

Center Parcs (Operating Company) Limited
Annual report and financial statements
for the 52 weeks ended 21 April 2016

Registered number: 04379585

Center Parcs (Operating Company) Limited

Annual report and financial statements for the 52 weeks ended 21 April 2016

	Page
Directors and auditor	1
Strategic report	2
Directors' report	5
Independent auditor's report to the members	7
Income Statement	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the financial statements	14

Center Parcs (Operating Company) Limited

Directors and auditor

Directors

M P Dalby
P Inglett
K O McCrain
Z B Vaughan
V Aneja

Secretary

R Singh-Dehal

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 Woodborough Road
Nottingham
NG1 3FG

Registered office

One Edison Rise
New Ollerton
Newark
Nottinghamshire
NG22 9DP

Center Parcs (Operating Company) Limited

Strategic report for the 52 weeks ended 21 April 2016

The Directors present their strategic report on the Company for the 52 weeks ended 21 April 2016 (2015: 52 weeks ended 23 April 2015).

Review of the Business

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

The results of the Company for the period show a profit of £22.2 million (2015: profit of £29.3 million).

During the 52 weeks ended 21 April 2016 the Company incurred exceptional/non-underlying administrative expenses of £4.5 million (2015: £6.3 million) in respect of the review of its strategic options that ultimately resulted in the sale of the business. Other exceptional/non-underlying costs in the period were a reduction in the fair value of financial derivatives of £5.5 million (2015: increase in the fair value of financial derivatives of £5.5 million) and finance costs of £13.8 million (2015: £1.4 million) in respect of the refinancings of the Group's debt that took place during the period. Taxation on these items has also been treated as an exceptional/non-underlying item.

On 11 June 2015 the Center Parcs (Holdings 1) Limited Group (the 'Group') issued £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, were used to settle the Group's Class A1 notes, which were due to mature in February 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited.

On 3 August 2015 the Group, including all subsidiary undertakings, was acquired by a fund managed by Brookfield Property Group, a subsidiary of Brookfield Asset Management Inc., from the Group's previous owner, funds advised by The Blackstone Group. On the same date the Group announced the issue of £560.0 million 7.000% Class B2 secured notes due to mature in August 2020. Part of the proceeds from these new notes were used to settle the Group's Class B secured notes which were due to mature in February 2018.

The 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 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 UK 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.

Center Parcs (Operating Company) Limited

Strategic report for the 52 weeks ended 21 April 2016 (continued)

Key performance indicators

In addition to the measures of revenue and operating margin, the Directors use the following key performance indicators to set targets and measure performance against those targets.

- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 97.8% (2015: 97.5%).
- ADR (Average Daily Rate): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of lodge nights sold. ADR for the period was £162.07 (2015: £153.90).
- RevPAL (Rent per available lodge night): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total available number of lodge nights. RevPAL for the period was £158.56 (2015: £150.01).

Going concern

The Directors have assessed the financial position of the the Company 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 Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Financial risk management

The financing of the Company is managed together with that of all other Group Companies. As a result there is no separate analysis of the risks associated with the Company and all such risks are applicable to the Center Parcs (Holdings 1) Limited Group.

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.

Center Parcs (Operating Company) Limited

Strategic report for the 52 weeks ended 21 April 2016 (continued)

Currency risk

Whilst no borrowings are determined 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.

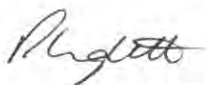
Credit risk

The Group's cash balances are held on deposit with a number of UK banking institutions. Credit risk in respect of the Company's revenue streams is limited as the vast majority of customers pay in advance.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Center Parcs (Holdings 1) Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the strategic report of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

On behalf of the board



P Inglett

Director

24 June 2016

Center Parcs (Operating Company) Limited

Directors' report for the 52 weeks ended 21 April 2016

The Directors present their report and the audited financial statements for the 52 weeks ended 21 April 2016 (2015: 52 weeks ended 23 April 2015).

The registered number of the Company is 04379585.

Future developments

No changes to the nature of the business are anticipated.

Dividends

During the period the Company declared and paid interim dividends of £72.1 million and £23.0 million. The Directors have proposed the payment of a final dividend of £9.8 million (2015: no dividends proposed or paid).

Directors

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

M P Dalby	
P Inglett	
A M Robinson	(resigned 22 May 2015)
A Valeri	(resigned 3 August 2015)
F Mawji-Karim	(resigned 3 August 2015)
T Daguere-Lindback	(resigned 3 August 2015)
K Caplan	(resigned 3 August 2015)
K O McCrain	(appointed 3 August 2015)
S Skaar	(appointed 3 August 2015, resigned 16 October 2015)
A Burych	(appointed 3 August 2015, resigned 22 February 2016)
Z B Vaughan	(appointed 16 October 2015)
V Aneja	(appointed 22 February 2016)

During the period, the Company had in place Directors' and officers' insurance.

Employees

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

Charitable and political donations

The Company made charitable donations of £153,335 during the period (2015: £143,975). No political donations were made in the current or prior period.

Center Parcs (Operating Company) Limited

Directors' report for the 52 weeks ended 21 April 2016 (continued)

Statement of Directors' responsibilities

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 financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of disclosure of information to auditor

In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Directors' report is approved, the following applies:

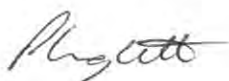
(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

A resolution to reappoint Deloitte LLP, who were appointed as auditor during the period, will be proposed at the Annual General Meeting.

On behalf of the board



P Inglett
Director
24 June 2016

Independent auditor's report to the members of Center Parcs (Operating Company) Limited

We have audited the financial statements of Center Parcs (Operating Company) Limited for the 52 weeks ended 21 April 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 21 April 2016 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Center Parcs (Operating Company) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

24 June 2016

Center Parcs (Operating Company) Limited

Income Statement for the 52 weeks ended 21 April 2016

		52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	Note	£m	£m
Revenue		338.2	319.6
Cost of sales		(90.4)	(86.5)
Gross profit		247.8	233.1
Administrative expenses			
Before exceptional/non-underlying administrative expenses		(201.3)	(189.0)
Exceptional/non-underlying administrative expenses		(4.5)	(6.3)
Total administrative expenses		(205.8)	(195.3)
Operating profit	3	42.0	37.8
Finance expense			
Before exceptional/non-underlying finance expense		(33.9)	(28.5)
Exceptional/non-underlying finance expense		(13.8)	(1.4)
Total finance expense	4	(47.7)	(29.9)
Finance income	4	33.2	16.5
Exceptional/non-underlying movement in fair value of financial derivatives	12	(5.5)	5.5
Profit before taxation		22.0	29.9
Taxation			
Before exceptional/non-underlying taxation		(3.3)	(1.0)
Exceptional/non-underlying taxation		3.5	0.4
Total taxation	5	0.2	(0.6)
Profit for the period attributable to equity shareholders	15	22.2	29.3

All amounts derive from continuing activities.

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

Center Parcs (Operating Company) Limited

Statement of Comprehensive Income for the 52 weeks ended 21 April 2016

		52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	Note	£m	£m
Profit for the financial period		22.2	29.3
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	0.4	(1.7)
Tax relating to components of other comprehensive income	10	(0.1)	0.3
Other comprehensive income for the period		0.3	(1.4)
Total comprehensive income for the period		22.5	27.9

Center Parcs (Operating Company) Limited

Statement of Changes in Equity for the 52 weeks ended 21 April 2016

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
At 23 April 2015	-	353.1	353.1
Comprehensive income			
Profit for the period	-	22.2	22.2
Other comprehensive income	-	0.3	0.3
Transactions with owners			
Dividends	-	(95.1)	(95.1)
At 21 April 2016	-	280.5	280.5

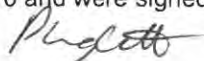
	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
At 24 April 2014	-	325.2	325.2
Comprehensive income			
Profit for the period	-	29.3	29.3
Other comprehensive income	-	(1.4)	(1.4)
At 23 April 2015	-	353.1	353.1

Center Parcs (Operating Company) Limited

Balance Sheet at 21 April 2016

	Note	21 April 2016 £m	23 April 2015 £m
Assets			
Non-current assets			
Goodwill	7	244.1	244.1
Other intangible assets	7	5.7	5.1
Property, plant and equipment	6	231.2	219.0
Investments	8	5.5	5.5
Trade and other receivables	9	227.6	2.8
Deferred tax asset	10	14.1	11.4
		728.2	487.9
Current assets			
Inventories		2.7	2.8
Trade and other receivables	9	287.7	272.6
Current tax asset		5.3	4.3
Derivative financial instruments	12	-	5.5
Cash and cash equivalents		6.2	84.6
		301.9	369.8
Liabilities			
Current liabilities			
Borrowings	12	(0.3)	(0.3)
Trade and other payables	11	(202.9)	(170.4)
		(203.2)	(170.7)
Net current assets		98.7	199.1
Non-current liabilities			
Borrowings	12	(544.3)	(331.2)
Retirement benefit obligations	18	(2.1)	(2.7)
		(546.4)	(333.9)
Net assets		280.5	353.1
Equity			
Ordinary shares	14	-	-
Retained earnings	15	280.5	353.1
Total equity		280.5	353.1

The financial statements on pages 9 to 51 were approved by the board of Directors on 24 June 2016 and were signed on its behalf by:



P Inglett
Director

Center Parcs (Operating Company) Limited
Registered no. 04379585

Center Parcs (Operating Company) Limited

Cash Flow Statement for the 52 weeks ended 21 April 2016

		52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	Note	£m	£m
Operating activities			
Operating profit		42.0	37.8
Depreciation and amortisation	3	44.3	39.4
Working capital and non-cash movements	16	25.3	17.9
Difference between the pension charge and contributions		(0.2)	0.1
Corporation tax paid		(1.0)	(1.2)
Net cash inflow from operating activities		110.4	94.0
Investing activities			
Sale of property, plant and equipment		0.1	0.2
Purchase of intangible assets – software		(2.9)	(2.5)
Purchase of property, plant and equipment		(49.3)	(38.9)
Dividends paid	15	(95.1)	-
Net cash outflow from investing activities		(147.2)	(41.2)
Financing activities			
Repayment of external borrowings	12	(191.5)	(0.2)
Proceeds from external borrowings	12	407.5	-
Issue of related party loans		(208.0)	-
Issue costs and consent fees on secured debt		(6.3)	-
Break costs on secured debt		(11.9)	-
Interest received		0.4	0.7
Interest paid		(31.8)	(26.7)
Net cash outflow from financing activities		(41.6)	(26.2)
Net movement in cash and cash equivalents		(78.4)	26.6
Cash and cash equivalents at beginning of the period		84.6	58.0
Cash and cash equivalents at end of the period		6.2	84.6

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016

1 Accounting policies

General information

Center Parcs (Operating Company) Limited operates short break holiday villages in Nottinghamshire, Cumbria, Wiltshire and Suffolk.

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.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention. The Company's accounting reference date is 22 April.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Going concern

The Directors have assessed the financial position of the the Company 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 Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.**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:

Property, plant and equipment: Useful lives of assets and residual values (see accounting policy).

Impairment test for goodwill: Growth and discount rates (note 7).

Other intangible assets: Useful lives of assets and residual values (see accounting policy).

Retirement benefits: Actuarial assumptions in respect of the defined benefit pension scheme (note 18).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

Revenue

Revenue relates to accommodation 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.

Revenue relating to accommodation is recognised on a straight-line basis over the period of the holiday. Non-rental income is recognised when the related product or service is provided to the guest. All revenue is recorded net of VAT.

Payment for accommodation 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 the holiday village are operated by concession partners. Revenue due in respect of such units is recognised on an accruals basis.

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.

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 Company. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance. Examples of exceptional/non-underlying items are the costs of Company restructures, expenses incurred when refinancing the Company's debt and movements in the fair value of embedded derivatives.

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

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 Company, 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.

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. Where required, assets are discounted using an AAA corporate bond rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

Property, plant and equipment

Management selected 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.

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:

Leasehold improvements	2.5% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Installations	6.67% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Fixtures and fittings	14% or by equal instalments over the period of the lease held on the land and buildings, whichever is the shorter
Computer hardware	25%
Motor vehicles	25%

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 Company to maintain its leasehold 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.

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax on properties assumes recovery through sale.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit 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 Company 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 Company 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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

Investments

The cost of investments, including loans to related parties, is their purchase cost together with any incremental costs of acquisition. The Company 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 Company 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 in hand.

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 Company 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 Company does not trade in derivative financial instruments. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

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.

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.

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

Employee benefits

Pensions

- Defined contribution pension scheme

Company employees can choose to be a member of a defined contribution pension scheme. A defined contribution pension scheme is a pension plan under which the Company pays fixed contributions into a separate entity. The Company 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 Company 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 Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday pay

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

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

1 Accounting policies (continued)

New standards and interpretations

A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 21 April 2016.

The adoption of IFRS 16 'Leases' will result in the recognition of a right-to-use asset and a lease liability in respect of the leases on the holiday village sites. In addition, the lease charge recorded in the income statement will be bifurcated between the amortisation of the right-to-use asset on a straight-line basis and the interest charge on the lease liability will be recognised using the effective interest rate method. This will result in the overall charge to the income statement being higher in the earlier years of a lease than in the later years. Operating lease charges are currently recognised on a straight-line basis in the income statement. The monetary impact of IFRS 16 is currently being assessed by management.

The Directors do not anticipate that the adoption of any other standards and interpretations that have been issued by the International Accounting Standards Board will have a material impact on the Company's financial statements in the period of initial application, although the assessment is ongoing.

2 Financial risk management

The Company finances its operations through a mixture of equity and borrowings as required. The Company has sought to reduce its cost of capital by refinancing and restructuring the Company's funding using the underlying asset value. All tranches of the Company'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 exposure to interest rate fluctuations, and the Company's primary source of borrowings is fixed interest rate loan notes. The Company does not actively trade in derivative financial instruments.

Interest rate risk

The Company has a floating rate mortgage and fixed rate loan notes as its only external funding sources. As at 21 April 2016, 99% (2015: 99%) of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk

At 21 April 2016, the Company held sufficient levels of cash to enable it to meet its medium-term working capital and funding obligations. Rolling forecasts of the Company's liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk

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

Credit risk

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

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

3 Operating profit

Operating profit is stated after charging the following:

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Staff costs (note 17)	78.7	75.0
Cost of inventories	29.2	28.8
Depreciation of property, plant and equipment (note 6)	42.0	37.6
Amortisation of intangible assets (note 7)	2.3	1.8
Operating lease rentals – land and buildings	65.1	64.3
Repairs and maintenance expenditure	9.4	8.6
Services provided by the Company's auditor	0.3	1.6

Exceptional/non-underlying administrative expenses of £4.5 million (2015: £6.3 million) are costs incurred in respect of the Group's review of its strategic options which ultimately resulted in the sale of the business.

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

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Charged to the income statement:		
Audit of the Company and certain Group undertakings	0.3	0.2
Corporate finance services	-	1.0
Deferred costs in respect of the secured debt:		
Corporate finance services	-	0.4
	0.3	1.6

The Directors monitor the level of non-audit work undertaken by the auditor and ensure it is work which they are best suited to perform and does not present a risk to their independence and objectivity.

Deloitte LLP were appointed as the Group's auditor during the period, replacing PricewaterhouseCoopers LLP.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

4 Net finance costs

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Finance costs		
Bank interest and similar charges	33.9	28.5
Finance costs before exceptional/non-underlying items	33.9	28.5
Exceptional/non-underlying finance costs		
- Accelerated amortisation of deferred issue costs	1.7	1.4
- Make whole and consent fees on settlement of the A1 notes	6.5	-
- Premium on settlement of the B notes	5.6	-
	13.8	1.4
Total finance expense	47.7	29.9
Finance income		
Bank interest receivable	(0.4)	(0.7)
Interest on loans to Group undertakings	(32.7)	(15.8)
Revaluation of rental deposit to fair value	(0.1)	-
Total finance income	(33.2)	(16.5)
Net finance costs	14.5	13.4

5 Taxation

(a) Taxation

The tax (credit)/charge is made up as follows:

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Current tax:		
- Current period	5.5	5.2
- Adjustments in respect of prior periods	(2.9)	(2.7)
	2.6	2.5
Deferred tax:		
- Origination and reversal of temporary differences	(2.8)	(1.9)
Taxation (note 5(b))	(0.2)	0.6

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

5 Taxation (continued)

(b) Factors affecting the tax charge

The tax assessed for the period is lower (2015: lower) than that resulting from applying the standard rate of corporation tax in the UK of 20% (2015: 21%). The difference is reconciled below:

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Profit before taxation	22.0	29.9
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	4.4	6.3
Adjustment in respect of prior periods	(1.4)	(3.9)
Permanent differences and expenses not deductible for tax	1.6	2.2
Group relief not paid for	(6.3)	(4.0)
Impact of change in corporation tax rate	1.5	-
Tax (credit)/charge for the period (note 5(a))	(0.2)	0.6

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

The Finance Act 2013, which was substantively enacted on 2 July 2013, included provisions to reduce the standard rate of corporation tax in the UK to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015.

Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, included further provisions to reduce the standard rate of corporation tax in the UK to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020.

The Government announced in its 2016 Budget Report on 16 March 2016 that there would be a further reduction in the standard rate of corporation tax in the UK from 18% to 17% from 1 April 2020. As this had not been substantively enacted at the balance sheet date, this rate does not apply to the deferred tax position at 21 April 2016.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

6 Property, plant and equipment

	Leasehold improvements	Installations	Fixtures & fittings	Motor vehicles & hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 24 April 2014	69.6	223.4	50.0	17.0	2.4	362.4
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)	-
At 23 April 2015	69.6	245.3	47.0	18.4	2.2	382.5
Depreciation						
At 24 April 2014	31.0	80.9	20.6	11.6	-	144.1
Charge	3.1	20.3	12.4	1.8	-	37.6
On disposals	-	-	(16.6)	(1.6)	-	(18.2)
At 23 April 2015	34.1	101.2	16.4	11.8	-	163.5
Net book amount						
At 23 April 2015	35.5	144.1	30.6	6.6	2.2	219.0
Cost						
At 23 April 2015	69.6	245.3	47.0	18.4	2.2	382.5
Additions	1.9	18.1	17.6	3.7	12.9	54.2
Disposals	-	-	(21.2)	(0.4)	-	(21.6)
Transfers	-	0.9	0.5	-	(1.4)	-
At 21 April 2016	71.5	264.3	43.9	21.7	13.7	415.1
Depreciation						
At 23 April 2015	34.1	101.2	16.4	11.8	-	163.5
Charge	2.7	24.4	12.2	2.7	-	42.0
On disposals	-	-	(21.2)	(0.4)	-	(21.6)
At 21 April 2016	36.8	125.6	7.4	14.1	-	183.9
Net book amount						
At 21 April 2016	34.7	138.7	36.5	7.6	13.7	231.2

Depreciation has been charged through administrative expenses in the income statement.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

7 Goodwill and other intangible assets

	Goodwill £m	Software £m	Total £m
Cost			
At 24 April 2014	263.9	10.6	274.5
Additions	-	2.5	2.5
Disposals	-	(2.8)	(2.8)
At 23 April 2015	263.9	10.3	274.2
Amortisation			
At 24 April 2014	19.8	6.2	26.0
Charge	-	1.8	1.8
On disposals	-	(2.8)	(2.8)
At 23 April 2015	19.8	5.2	25.0
Net book amount			
At 23 April 2015	244.1	5.1	249.2
Cost			
At 23 April 2015	263.9	10.3	274.2
Additions	-	2.9	2.9
Disposals	-	(1.1)	(1.1)
At 21 April 2016	263.9	12.1	276.0
Amortisation			
At 23 April 2015	19.8	5.2	25.0
Charge	-	2.3	2.3
On disposals	-	(1.1)	(1.1)
At 21 April 2016	19.8	6.4	26.2
Net book amount			
At 21 April 2016	244.1	5.7	249.8

Amortisation has been charged through administrative expenses in the income statement.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

7 Goodwill and other intangible assets (continued)

Impairment test for goodwill

Goodwill is allocated to the Company's four cash-generating units (CGUs), being the four holiday villages operated by the Company.

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

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a rolling ten-year period.

Key assumptions used for value-in-use calculations:

The value-in-use calculation is based on forecasts approved by the Board covering the next five years with a terminal value applied after year five.

The key assumptions of the value-in-use calculation are EBITDA margin, perpetual growth rate and the discount rate; the discount rate applied is 10% (2015: 8%).

Management determine forecast 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 Company.

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

8 Investments

	Investments in Group undertakings
	£m
Cost and net book value	
As at 24 April 2014 and 23 April 2015	5.5
Additions	0.3
Impairment	(0.3)
As at 21 April 2016	5.5

As at 24 April 2014 and 23 April 2015 the Company had one subsidiary undertaking, being Center Parcs Limited, an employee services provider registered in England and Wales. The Company owned 100% of the issued ordinary share capital of this entity.

During the period, the Company acquired 100% of the ordinary share capital of Center Parcs Limited's four non-trading subsidiary undertakings, being Center Parcs Energy Services Limited, Center Parcs Card Services Limited, Centrepark Limited and Center Parcs (Nominees) Limited for total consideration of £0.3 million. All of these companies were registered in England and Wales.

Following the acquisition of these four companies, Center Parcs Energy Services Limited distributed a receivable due from Center Parcs (Holdings 1) Limited of £0.3 million to the Company. The investment in Center Parcs Energy Services Limited was subsequently impaired by £0.3 million.

Prior to the financial year-end, Center Parcs Energy Services Limited, Center Parcs Card Services Limited and Center Parcs (Nominees) Limited were placed into members voluntary liquidation. Hence as at 21 April 2016 the Company had two subsidiary undertakings, being Center Parcs Limited and Centrepark Limited.

The Directors believe that the carrying value of investments in subsidiary undertakings is supported by the underlying net assets of the investee.

Center Parcs Limited made a pre-tax profit of £0.7 million for the 52 weeks ended 21 April 2016 (2015: profit of £0.7 million) and its net assets at that date were £12.0 million (23 April 2015: £11.3 million).

Centrepark Limited made a pre-tax profit of £nil for the 52 weeks ended 21 April 2016 (2015: profit of £nil) and its net assets at that date were £39 (2015: £39).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

9 Trade and other receivables

	2016	2015
	£m	£m
<i>Amounts due within one year:</i>		
Trade receivables	1.3	2.6
Amounts owed by Group undertakings	270.1	253.4
Amounts owed by related parties	2.7	-
Prepayments and accrued income	13.6	16.6
	287.7	272.6
<i>Amounts due after more than one year:</i>		
Rental deposits	2.9	2.8
Amounts owed by Group undertakings	224.7	-
	227.6	2.8

The fair value of trade and other receivables is equal to its book value and no impairment provisions have been made (2015: £nil).

All of the amounts above are denominated in £ sterling.

Amounts due within one year

Amounts owed by Group undertakings includes a loan of £198.5 million (2015: £198.5 million) due from Center Parcs (Holdings 1) Limited and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. Interest of £16.0 million (2015: £15.8 million) accrued during the period.

The remaining amounts owed by Group undertakings are trading balances and do not attract interest.

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

Amounts owed by related parties represent amounts paid on behalf of Center Parcs Ireland Limited. This balance is interest-free, unsecured and repayable on demand.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

9 Trade and other receivables (continued)

Amounts due after more than one year

A £2.9 million rental deposit was paid on the inception of the Longleat lease, repayable to the Company in the final year of the lease. The fair value of the rental deposit above is calculated with reference to AAA Corporate Bond rates.

Amounts owed by Group undertakings consists of the following:

- An unsecured loan of £50.6 million (2015: £nil) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. On 3 August 2015 CP Cayman Midco 1 Limited, a related party, assigned these loan notes to Center Parcs (Operating Company) Limited. Interest on this loan of £3.7 million accrued in the period from 4 August 2015 to 21 April 2016. The loan notes are redeemable on 11 June 2025.
- Unsecured loans totalling £157.4 million (2015: £nil) due from CP Woburn (Operating Company) Limited and the associated unpaid interest. On 11 June 2015 CP Woburn Holdco Sarl, a related party, assigned these loan notes to Center Parcs (Operating Company) Limited. Interest is payable at a fixed rate of 8% per annum on loans of £2.2 million and at 12% per annum on the remainder. Interest is rolled up into the outstanding balance and interest on this loan of £13.0 million accrued in the period from 12 June 2015 to 21 April 2016. The loans are repayable by CP Woburn (Operating Company) Limited on 28 February 2022.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

10 Deferred tax

	2016 £m	2015 £m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	14.1	11.4

The movement on the deferred tax account is shown below:

	52 weeks ended 21 April 2016 £m	52 weeks ended 23 April 2015 £m
At the beginning of the period	11.4	9.2
Credited to the income statement	2.8	1.9
(Charged)/credited to the statement of comprehensive income	(0.1)	0.3
At the end of the period	14.1	11.4

	Depreciation in excess of capital allowances £m	Pension £m	Total £m
As at 24 April 2014	9.0	0.2	9.2
Credited to the income statement	1.9	-	1.9
Credited to the statement of comprehensive income	-	0.3	0.3
As at 23 April 2015	10.9	0.5	11.4
Credited to the income statement	2.8	-	2.8
Charged to the statement of comprehensive income	-	(0.1)	(0.1)
As at 21 April 2016	13.7	0.4	14.1

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

11 Trade and other payables

	2016	2015
	£m	£m
<i>Amounts due within one year:</i>		
Trade payables	6.7	7.3
Other tax and social security	12.1	12.1
Other payables	1.5	1.2
Amounts owed to Group undertakings	64.6	34.5
Amounts owed to related parties	5.7	9.9
Accruals	46.2	45.4
Payments on account	66.1	60.0
	202.9	170.4

Amounts owed to Group undertakings are trading balances and do not attract interest. These balances are unsecured and repayable on demand.

Included within accruals is £0.4 million (2015: £0.4 million) relating to government grants in respect of the Center Parcs Head Office.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

12 Borrowings

	2016	2015
Current	£m	£m
Mortgage due within one year	0.3	0.3

	2016	2015
Non-current	£m	£m
Mortgage	0.9	1.2
Secured debt	543.4	330.0
	544.3	331.2

Mortgage

The Company 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 £12,000 (2015: £14,000).

Secured debt

The secured debt consists of the following:

	2016	2015
	£m	£m
Tranche A1	-	98.9
Tranche A2	145.0	145.0
Tranche A3	77.5	-
Tranche A4	31.0	-
Tranche B	-	92.3
Tranche B2	299.0	-
Unamortised deferred issue costs	(9.1)	(6.2)
	543.4	330.0

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

12 Borrowings (continued)

The maturity of the Company's borrowings are as follows:

	Less than 1 year	2 – 5 years	Greater than 5 years	Unamortised fees	Total
	£m	£m	£m	£m	£m
As at 21 April 2016					
Mortgage	0.3	0.9	-	-	1.2
Secured debt	-	376.5	176.0	(9.1)	543.4
Total borrowings	0.3	377.4	176.0	(9.1)	544.6
As at 23 April 2015					
Mortgage	0.3	1.2	-	-	1.5
Secured debt	-	191.2	145.0	(6.2)	330.0
Total borrowings	0.3	192.4	145.0	(6.2)	331.5

All of the above amounts are denominated in £ sterling.

The secured debt is part of an overall £1,490.0 million (2015: £1,020.0 million) facility made available to the Group. The original facility of £1,020.0 million was drawn down on 28 February 2012. On 11 June 2015 the Group issued £490.0 million of New Class A senior notes, divided into £350.0 million A3 notes and £140.0 million of A4 notes; part of the proceeds was used to repay the £300.0 million of A1 notes. On 3 August 2015 the Group issued £560.0 million of New Class B2 notes; part of the proceeds was used to repay the £280.0 million of B notes.

Details of all tranches of the secured debt are as follows:

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%. Unamortised deferred issue costs relating to this tranche of the secured debt, totalling £1.4 million, were amortised on an accelerated basis in the prior year to reflect the anticipated repayment. This accelerated amortisation was classified as an exceptional/non-underlying finance expense in the income statement.

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 A3 notes have an expected maturity date of 28 February 2020 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 2.666% and the interest rate from expected maturity to final maturity is 3.944%.

The tranche A4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 3.588% and the interest rate from expected maturity to final maturity is 4.244%.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

12 Borrowings (continued)

The tranche B notes had an expected maturity date of 28 February 2018 and a final maturity date of 28 February 2042. The interest rate to expected maturity was fixed at 11.625% and the interest rate from expected maturity to final maturity was fixed at 6.25%. Unamortised deferred issue costs relating to this tranche of the secured debt, totalling £1.7 million, were amortised on an accelerated basis in the current period on repayment of the debt. This accelerated amortisation is classified as an exceptional/non-underlying finance expense in the income statement.

The tranche B2 notes have an expected maturity date of 28 August 2020 and a final maturity date of 28 February 2042. The interest rate to expected maturity is fixed at 7.000% and the interest rate from expected maturity to final maturity is 5.000%.

The tranche B2 (2015: tranche B) notes are subordinated to all tranches of the A Senior Notes. All of the Notes include optional prepayment clauses permitting the Company to repay the debt in advance of the expected maturity date. All tranches of debt are subject to a financial covenant. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenant.

Derivative financial instruments related to secured debt

The option to repay the B debt prior to maturity was considered to be a derivative financial instrument with a fair value of £5.5 million at 23 April 2015, such fair value being estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings. The option was utilised on 3 August 2015 and hence had a value of £nil at 21 April 2016. Movements in the fair value of this derivative financial instrument were recognised as an exceptional/non-underlying item in the income statement.

The derivative financial instrument recognised by the Group is £nil (2015: £16.8 million) and this has been apportioned to the individual borrowers in line with the tranche B debt held by each entity.

As all tranches have fixed interest rates, the Company is not exposed to interest rate fluctuations.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

13 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. The Company's financial assets are categorised as loans and receivables, with the exception of derivative financial instruments which are carried at fair value through profit and loss. The Company's financial liabilities are categorised as other financial liabilities.

	2016	2015
Financial assets	£m	£m
Trade receivables	1.3	2.6
Other receivables	500.4	256.2
Cash and cash equivalents	6.2	84.6
Derivative financial instruments	-	5.5
	507.9	348.9

	2016	2015
Financial liabilities	£m	£m
Borrowings	544.6	331.5
Trade payables	6.7	7.3
Accruals	46.2	45.4
Other payables	71.8	45.6
	669.3	429.8

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

13 Financial instruments (continued)

Fair value hierarchy

IFRS 13 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 Company's fair value measurements have been categorised as Level 2 and fair values are derived directly from observable prices. There were no transfers between levels during the current or prior periods.

Fair value of financial assets and financial liabilities

The fair value of the Company's gross secured debt (before unamortised debt costs) at 21 April 2016 was £599.1 million (2015: £399.7 million). The fair value of other financial assets and liabilities of the Company are approximately equal to their book value.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

13 Financial instruments (continued)

Maturity of financial liabilities

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

As at 21 April 2016	Mortgage	Secured debt	Total
	£m	£m	£m
In less than one year	0.3	34.6	34.9
In two to five years	1.2	498.6	499.8
In more than five years	-	210.6	210.6
	1.5	743.8	745.3

As at 23 April 2015	Mortgage	Secured debt	Total
	£m	£m	£m
In less than one year	0.3	26.0	26.3
In two to five years	1.3	259.4	260.7
In more than five years	0.2	187.0	187.2
	1.8	472.4	474.2

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

14 Share capital

	2016	2015
	£m	£m
Allotted and fully paid		
38,490,321 'A' ordinary shares of £100/38,490,321 each	-	-

Management of capital

The Company's objectives when managing capital are to safeguard the Company'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.

15 Retained earnings

	£m
As at 23 April 2015	353.1
Profit for the period	22.2
Net movement on pension scheme	0.3
Dividends	(95.1)
As at 21 April 2016	280.5

	£m
As at 24 April 2014	325.2
Profit for the period	29.3
Net movement on pension scheme	(1.4)
As at 23 April 2015	353.1

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

16 Working capital and non-cash movements

	52 weeks ended 21 April 2016 £m	52 weeks ended 23 April 2015 £m
Profit on disposal of property, plant and equipment	(0.1)	(0.2)
Decrease in inventories	0.1	0.1
Decrease/(increase) in trade and other receivables	3.0	(5.4)
Increase in trade and other payables	22.3	23.4
	25.3	17.9

17 Employees and Directors

	52 weeks ended 21 April 2016 £m	52 weeks ended 23 April 2015 £m
Staff costs for the Company during the period:		
Wages and salaries	72.1	68.1
Social security costs	4.0	4.0
Pension costs	2.6	2.9
	78.7	75.0

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

17 Employees and Directors (continued)

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

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	Number	Number
By activity		
Leisure, food and retail	2,800	2,708
Administration	682	672
Housekeeping, technical and estate services	2,905	2,805
	6,387	6,185

Key management compensation:

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Short-term benefits	2.7	3.1
Post-employment benefits	0.1	0.2
	2.8	3.3

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

Directors

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
	£m	£m
Remuneration in respect of qualifying services	1.8	1.5

One Director (2015: one) has retirement benefits accruing under the Company's money purchase pension scheme, in respect of which the Company made contributions of £26,689 (2015: £29,200). In addition, retirement benefits are accruing to one Director (2015: two Directors) under the Company's defined benefit pension scheme.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

17 Employees and Directors (continued)

	52 weeks ended 21 April 2016	52 weeks ended 23 April 2015
Included in the above are amounts in respect of the highest paid Director, who is a member of the defined benefit pension scheme:	£m	£m
Aggregate emoluments	0.9	0.7
Accrued pension at end of period	0.3	0.3

18 Pension commitments

Defined contribution pension scheme

The Company 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 21 April 2016 were £2.3 million (2015: £2.3 million).

Accruals per note 11 include £0.3 million (2015: £0.3 million) in respect of defined contribution pension scheme costs.

Defined benefit pension scheme

The Company 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 actuarial valuation of the scheme at the balance sheet date was that performed on 1 August 2014. This was updated to 21 April 2016 by a qualified independent actuary.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

18 Pension commitments (continued)

The principal assumptions used were:

	2016	2015
Discount rate	3.35%	3.20%
Rate of increase in pensions in payment	2.95%	3.00%
Inflation	2.20%	2.25%
Rate of increase in salaries	2.20%	2.25%
Life expectancy from age 60, for a male:		
• Currently age 60	31.7 years	31.6 years
• Currently age 50	33.3 years	33.5 years

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

	2016	2015
	£m	£m
Present value of funded obligations	(14.3)	(16.5)
Fair value of plan assets	12.2	13.8
Net pension liability	(2.1)	(2.7)

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	1	51%	22
Deferred members	7	41%	22
Pensioners	1	8%	17
Total	9	100%	21

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

18 Pension commitments (continued)

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

	2016	2015
Equity securities	49%	54%
Debt securities	50%	42%
Cash	1%	4%

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

	Fair value of plan assets	Present value of obligation	Total
	£m	£m	£m
At 23 April 2015	13.8	(16.5)	(2.7)
Current service cost	-	(0.2)	(0.2)
Past service cost including curtailments	-	(0.1)	(0.1)
Interest income/(expense)	0.4	(0.5)	(0.1)
	14.2	(17.3)	(3.1)
Remeasurements			
- Return on plan assets, excluding amount included in interest	(0.6)	-	(0.6)
- Gain from change in financial assumptions	-	0.6	0.6
- Experience	-	0.4	0.4
	13.6	(16.3)	(2.7)
Employer contributions	0.6	-	0.6
Benefits payable from plan	(2.0)	2.0	-
At 21 April 2016	12.2	(14.3)	(2.1)

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

18 Pension commitments (continued)

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	16.0
1 year increase in life expectancy	14.7
0.5% increase in salary increases	14.5
0.5% increase in inflation	15.8

	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 25 April 2014	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)	-
	12.3	(13.8)	(1.5)
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)
	13.3	(16.5)	(3.2)
Employer contributions	0.5	-	0.5
Benefits payable from plan	-	-	-
At 23 April 2015	13.8	(16.5)	(2.7)

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 £0.6 million.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

19 Operating lease commitments

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
	£m	£m	£m	£m
Commitments under non-cancellable operating leases due:				
Within one year	66.6	-	65.5	-
Later than one year and less than five years	204.6	-	218.9	-
After five years	1,279.1	-	1,309.7	-
	1,550.3	-	1,594.1	-

The leases held on the Sherwood Forest, Elveden Forest and Whinfell Forest land and buildings expire in February 2047 and the lease held on the Longleat Forest land and buildings expires in November 2017. The lease on the Longleat Forest land and buildings is expected to be extended in the near future.

All of the counterparties to the Company's operating leases are other members of the Group headed by Center Parcs (Holdings 1) Limited.

20 Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £28.5 million (2015: £8.3 million).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

21 Related party transactions

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

	Balance at 23 April 2015	Movement in 52 weeks	Balance at 21 April 2016
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	-	(0.1)
Sun CP Newmidco Limited	1.1	-	1.1
Longleat Property Limited	(12.2)	(9.9)	(22.1)
Center Parcs (Holdings 1) Limited	248.3	16.3	264.6
CP Sherwood Village Limited	(7.7)	(8.6)	(16.3)
CP Elveden Village Limited	(11.7)	(8.6)	(20.3)
CP Whinfell Village Limited	2.8	(5.6)	(2.8)
SPV2 Limited	1.0	0.9	1.9
Center Parcs Limited	0.2	(0.3)	(0.1)
Center Parcs (Holdings 3) Limited	-	54.7	54.7
CP Woburn (Operating Company) Limited			
- Loans	-	170.4	170.4
- Trading balances	(9.7)	11.8	2.1
CP Cayman Midco 2 Limited	(0.2)	-	(0.2)
Center Parcs Ireland Limited	-	2.7	2.7
BSREP II Center Parcs Jersey Limited	-	(5.5)	(5.5)

All of the above companies are part of the Group headed by Center Parcs (Holdings 1) Limited with the exception of CP Cayman Midco 2 Limited, Center Parcs Ireland Limited and BSREP II Center Parcs Jersey Limited. These companies have the same ultimate ownership as Center Parcs (Operating Company) Limited but are not part of the Center Parcs (Holdings 1) Limited Group.

CP Woburn (Operating Company) Limited was acquired by the Center Parcs (Holdings 1) Limited Group on 11 June 2015. Prior to that date, CP Woburn (Operating Company) Limited had the same ultimate ownership as Center Parcs (Operating Company) Limited.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

21 Related party transactions (continued)

The movement on the balance with Longleat Property Limited represents rent invoiced of £17.4 million and other trading activities of £0.3 million, off-set by the payment of interest and commitment fees on that company's behalf of £7.7 million and the revaluation of the rent deposit of £0.1 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represents interest receivable of £16.0 million and the distribution of a receivable of £0.3 million by Center Parcs Energy Services Limited (note 8).

The movement on the balance with CP Sherwood Village Limited represents rent invoiced of £17.4 million and other trading activities of £0.4 million, off-set by the payment of interest and commitment fees on that company's behalf of £9.2 million.

The movement on the balance with CP Elveden Village represents rent invoiced of £16.8 million and other trading activities of £0.3 million, off-set by the payment of interest and commitment fees on that company's behalf of £8.5 million.

The movement on the balance with CP Whinfell Village represents rent invoiced of £14.8 million and other trading activities of £0.4 million, off-set by the payment of interest and commitment fees on that company's behalf of £9.6 million.

The movement on the balance with SPV2 Limited represents funds advanced to that company of £1.1 million, off-set by the transfer of a receivable of £0.2 million.

The movement on the balance with Center Parcs Limited represents the balance due following the acquisition of that company's subsidiary undertakings (note 8).

The movement on the balance with Center Parcs (Holdings 3) Limited represents the assignment of a loan of £50.6 million by CP Cayman Midco 1 Limited, a related party, and interest on that loan of £3.7 million, together with the payment of interest and commitment fees on behalf of Center Parcs (Holdings 3) Limited of £0.4 million.

The movement on the loan balances with CP Woburn (Operating Company) Limited represents the assignment of a loan of £157.4 million by CP Woburn Holdco Sarl, a related party, and interest on that loan of £13.0 million.

The movement on the trading balances with CP Woburn (Operating Company) Limited represents the partial settlement of the balance due and an adjustment of £2.9 million in respect of group relief following finalisation of the prior year corporation tax returns.

The movement on the balance with Center Parcs Ireland Limited represents amounts paid on that company's behalf.

The movement on the balance with BSREP II Center Parcs Jersey Limited represents payment for group relief.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

21 Related party transactions (continued)

	Balance at 24 April 2014	Movement in 52 weeks	Balance at 23 April 2015
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	-	(0.1)
Sun CP Newmidco Limited	1.1	-	1.1
Longleat Property Limited	(7.3)	(4.9)	(12.2)
Center Parcs (Holdings 1) Limited	232.3	16.0	248.3
CP Sherwood Village Limited	(4.8)	(2.9)	(7.7)
CP Elveden Village Limited	(8.5)	(3.2)	(11.7)
CP Whinfell Village Limited	2.4	0.4	2.8
SPV2 Limited	0.3	0.7	1.0
Center Parcs Limited	0.2	-	0.2
CP Woburn (Operating Company) Limited	(4.5)	(5.2)	(9.7)
CP Cayman Midco 2 Limited	(0.3)	0.1	(0.2)

The movement on the balance with Longleat Property Limited represented rent invoiced of £16.9 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.7 million and other trading activities of £0.3 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represented interest receivable of £15.8 million and amounts settled on behalf of that company of £0.2 million.

The movement on the balance with CP Sherwood Village Limited represented rent invoiced of £17.2 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.0 million and other trading activities of £0.3 million.

The movement on the balance with CP Elveden Village represented rent invoiced of £16.6 million, off-set by the payment of interest and commitment fees on that company's behalf of £13.0 million and other trading activities of £0.4 million.

The movement on the balance with CP Whinfell Village represented rent invoiced of £14.7 million, off-set by the payment of interest and commitment fees on that company's behalf of £14.7 million and other trading activities of £0.4 million.

The movement on the balance with SPV2 Limited represented funds advanced to that company of £0.8 million, off-set by the transfer of a receivable of £0.1 million.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 52 weeks ended 21 April 2016 (continued)

21 Related party transactions (continued)

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

The movement on the balance with CP Cayman Midco 2 Limited represented repayments of the loan balance and interest payable.

22 Contingent liabilities

The Company, along with all other members of the Group headed by Center Parcs (Holdings 1) Limited, is an obligor in securing the Group's external borrowings of £1,490.0 million (2015: £1,020.0 million).

23 Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales.

With effect from 3 August 2015 the ultimate parent company and controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The largest group in which the results of the Company are consolidated is that headed by Brookfield Asset Management Inc. The consolidated financial statements of Brookfield Asset Management Inc. are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3.

The smallest group in which the results of the Company are consolidated is that headed by Center Parcs (Holdings 1) Limited. A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.