<b>10.3</b>	<b>121.2</b>	<b>-</b>	<b>131.5</b>
<b>Amortisation</b>				
At 25 April 2014	6.2	-	1.9	8.1
Charge for the period	1.8	-	0.2	2.0
On disposals	(2.8)	-	-	(2.8)
On reclassifications to property, plant and equipment	-	-	(2.1)	(2.1)
<b>At 23 April 2015</b>	<b>5.2</b>	<b>-</b>	<b>-</b>	<b>5.2</b>
Net book amount at 24 April 2014	4.4	121.2	1.3	126.9
<b>Net book amount at 23 April 2015</b>	<b>5.1</b>	<b>121.2</b>	<b>-</b>	<b>126.3</b>

Group	Software £m	Brand £m	Water boreholes £m	Total £m
<b>Cost</b>				
At 26 April 2013	4.3	121.2	3.2	128.7
Additions	2.4	-	-	2.4
Disposals	(3.1)	-	-	(3.1)
Reclassifications from property, plant and equipment	7.0	-	-	7.0
<b>At 24 April 2014</b>	<b>10.6</b>	<b>121.2</b>	<b>3.2</b>	<b>135.0</b>
<b>Amortisation</b>				
At 26 April 2013	1.0	-	1.7	2.7
Charge for the period	2.0	-	0.2	2.2
On disposals	(3.1)	-	-	(3.1)
On reclassifications from property, plant and equipment	6.3	-	-	6.3
<b>At 24 April 2014</b>	<b>6.2</b>	<b>-</b>	<b>1.9</b>	<b>8.1</b>
Net book amount at 25 April 2013	3.3	121.2	1.5	126.0
<b>Net book amount at 24 April 2014</b>	<b>4.4</b>	<b>121.2</b>	<b>1.3</b>	<b>126.9</b>

The brand is considered to have an indefinite life due to the continued investment that is made in the guest facilities and the ongoing marketing campaigns of the business. An impairment review using the same assumptions as detailed in note 6 has been undertaken and no impairment was indicated (2014: £nil).

The Company has no other intangible assets.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 8. Property, plant and equipment

Group	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 25 April 2014	910.7	223.4	50.0	17.1	2.4	1,203.6
Additions	-	19.9	13.3	3.0	2.1	38.3
Disposals	-	-	(16.6)	(1.6)	-	(18.2)
Transfers	-	2.0	0.3	-	(2.3)	-
Reclassification of boreholes	3.2	-	-	-	-	3.2
<b>At 23 April 2015</b>	<b>913.9</b>	<b>245.3</b>	<b>47.0</b>	<b>18.5</b>	<b>2.2</b>	<b>1,226.9</b>
<b>Depreciation</b>						
At 25 April 2014	10.0	66.4	20.5	11.6	-	108.5
Charge for the period	1.5	15.6	11.7	1.8	-	30.6
On disposals	-	-	(16.6)	(1.6)	-	(18.2)
On reclassification of boreholes	2.1	-	-	-	-	2.1
<b>At 23 April 2015</b>	<b>13.6</b>	<b>82.0</b>	<b>15.6</b>	<b>11.8</b>	<b>-</b>	<b>123.0</b>
Net book amount at 24 April 2014	900.7	157.0	29.5	5.5	2.4	1,095.1
<b>Net book amount at 23 April 2015</b>	<b>900.3</b>	<b>163.3</b>	<b>31.4</b>	<b>6.7</b>	<b>2.2</b>	<b>1,103.9</b>

Group	Land and buildings £m	Installations £m	Fixtures and fittings £m	Motor vehicles and hardware £m	Assets in the course of construction £m	Total £m
<b>Cost</b>						
At 26 April 2013	910.7	204.1	52.2	19.4	0.4	1,186.8
Additions	-	22.7	8.1	4.1	2.3	37.2
Disposals	-	(0.1)	(10.4)	(2.9)	-	(13.4)
Transfers	-	2.7	0.1	-	(2.8)	-
Reclassifications to software	-	(6.0)	-	(3.5)	2.5	(7.0)
<b>At 24 April 2014</b>	<b>910.7</b>	<b>223.4</b>	<b>50.0</b>	<b>17.1</b>	<b>2.4</b>	<b>1,203.6</b>
<b>Depreciation</b>						
At 26 April 2013	8.5	55.7	21.3	13.9	-	99.4
Charge for the period	1.5	14.4	9.6	3.3	-	28.8
On disposals	-	(0.1)	(10.4)	(2.9)	-	(13.4)
On reclassifications to software	-	(3.6)	-	(2.7)	-	(6.3)
<b>At 24 April 2014</b>	<b>10.0</b>	<b>66.4</b>	<b>20.5</b>	<b>11.6</b>	<b>-</b>	<b>108.5</b>
Net book amount at 25 April 2013	902.2	148.4	30.9	5.5	0.4	1,087.4
<b>Net book amount at 24 April 2014</b>	<b>900.7</b>	<b>157.0</b>	<b>29.5</b>	<b>5.5</b>	<b>2.4</b>	<b>1,095.1</b>

The Company has no property, plant and equipment.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 9. Investments in subsidiary undertakings

Company	£m
<b>Cost and net book value</b>	
At 23 April 2015, 24 April 2014 and 25 April 2013	<b>466.9</b>

The investment at 23 April 2015 relates to 100% of the ordinary shares of Center Parcs (Holdings 2) Limited, a company registered in England and Wales. The principal activity of Center Parcs (Holdings 2) Limited is that of an intermediate holding company. Center Parcs (Holdings 2) Limited made a profit of £nil (2014: £nil) for the period ended 23 April 2015 and had net assets at that date of £466.9 million (2014: £466.9 million).

The Directors believe that the carrying value of investments is supported by the recoverable amount of the investee.

### 10. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
Amounts falling due within one year:	£m	£m	£m	£m
Trade receivables	2.6	2.3	-	-
Amounts owed by related parties	-	0.1	-	-
Amounts owed by Group undertakings	-	-	526.8	493.0
Prepayments and accrued income	5.7	1.7	-	-
	<b>8.3</b>	<b>4.1</b>	<b>526.8</b>	<b>493.0</b>

The fair value of trade and other receivables are equal to their book value and no impairment provisions have been made (2014: £nil). Concentrations of credit risk with respect to trade receivables are limited due to the vast majority of customers paying in advance. As such there are no amounts past due as all amounts are current (2014: £nil).

Amounts owed by related parties are interest-free, unsecured and repayable on demand.

Amounts owed by Group undertakings include loans totalling £422.7 million (2014: £422.7 million) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £33.8 million (2014: £33.8 million) was receivable during the period. The figure above is shown net of an interest-free payable of £2.2 million (2014: £2.2 million) in respect of normal trading activities.

All amounts owed by Group undertakings are unsecured and repayable on demand.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 11. Trade and other payables – current

	Group		Company	
	2015 £m	2014 £m	2015 £m	2014 £m
Trade payables	7.3	6.7	-	-
Other tax and social security	12.1	10.7	-	-
Other payables	1.2	0.9	-	-
Amounts owed to related parties	9.9	0.5	-	0.2
Amounts owed to Group undertakings	-	-	702.7	657.6
Accruals	45.8	40.8	-	-
Payments on account	60.0	55.0	-	-
	<b>136.3</b>	<b>114.6</b>	<b>702.7</b>	<b>657.8</b>

Amounts owed to Group undertakings include loans of £561.2 million (2014: £561.2 million) due to other members of the Center Parcs (Holdings 1) Limited Group and the associated unpaid interest. Interest is payable at a rate of 8% per annum and is not compounded. Interest of £44.9 million (2014: £44.9 million) was payable during the period. The figure above is shown net of an interest-free receivable of £0.2 million (2014: £0.4 million) in respect of normal trading activities.

At the year end there were other amounts owed to Group undertakings of £0.4 million (2014: £0.4 million). These balances are interest-free.

All amounts owed to related parties and Group undertakings are unsecured and repayable on demand.

### 12. Trade and other payables – non-current

	Group	
	2015 £m	2014 £m
Amounts owed to related parties	119.7	113.1

Of the total amounts owed to related parties, £119.7 million (2014: £108.6) represents £50.0 million of unsecured loan notes and the unpaid interest thereon. The loan notes are held by UK Parcs Holdings Sarl, a company registered in Luxembourg, and incur compound interest at a rate of 10% per annum. The loan notes are redeemable on 15 May 2016.

The remaining balance of £nil (2014: £4.5 million) represented a balance due to CP Woburn (Operating Company) Limited in respect of group relief surrendered to the Group by that company.

All amounts are unsecured and denominated in £ sterling.

The Company has no non-current trade and other payables.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 13. Borrowings

	Group	
	2015	2014
Current	£m	£m
Secured mortgage due within one year	0.3	0.3
<b>Non-current</b>		
	Group	2014
	2015	£m
	£m	£m
Secured mortgage	1.2	1.4
Securitised debt	1,001.5	993.9
	<b>1,002.7</b>	<b>995.3</b>

The Group has a mortgage secured over its head office which incurs interest at LIBOR plus 1.125% and matures in 2020. Annual repayments on this mortgage total £267,000. A one percentage point movement in interest rates would affect this interest charge by approximately £14,000 (2014: £17,000).

The securitised debt consists of the following:

	2015	2014
	£m	£m
Tranche A1	300.0	300.0
Tranche A2	440.0	440.0
Tranche B	280.0	280.0
Unamortised deferred issue costs	(18.5)	(26.1)
	<b>1,001.5</b>	<b>993.9</b>

The securitised debt represents a £1,020.0 million facility made available to the Group. The total facility was drawn down on 28 February 2012.

The tranche A1 notes had an expected maturity date of 28 February 2017 and a final maturity date of 28 February 2042. The interest rate to expected maturity was fixed at 4.811% and the interest rate from expected maturity to final maturity was fixed at 7.169%.

The tranche A2 notes have an expected maturity date of 28 February 2024 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.239% and the interest rate from expected maturity to final maturity is fixed at 7.919%.

The tranche B notes have an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. The interest rate to 28 February 2020 is fixed at 11.625% and the interest rate from 29 February 2020 to final maturity is fixed at 6.25%.

The tranche A1 notes were repaid, at the option of the Group, shortly after the financial year-end as set out in note 27; unamortised deferred issue costs relating to this tranche of the securitised debt of £4.3 million have been amortised on an accelerated basis to reflect this repayment profile. This accelerated amortisation has been classified as an exceptional/non-underlying finance expense in the income statement.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 13. Borrowings (continued)

The tranche B debt is subordinated to the tranche A debt. Both include optional prepayment clauses permitting the Group to repay the debt in advance of the expected maturity date. All tranches of debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

The option to repay the B debt prior to maturity is considered to be a derivative financial instrument with a fair value of £16.8 million (2014: £nil), such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The movement in the fair value has been recognised as an exceptional/non-underlying item in the income statement.

Interest of £11.8 million (2014: £12.0 million) was accrued in respect of the securitised debt at 23 April 2015.

The maturity of the Group's borrowings is as follows:

Group	Less than one year £m	Two to five years £m	Greater than five years £m	Deferred issue costs £m	Total £m
<b>At 23 April 2015</b>					
Secured mortgage	0.3	1.2	-	-	1.5
Securitised debt	-	580.0	440.0	(18.5)	1,001.5
<b>Total borrowings</b>	<b>0.3</b>	<b>581.2</b>	<b>440.0</b>	<b>(18.5)</b>	<b>1,003.0</b>
<b>At 24 April 2014</b>					
Secured mortgage	0.3	1.1	0.3	-	1.7
Securitised debt	-	580.0	440.0	(26.1)	993.9
<b>Total borrowings</b>	<b>0.3</b>	<b>581.1</b>	<b>440.3</b>	<b>(26.1)</b>	<b>995.6</b>

All amounts are denominated in £ sterling.

The Company has no borrowings.



## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 14. Financial instruments

#### Financial instruments by category

The accounting policies for financial instruments have been applied to the items below. As at 23 April 2015 and 24 April 2014 all of the Group's financial assets were categorised as loans and receivables, with the exception of derivative financial instruments which are carried at fair value through profit and loss. As at 23 April 2015 and 24 April 2014 all of the Group's financial liabilities were categorised as other financial liabilities.

Financial assets	Group	
	2015 £m	2014 £m
Trade receivables	2.6	2.3
Other receivables	-	0.1
Derivative financial instruments	16.8	-
Cash and cash equivalents	84.8	58.2
	<b>104.2</b>	<b>60.6</b>

Financial liabilities	Group	
	2015 £m	2014 £m
Borrowings	1,003.0	995.6
Trade payables	7.3	6.7
Accruals	45.8	40.8
Other payables due within one year	11.1	1.4
Other payables due after more than one year	119.7	113.1
	<b>1,186.9</b>	<b>1,157.6</b>

The only financial instruments held by the Company are other receivables of £526.8 million (2014: £493.0 million), which are categorised as loan and receivables, and other payables of £702.7 million (2014: £657.8 million) which are categorised as other financial liabilities.

#### Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Group's fair value measurements have been categorised as Level 2 and fair values are derived directly or indirectly from observable prices. There were no transfers between levels during the current or prior period.

#### Fair value of financial assets and financial liabilities

The fair value of the Group's securitised debt is:

	23 April 2015		24 April 2014	
	Book value	Fair value	Book value	Fair value
	£m	£m	£m	£m
Tranche A1	300.0	317.1	300.0	318.9
Tranche A2	440.0	580.7	440.0	541.1
Tranche B	280.0	315.0	280.0	313.6
	<b>1,020.0</b>	<b>1,212.8</b>	<b>1,020.0</b>	<b>1,173.6</b>

The fair value of all other financial assets and financial liabilities are approximately equal to their book values.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 14. Financial instruments (continued)

#### Maturity of financial liabilities

The non-discounted minimum future cash flows in respect of financial liabilities are:

	Unsecured loan notes £m	Securitised debt £m	Mortgage £m	Total £m
<b>At 23 April 2015</b>				
In less than one year	132.8	78.8	0.3	211.9
In two to five years	-	786.9	1.3	788.2
In more than five years	-	567.4	0.2	567.6
	<b>132.8</b>	<b>1,433.1</b>	<b>1.8</b>	<b>1,567.7</b>

	Unsecured loan notes £m	Securitised debt £m	Mortgage £m	Total £m
<b>At 24 April 2014</b>				
In less than one year	-	78.8	0.3	79.1
In two to five years	132.8	833.9	1.3	968.0
In more than five years	-	599.3	0.5	599.8
	<b>132.8</b>	<b>1,512.0</b>	<b>2.1</b>	<b>1,646.9</b>

The Company has no non-current financial liabilities.

#### Financial risk management

The Group finances its operations through a mixture of equity and borrowings as required. The Group has sought to reduce its cost of capital by refinancing and restructuring the Group's funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

The overall policy in respect of interest rates is to reduce the Group's exposure to interest rate fluctuations, and the Group's primary source of borrowings is fixed interest rate loan notes.

The Group does not actively trade in derivative financial instruments.

#### Interest rate risk

The Group has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 23 April 2015, 99% (24 April 2014: 99%) of the Group's external financial borrowings incurred interest at a fixed rate.

#### Liquidity risk

As at 23 April 2015, the Group held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Group's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

#### Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage currency risk as it is considered to be insignificant.

#### Credit risk

The Group borrows from well-established institutions with high credit ratings. The Group's cash balances are held on deposit with a number of UK banking institutions.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 15. Deferred tax

	Group 2015 £m	2014 £m
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after more than 12 months	14.1	15.1
	<b>14.1</b>	<b>15.1</b>
<b>Deferred tax liabilities</b>		
Deferred tax liabilities to be recovered after more than 12 months	(111.6)	(112.8)
	<b>(111.6)</b>	<b>(112.8)</b>

Forecasts agreed by the Directors indicate that the deferred tax assets will be utilised in the foreseeable future against taxable profits.

The movement on the deferred tax account is:

	Group 52 weeks ended 23 April 2015 £m	52 weeks ended 24 April 2014 £m
<b>At the beginning of the period</b>	<b>(97.7)</b>	<b>(99.5)</b>
(Charged)/credited to the income statement	(0.1)	1.9
Credited/(charged) to the statement of comprehensive income	0.3	(0.1)
<b>At the end of the period</b>	<b>(97.5)</b>	<b>(97.7)</b>

Group	Land and buildings £m	Accelerated capital allowances £m	Short-term timing differences £m	Pension £m	Intangible assets £m	Total £m
<b>At 25 April 2014</b>	(88.3)	12.6	2.3	0.2	(24.5)	(97.7)
Credited/(charged) to the income statement	1.2	(0.7)	(0.6)	-	-	(0.1)
Credited to the statement of comprehensive income	-	-	-	0.3	-	0.3
Transfer	(0.3)	-	-	-	0.3	-
<b>At 23 April 2015</b>	<b>(87.4)</b>	<b>11.9</b>	<b>1.7</b>	<b>0.5</b>	<b>(24.2)</b>	<b>(97.5)</b>

Group	Land and buildings £m	Accelerated capital allowances £m	Short-term timing differences £m	Pension £m	Intangible assets £m	Total £m
<b>At 26 April 2013</b>	(85.5)	11.1	2.8	0.3	(28.2)	(99.5)
(Charged)/credited to the income statement	(2.8)	1.5	(0.5)	-	3.7	1.9
Charged to the statement of comprehensive income	-	-	-	(0.1)	-	(0.1)
<b>At 24 April 2014</b>	<b>(88.3)</b>	<b>12.6</b>	<b>2.3</b>	<b>0.2</b>	<b>(24.5)</b>	<b>(97.7)</b>

The Group has an unrecognised deferred tax asset of £7.7 million (2014: £8.7 million). This relates to carried forward tax losses in non-trading subsidiaries which are not forecast to be utilised in the foreseeable future.

Deferred tax is calculated at a rate of 20% (2014: 20%).

The Company has no deferred tax.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 16. Equity share capital

	Company 2015 £m	2014 £m
<b>Allotted and fully paid</b>		
4 ordinary shares of £1 each	-	-

#### Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt.

### 17. Share premium, other reserve and retained earnings

	Other reserve £m	Retained earnings £m
<b>Group</b>		
<b>At 25 April 2014</b>	10.0	115.9
Profit for the period	-	21.0
Net movement on pension scheme	-	(1.4)
<b>At 23 April 2015</b>	<b>10.0</b>	<b>135.5</b>

	Share premium £m	Other reserve £m	Retained earnings £m
<b>Group</b>			
<b>At 26 April 2013</b>	199.9	10.0	(101.1)
Profit for the period	-	-	16.6
Net movement on pension scheme	-	-	0.5
Capital reduction	(199.9)	-	199.9
<b>At 24 April 2014</b>	<b>-</b>	<b>10.0</b>	<b>115.9</b>

	Other reserve £m	Retained earnings £m
<b>Company</b>		
<b>At 25 April 2014</b>	126.1	176.0
Loss for the period	-	(11.1)
<b>At 23 April 2015</b>	<b>126.1</b>	<b>164.9</b>

	Share premium £m	Other reserve £m	Retained earnings £m
<b>Company</b>			
<b>At 26 April 2013</b>	199.9	126.1	(12.8)
Loss for the period	-	-	(11.1)
Capital reduction	(199.9)	-	199.9
<b>At 24 April 2014</b>	<b>-</b>	<b>126.1</b>	<b>176.0</b>

On 1 August 2013 the Company undertook a capital reduction. The impact of this was to reduce the share premium by £199.9 million and increase retained earnings by the same amount.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 18. Working capital and non-cash movements

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Profit on disposal of property, plant and equipment	(0.2)	(0.2)
Decrease/(increase) in inventories	0.1	(0.1)
(Increase)/decrease in trade and other receivables	(4.2)	0.2
Increase in trade and other payables	13.4	2.9
	<b>9.1</b>	<b>2.8</b>

### 19. Analysis of net debt

	At 24 April 2014	Cash flow	Non-cash movements and deferred issue costs	At 23 April 2015
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	58.2	26.6	-	<b>84.8</b>
	58.2	26.6	-	<b>84.8</b>
<b>Debt due within one year</b>				
Mortgage	(0.3)	0.2	(0.2)	<b>(0.3)</b>
	(0.3)	0.2	(0.2)	<b>(0.3)</b>
<b>Debt due after more than one year</b>				
Mortgage	(1.4)	-	0.2	<b>(1.2)</b>
Securitised debt	(993.9)	-	(7.6)	<b>(1,001.5)</b>
	(995.3)	-	(7.4)	<b>(1,002.7)</b>
	<b>(937.4)</b>	<b>26.8</b>	<b>(7.6)</b>	<b>(918.2)</b>

	At 25 April 2013	Cash flow	Non-cash movements and deferred issue costs	At 24 April 2014
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	28.7	29.5	-	<b>58.2</b>
	28.7	29.5	-	<b>58.2</b>
<b>Debt due within one year</b>				
Mortgage	(0.3)	0.3	(0.3)	<b>(0.3)</b>
	(0.3)	0.3	(0.3)	<b>(0.3)</b>
<b>Debt due after more than one year</b>				
Mortgage	(1.7)	-	0.3	<b>(1.4)</b>
Securitised debt	(989.8)	-	(4.1)	<b>(993.9)</b>
	(991.5)	-	(3.8)	<b>(995.3)</b>
	<b>(963.1)</b>	<b>29.8</b>	<b>(4.1)</b>	<b>(937.4)</b>

Net debt excludes loans from related parties.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 20. Capital commitments

At the balance sheet date, the Group had capital expenditure contracted for but not provided of £8.3 million (2014: £8.6 million).

The Company has no capital commitments.

### 21. Employees and Directors

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Staff costs during the period:		
Wages and salaries	68.1	65.7
Social security costs	4.0	3.9
Pension costs	2.9	2.8
	<b>75.0</b>	<b>72.4</b>

The monthly average number of people (including executive Directors) employed by the Group during the period was:

	Group	
	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
By activity:		
Leisure, retail and food and beverage	2,708	2,724
Housekeeping, technical and estate services	2,805	2,761
Administration	672	658
	<b>6,185</b>	<b>6,143</b>

Employee numbers include only those on contracts of service and hence exclude temporary workers.

#### Key management compensation

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	3.3	2.6

Key management compensation encompasses the Directors and certain senior managers of the Group.

#### Directors' remuneration

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments (including money purchase pension contributions)	1.5	1.4

One Director (2014: one) has retirement benefits accruing under the Group's money purchase pension scheme, in respect of which the Group made contributions of £29,200 (2014: £28,300) in the period. In addition, retirement benefits are accruing to two Directors (2014: two) under the Group's defined benefit pension scheme.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 21. Employees and Directors (continued)

Included in the above are the following amounts in respect of the highest paid Director, who is a member of the Group's defined benefit pension scheme:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
Aggregate emoluments	0.7	0.7
Accrued pension at the end of the period	0.3	0.3

### 22. Pension commitments

#### Defined contribution pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. Pension costs for the defined contribution scheme for the period ended 23 April 2015 were £2.3 million (2014: £2.4 million).

Accruals per note 11 include £0.3 million (2014: £0.3 million) in respect of defined contribution pension scheme costs.

#### Defined benefit pension scheme

The Group operates a funded defined benefit pension scheme for certain employees. Contributions are determined by an independent qualified actuary using assumptions on the rate of return on investments and rates of increases in salaries and benefits.

The last available actuarial valuation of the scheme at the balance sheet date was that performed on 1 August 2011. This was updated to 23 April 2015 by a qualified independent actuary. An actuarial valuation was performed as at 1 August 2014 but had not been received at the balance sheet date.

	2015	2014
Discount rate	3.20%	4.25%
Rate of increase in pensions in payment	3.00%	3.25%
Inflation	2.25%	2.50%
Rate of increase in salaries	2.25%	2.50%
Life expectancy from age 60, for a male:		
Currently age 60	31.6 years	31.8 years
Currently age 50	33.5 years	32.8 years

The amounts recognised in the balance sheet are determined as follows:

	2015	2014
	£m	£m
Present value of funded obligations	(16.5)	(12.7)
Fair value of plan assets	13.8	11.8
<b>Net pension liability</b>	<b>(2.7)</b>	<b>(0.9)</b>

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 22. Pension commitments (continued)

At the balance sheet date, the present value of the defined benefit obligation was comprised as follows:

	Number of members	Liability split	Duration (years)
Active members	3	57%	22
Deferred members	6	36%	22
Pensioners	1	7%	17
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>21</b>

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015 %	2014 %
Equity securities	54	64
Debt securities	42	36
Cash and cash equivalents	4	-

The movement in the defined benefit obligation over the period is as follows:

	Fair value of plan assets £m	Present value of obligation £m	Total £m
<b>At 25 April 2014</b>	11.8	(12.7)	(0.9)
Current service cost	-	(0.4)	(0.4)
Past service cost including curtailments	-	(0.2)	(0.2)
Interest income/(expense)	0.5	(0.5)	-
	<b>12.3</b>	<b>(13.8)</b>	<b>(1.5)</b>
Remeasurements:			
- Return on plan assets, excluding amount included in interest	1.0	-	1.0
- Loss from change in financial assumptions	-	(2.5)	(2.5)
- Loss from change in demographic assumptions	-	(0.1)	(0.1)
- Experience	-	(0.1)	(0.1)
	<b>1.0</b>	<b>(2.7)</b>	<b>(1.7)</b>
Employer contributions	0.5	-	0.5
Benefit payments from plan	-	-	-
<b>At 23 April 2015</b>	<b>13.8</b>	<b>(16.5)</b>	<b>(2.7)</b>

The impact of various changes in actuarial assumptions on the present value of the scheme obligation are set out below.

	Present value of obligation £m
0.5% decrease in discount rate	(18.3)
1 year increase in life expectancy	(17.0)
0.5% increase in salary increases	(16.8)
0.5% increase in inflation	(18.3)



## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 22. Pension commitments (continued)

	Fair value of plan assets £m	Present value of obligation £m	Total £m
<b>At 26 April 2013</b>	11.4	(12.8)	(1.4)
Current service cost	-	(0.4)	(0.4)
Interest income/(expense)	0.4	(0.4)	-
	<b>11.8</b>	<b>(13.6)</b>	<b>(1.8)</b>
Remeasurements:			
- Return on plan assets, excluding amount included in interest	0.3	-	0.3
- Gain from change in financial assumptions	-	0.3	0.3
	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>
Employer contributions	0.3	-	0.3
Benefit payments from plan	(0.6)	0.6	-
<b>At 24 April 2014</b>	<b>11.8</b>	<b>(12.7)</b>	<b>(0.9)</b>

The current service cost and interest income/expense is recognised in the income statement. Remeasurements are recognised in other comprehensive income.

Expected contributions to the defined benefit pension scheme for the forthcoming financial year are £0.7 million.

### 23. Operating lease commitments

	Group Land and buildings	
	2015 £m	2014 £m
<b>Commitments under non-cancellable operating leases due:</b>		
Within one year	0.8	0.6
In more than one year but less than five years	3.1	2.6
In more than five years	41.6	34.8
	<b>45.5</b>	<b>38.0</b>

The Group has no other operating lease commitments.

The Company has no operating lease commitments.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 24. Related parties

During the current and prior period the Group and Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding, are as follows:

#### Group

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m	£m	£m
UK Parcs Holdings Sarl	(98.5)	(10.1)	(108.6)	(11.1)	(119.7)
CP Woburn (Operating Company) Limited	-	(4.5)	(4.5)	(5.2)	(9.7)
CP Cayman Midco 2 Limited	(0.9)	0.6	(0.3)	0.1	(0.2)
Funds advised by The Blackstone Group	(0.2)	-	(0.2)	0.2	-

UK Parcs Holdings Sarl, CP Woburn (Operating Company) Limited and CP Cayman Midco 2 Limited share an ultimate controlling party with the Group, being funds advised by The Blackstone Group.

The movements on the balance with UK Parcs Holdings Sarl represent interest payable.

The movements on the balance with CP Woburn (Operating Company) Limited represent payments due for group relief surrendered to the Group offset by the recharge of certain costs under a Management Services Agreement.

The movements on the balance with CP Cayman Midco 2 Limited represent repayments of the loan balance and interest payable. The balance due as at 23 April 2015 is interest-free.

Management charges of £2.0 million (2014: £1.5 million) were payable to The Blackstone Group and associated companies during the period.

#### Company

All of the related parties below are members of the Group headed by Center Parcs (Holdings 1) Limited, with the exception of funds advised by The Blackstone Group.

	Balance at 25 April 2013	Movement in 52 weeks	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m	£m	£m
CP Longleat Village Limited	(23.9)	(1.7)	(25.6)	(1.8)	(27.4)
CP Comet Holdings Limited	(12.3)	(0.9)	(13.2)	(1.0)	(14.2)
Center Parcs (Operating Company) Limited	(216.4)	(15.9)	(232.3)	(16.0)	(248.3)
Forest Midco Limited	(21.8)	(1.6)	(23.4)	(1.6)	(25.0)
Center Parcs (Jersey 1) Limited	(135.0)	(9.9)	(144.9)	(9.9)	(154.8)
Center Parcs Spa Division Holdings Limited	(0.1)	-	(0.1)	-	(0.1)
Center Parcs Limited	(9.6)	(0.7)	(10.3)	(0.7)	(11.0)
CP Comet Bidco Limited	(55.3)	(4.0)	(59.3)	(4.0)	(63.3)
Comet Refico Limited	(44.7)	(3.3)	(48.0)	(3.3)	(51.3)
Sun CP Newmidco Limited	(93.3)	(6.9)	(100.2)	(6.8)	(107.0)
Center Parcs (Holdings 3) Limited	459.2	33.8	493.0	33.8	526.8
Center Parcs Energy Services Limited	(0.3)	-	(0.3)	-	(0.3)
Funds advised by The Blackstone Group	(0.2)	-	(0.2)	0.2	-

The movements on the balance with Center Parcs (Holdings 3) Limited represent interest receivable.

The movement on the balance with Center Parcs (Operating Company) Limited in the 52 weeks ended 23 April 2015 represents interest payable of £15.8 million and amounts settled on behalf of the Company of £0.2m. The movement on the balance with Funds advised by The Blackstone Group represents the settlement of the balance due. All other movements represent interest payable.

## Notes to the financial statements

for the 52 weeks ended 23 April 2015 (continued)

### 25. Subsidiary undertakings

The share capitals of subsidiary undertakings, with minor exceptions, are designated as ordinary shares.

All subsidiary undertakings have been included in the consolidated financial statements, and the principal subsidiary undertakings are set out below. All shareholdings represent 100% of the equity and voting rights. All of the subsidiary undertakings listed are held by other subsidiary undertakings of the Company.

Subsidiary undertaking	Activity	Country of incorporation
Center Parcs (Operating Company) Limited	Operation of four holiday villages	England and Wales
CP Sherwood Village Limited	Investment property company	England and Wales
CP Elveden Village Limited	Investment property company	England and Wales
Longleat Property Limited	Investment property company	England and Wales
CP Whinfall Village Limited	Investment property company	England and Wales

### 26. Structured entity – CPUK Finance Limited

CPUK Finance Limited was incorporated in Jersey on 20 July 2011 and issued the securitised debt set out in note 13 to the financial statements. The summarised financial statements of CPUK Finance Limited are as follows:

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Income statement</b>		
Finance costs	(79.4)	(79.4)
Finance income	79.4	79.4
<b>Profit for the period attributable to equity shareholders</b>	-	-

The profit for the period attributable to equity shareholders represents total comprehensive income.

	As at 23 April 2015	As at 24 April 2014
	£m	£m
<b>Balance sheet</b>		
<b>Assets</b>		
Amounts due from Center Parcs (Holdings 1) Limited Group	1,020.0	1,020.0
Derivative financial instruments	16.8	-
Other receivables	11.8	12.0
<b>Liabilities</b>		
Securitised debt	(1,020.0)	(1,020.0)
Derivative financial instruments	(16.8)	-
Other payables	(11.8)	(12.0)
<b>Total equity</b>	-	-

	52 weeks ended 23 April 2015	52 weeks ended 24 April 2014
	£m	£m
<b>Cash flow statement</b>		
<b>Financing activities</b>		
Interest received	79.6	79.6
Interest paid	(79.6)	(79.6)
<b>Net cash inflow from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	-	-

## **Notes to the financial statements**

for the 52 weeks ended 23 April 2015 (continued)

### **27. Events after the Balance Sheet date**

On 22 May 2015 the Group announced the pricing of an aggregate of £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, will refinance the Class A1 notes, which are due to mature in 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited. The refinancing is expected to complete on 11 June 2015.

On 2 June 2015 it was announced that a Brookfield-managed fund has agreed to acquire the parent company of the Center Parcs group, and consequently its subsidiary undertakings, from funds advised by The Blackstone Group. The transaction is due to complete by the end of July 2015.

### **28. Ultimate parent company and controlling parties**

The immediate parent company is CP Cayman Limited, a company registered in the Cayman Islands. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. No company in the United Kingdom consolidates the results of the Center Parcs (Holdings 1) Limited Group.