

Center Parcs (Operating Company) Limited
Annual report and financial statements
for the 53 weeks ended 26 April 2018

Registered number: 04379585

Center Parcs (Operating Company) Limited

Annual report and financial statements for the 53 weeks ended 26 April 2018

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Center Parcs (Operating Company) Limited

Directors and auditor

Directors

M P Dalby
C G McKinlay
Z B Vaughan
K O McCrain
N J Adomait

Secretary

R Singh–Dehal

Independent auditor

Deloitte LLP
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 53 weeks ended 26 April 2018

The Directors present their strategic report on the Company for the 53 weeks ended 26 April 2018 (2017: 52 weeks ended 20 April 2017).

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 Whinell Village in Cumbria.

Center Parcs targets the premium sector of the UK family short break market, offering an escape from the stresses and strains of modern life and helping families come together.

Each of the Company's holiday villages is set in a forest environment amongst approximately 400 acres of forest and lakes and is open 365 days per year. Woodland, water and a natural environment are the essential elements of a Center Parcs break. Within the comfortable, quiet and family-friendly setting, the Center Parcs villages provide guests with high-quality accommodation and more than 150 leisure and spa activities. The focal point and key attraction of each village is an all-weather indoor sub-tropical swimming paradise, featuring a selection of water activities including a wave pool, river slides and rides, children's pools and jacuzzis. Other on-site experiences include outdoor activities such as cycling, boating and quadbikes; indoor activities such as ten-pin bowling, badminton and pottery; and leisure amenities such as spas, dining and retail.

Financial performance

The results of the Company for the period show a profit of £30.6 million (2017: profit of £40.8 million).

The heavy snowfall in England in March 2018 caused the temporary closure of Longleat Forest and restricted guest arrivals and activities at all other villages. Guests impacted by the snow were issued refunds of both their accommodation and on-site spend. This was only the fourth time that a village has had to close in over 30 years of trading. The Directors estimate that the lost revenue totalled £1.6 million and the overall reduction in EBITDA for the 53 weeks ended 26 April 2018 was approximately £1.5 million.

During the period the Company incurred exceptional/non-underlying administrative expenses of £0.8 million, principally in respect of one-off restructuring and reorganisation costs, and an exceptional/non-underlying finance cost of £14.4 million in respect of a refinancing of the Company's debt. Taxation on these items has also been treated as an exceptional/non-underlying item.

On 15 June 2017 the Group issued £100.0 million of additional A4 secured notes, together with £730.0 million of New Class B notes, divided into £480.0 million 4.250% notes due to expire in August 2022 and £250.0 million 4.875% notes due to mature in August 2025. Part of the proceeds of these new notes were used to settle the Group's Class B2 notes, which were due to mature in August 2020.

During the prior period ended 20 April 2017 the Company incurred an exceptional/non-underlying finance expense of £2.8 million in respect of the refinancing of the Group's debt. Taxation on this expense has also been treated as an exceptional/non-underlying item.

Center Parcs (Operating Company) Limited

Strategic report for the 53 weeks ended 26 April 2018 (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 97.6% (2017: 97.3%).
- 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 £182.09 (2017: £174.46).
- 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 £177.77 (2017: £169.68).

Going concern

The Directors have assessed the financial position of 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 53 weeks ended 26 April 2018 (continued)

Financial risk management (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



C G McKinlay

Director

22 June 2018

Center Parcs (Operating Company) Limited

Directors' report for the 53 weeks ended 26 April 2018

The Directors present their report and the audited financial statements for the 53 weeks ended 26 April 2018 (2017: 52 weeks ended 20 April 2017).

The registered number of the Company is 04379585.

Future developments

No changes to the nature of the business are anticipated.

Financial risk management objectives

Details of financial risk management objectives can be found under the heading 'Key performance indicators', found in the strategic report, and form part of this report by cross-reference.

Dividends

During the period the Company paid dividends totalling £298.1 million (2017: £48.5 million). The Directors have not proposed the payment of a final dividend (2017: £nil).

The dividends paid during the 52 weeks ended 20 April 2017 included £9.8 million proposed at 21 April 2016.

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
C G McKinlay (appointed 3 July 2017)
P Inglett (resigned 4 August 2017)
Z B Vaughan
K O McCrain
N J Adomait

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

Center Parcs (Operating Company) Limited

Directors' report for the 53 weeks ended 26 April 2018 (continued)

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.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is principally achieved through formal and informal briefings, the quarterly internal Group magazine 'Center Forward' and annual presentations of the financial results by the CEO. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests, via village and head office council meetings which take place four times a year. In addition, all employees with more than six months' service receive an annual bonus related to the overall profitability of the Group.

Political donations

No political donations were made in the current or prior period.

Center Parcs (Operating Company) Limited

Directors' report for the 53 weeks ended 26 April 2018 (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/she has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

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

On behalf of the board



C G McKinlay
Director
22 June 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 26 April 2018 and of its profit for the 53 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.

We have audited the financial statements of Center Parcs (Operating Company) Limited for the 53 weeks ended 26 April 2018 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 24. 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Alistair Pritchard FCA

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

22 June 2018

Center Parcs (Operating Company) Limited

Income Statement for the 53 weeks ended 26 April 2018

	Note	53 weeks ended 26 April 2018 £m	52 weeks ended 20 April 2017 £m
Revenue		375.6	354.1
Cost of sales		(98.8)	(94.0)
Gross profit		276.8	260.1
Administrative expenses			
Before exceptional/non-underlying finance expense		(236.9)	(208.9)
Exceptional/non-underlying finance expense	4	(0.8)	-
Total administrative expenses		(237.7)	(208.9)
Operating profit	3	39.1	51.2
Finance expense			
Before exceptional/non-underlying finance expense		(39.9)	(36.2)
Exceptional/non-underlying finance expense	4	(14.4)	(2.8)
Total finance expense	5	(54.3)	(39.0)
Finance income	5	45.6	41.9
Profit before taxation		30.4	54.1
Taxation			
Before exceptional/non-underlying taxation		(2.7)	(13.4)
Exceptional/non-underlying taxation		2.9	0.1
Total taxation	6	0.2	(13.3)
Profit for the period attributable to equity shareholders	16	30.6	40.8

All amounts derive from continuing activities.

Center Parcs (Operating Company) Limited

Statement of Comprehensive Income for the 53 weeks ended 26 April 2018

		53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	Note	£m	£m
Profit for the financial period		30.6	40.8
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	19	1.7	(1.4)
Tax relating to components of other comprehensive income	11	(0.3)	0.2
Other comprehensive income for the period	16	1.4	(1.2)
Total comprehensive income for the period		32.0	39.6

Center Parcs (Operating Company) Limited

Statement of Changes in Equity for the 53 weeks ended 26 April 2018

	Attributable to owners of the parent			
	Share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m
At 20 April 2017	-	-	271.6	271.6
Comprehensive income				
Profit for the period	-	-	30.6	30.6
Other comprehensive income	-	-	1.4	1.4
Transactions with owners				
Bonus issue of shares	-	136.1	(136.1)	-
Capital reduction	-	(136.1)	136.1	-
Dividends	-	-	(298.1)	(298.1)
At 26 April 2018	-	-	5.5	5.5

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£m	£m	£m
At 21 April 2016	-	280.5	280.5
Comprehensive income			
Profit for the period	-	40.8	40.8
Other comprehensive income	-	(1.2)	(1.2)
Transactions with owners			
Dividends	-	(48.5)	(48.5)
At 20 April 2017	-	271.6	271.6

Center Parcs (Operating Company) Limited

Balance Sheet at 26 April 2018

	Note	26 April 2018 £m	20 April 2017 £m
Assets			
Non-current assets			
Goodwill	8	244.1	244.1
Other intangible assets	8	27.5	14.3
Property, plant and equipment	7	242.3	252.8
Investments	9	5.5	5.5
Trade and other receivables	10	280.1	250.6
Deferred tax asset	11	10.0	14.4
		809.5	781.7
Current assets			
Inventories		3.0	3.0
Trade and other receivables	10	321.5	305.7
Current tax asset		3.7	6.4
Cash and cash equivalents		43.3	28.0
		371.5	343.1
Liabilities			
Current liabilities			
Borrowings	13	(0.3)	(0.3)
Trade and other payables	12	(366.9)	(301.4)
		(367.2)	(301.7)
Net current assets		4.3	41.4
Non-current liabilities			
Borrowings	13	(807.1)	(548.3)
Retirement benefit obligations	19	(1.2)	(3.2)
		(808.3)	(551.5)
Net assets		5.5	271.6
Equity			
Share capital	15	-	-
Retained earnings	16	5.5	271.6
Total equity		5.5	271.6

The financial statements on pages 11 to 55 were approved by the board of Directors on 22 June 2018 and were signed on its behalf by:



C G McKinlay
Director

Center Parcs (Operating Company) Limited
Registered no. 04379585

Center Parcs (Operating Company) Limited

Cash Flow Statement for the 53 weeks ended 26 April 2018

	Note	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
		£m	£m
Operating activities			
Operating profit		39.1	51.2
Depreciation and amortisation	3	69.4	51.9
Working capital and non-cash movements	17	74.3	86.4
Difference between the pension charge and contributions		(0.3)	(0.3)
Corporation tax paid		(1.0)	(1.1)
Net cash inflow from operating activities		181.5	188.1
Investing activities			
Purchase of property, plant and equipment		(62.7)	(74.1)
Purchase of intangible assets		(11.2)	(8.5)
Sale of property, plant and equipment		0.2	0.2
Interest received		0.2	0.2
Net cash outflow from investing activities		(73.5)	(82.2)
Financing activities			
Repayment of external borrowings		(299.3)	(0.3)
Proceeds from external borrowings		563.1	-
Issue costs on secured debt		(6.2)	-
Break costs on secured debt		(14.4)	-
Interest paid		(37.8)	(35.3)
Dividends paid		(298.1)	(48.5)
Net cash outflow from financing activities		(92.7)	(84.1)
Net movement in cash and cash equivalents		15.3	21.8
Cash and cash equivalents at beginning of the period		28.0	6.2
Cash and cash equivalents at end of the period		43.3	28.0

Interest paid was included in 'Cash flows used in investing activities' in the prior financial period but has been presented above in 'Cash flows used in financing activities' to conform to the classification in the current financial period.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018

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 private company limited by shares, which is incorporated and domiciled in the UK, and is registered in England and Wales. 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 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.

Critical accounting judgements and key sources of estimation uncertainty

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.

Critical judgements in applying the Company's accounting policies

Discount rate used to determine the carrying value of the Company's defined benefit pension scheme obligation:

The Company's defined benefit pension scheme obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

1 Accounting policies (continued)

Key sources of estimation uncertainty

Useful economic lives and residual values of property, plant and equipment and other intangible assets:

The Company reviews the estimated useful lives of property, plant and equipment and other intangible assets at the end of each reporting period. During the current period, the Directors have concluded that no revision is required to either useful economic lives or residual values of these assets.

Impairment test for goodwill:

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Company to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

1 Accounting policies (continued)

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 either four or seven 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. 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 53 weeks ended 26 April 2018 (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 shorter of the expected useful economic life of the assets concerned or the lease length, which are typically as follows:

Installations	10 to 20 years
Fixtures and fittings	5 to 10 years
Motor vehicles	4 years
Computer hardware	4 years

Buildings are depreciated to residual value over 50 years. Land is not depreciated. The Company's water boreholes are depreciated on a straight-line basis over 13 years.

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.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

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 53 weeks ended 26 April 2018 (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.

Details of the Company's financial risk management objectives are included in the strategic report and note 2 to the financial statements.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

1 Accounting policies (continued)

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.

Investments

The cost of investments, 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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

1 Accounting policies (continued)

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.

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.

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 53 weeks ended 26 April 2018 (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 53 weeks ended 26 April 2018 (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 26 April 2018. 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 Directors are assessing the monetary impact of adopting IFRS 16, and are considering both the full and modified retrospective adoption approaches permitted under the standard.

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 26 April 2018, 99% (2017: 99%) of the Company's external borrowings incurred interest at a fixed rate.

Liquidity risk

At 26 April 2018, 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 53 weeks ended 26 April 2018 (continued)

3 Operating profit

Operating profit is stated after charging the following:

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Staff costs (note 18)	89.8	82.5
Cost of inventories	33.1	32.3
Depreciation of property, plant and equipment (note 7)	64.7	49.4
Amortisation of intangible assets (note 8)	4.7	2.5
Operating lease rentals – land and buildings	68.9	63.4
Repairs and maintenance expenditure	9.6	9.0
Services provided by the Company's auditor	0.2	0.5

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

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Charged to the income statement:		
Audit of the Company and certain Group undertakings	0.2	0.5

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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

4 Exceptional/non-underlying items

The heavy snowfall in England in March 2018 caused the temporary closure of Longleat Forest and restricted guest arrivals and activities at all other villages. Guests impacted by the snow were issued refunds of both their accommodation and on-site spend. This was only the fourth time that a village has had to close in over 30 years of trading. The Directors estimate that the lost revenue totalled £1.6 million and the overall reduction in EBITDA for the 53 weeks ended 26 April 2018 was approximately £1.5 million.

The following exceptional/non-underlying items are reflected in the financial statements:

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Operating items		
Administrative expenses	(0.8)	-
	(0.8)	-
Non-operating items		
Finance expense	(14.4)	(2.8)
Taxation	2.9	0.1
	(11.5)	(2.7)
	(12.3)	(2.7)

Exceptional/non-underlying administrative expenses principally relate to one-off restructuring and reorganisation costs. Taxation on this expense has also been treated as an exceptional/non-underlying item.

The £14.4 million exceptional/non-underlying finance expense in the period represents the premium paid on the settlement of the B2 tranche of the Group's secured debt. Taxation on this expense has also been treated as an exceptional/non-underlying item.

The £2.8 million exceptional/non-underlying finance expense in the prior period represented accelerated amortisation of deferred issue costs in respect of the B2 tranche of secured notes. Taxation on this expense was also treated as an exceptional/non-underlying item.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

5 Net finance costs

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Finance costs		
Bank interest and similar charges	40.1	36.7
- Less: Interest capitalised	(0.2)	(0.5)
Finance costs before exceptional/non-underlying items	39.9	36.2
Exceptional/non-underlying finance costs		
- Accelerated amortisation of deferred issue costs	-	2.8
- Premium on settlement of the B2 notes	14.4	-
	14.4	2.8
Total finance expense	54.3	39.0
Finance income		
Bank interest receivable	(0.2)	(0.2)
Interest on loans to Group undertakings	(45.4)	(41.7)
Total finance income	(45.6)	(41.9)
Net finance costs	8.7	(2.9)

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

6 Taxation

(a) Taxation

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

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Current tax:		
- Current period	4.7	10.8
- Adjustments in respect of prior periods	(9.0)	2.6
	(4.3)	13.4
Deferred tax:		
- Origination and reversal of temporary differences	0.6	0.3
- Adjustments in respect of prior periods	3.5	(0.4)
Taxation (note 6(b))	(0.2)	13.3

(b) Factors affecting the tax charge

The tax assessed for the period is lower (2017: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2017: 20%). The difference is reconciled below:

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Profit before taxation	30.4	54.1
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	5.8	10.8
Adjustment in respect of prior periods	(5.5)	2.2
Permanent differences and expenses not deductible for tax	1.6	1.3
Group relief not paid for	(2.0)	(1.9)
Impact of change in corporation tax rate	(0.1)	0.9
Tax (credit)/charge for the period (note 6(a))	(0.2)	13.3

Change of corporation tax rate

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the standard rate of corporation tax in the UK to 17% with effect from 1 April 2020

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

7 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 20 April 2017	80.0	290.1	96.8	14.7	20.7	502.3
Additions	10.5	18.0	21.8	2.0	8.6	60.9
Disposals	-	-	(4.1)	(1.6)	-	(5.7)
Transfers	11.0	6.2	-	-	(23.9)	(6.7)
At 26 April 2018	101.5	314.3	114.5	15.1	5.4	550.8
Depreciation						
At 20 April 2017	39.5	156.0	44.8	9.2	-	249.5
Charge	2.9	35.1	24.0	2.7	-	64.7
On disposals	-	-	(4.1)	(1.6)	-	(5.7)
At 26 April 2018	42.4	191.1	64.7	10.3	-	308.5
Net book amount						
At 26 April 2018	59.1	123.2	49.8	4.8	5.4	242.3

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

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

7 Property, plant and equipment (continued)

	Leasehold improvements	Installations	Fixtures & fittings	Motor vehicles & hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 21 April 2016	71.5	264.3	43.9	21.7	13.7	415.1
Additions	4.9	21.4	28.9	2.5	15.9	73.6
Disposals	(0.7)	-	(17.3)	(1.9)	-	(19.9)
Reclassification (note 8)	-	-	-	-	(2.6)	(2.6)
Transfers	4.3	2.0	1.3	-	(7.6)	-
Re-categorisation	-	2.4	40.0	(7.6)	1.3	36.1
At 20 April 2017	80.0	290.1	96.8	14.7	20.7	502.3
Depreciation						
At 21 April 2016	36.8	125.6	7.4	14.1	-	183.9
Charge	3.4	25.9	16.5	3.6	-	49.4
On disposals	(0.7)	-	(17.3)	(1.9)	-	(19.9)
Re-categorisation	-	4.5	38.2	(6.6)	-	36.1
At 20 April 2017	39.5	156.0	44.8	9.2	-	249.5
Net book amount						
At 20 April 2017	40.5	134.1	52.0	5.5	20.7	252.8

During the prior period, the cost and accumulated depreciation of certain items of property, plant and equipment were re-categorised to more accurately reflect the components of their net book amount. The net impact on the net book amounts of those assets was £nil.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

8 Goodwill and other intangible assets

	Goodwill £m	Software £m	Total £m
Cost			
At 21 April 2016	263.9	12.1	276.0
Additions	-	8.5	8.5
Disposals	-	(1.9)	(1.9)
Reclassification (note 7)	-	2.6	2.6
At 20 April 2017	263.9	21.3	285.2
Amortisation			
At 21 April 2016	19.8	6.4	26.2
Charge	-	2.5	2.5
On disposals	-	(1.9)	(1.9)
At 20 April 2017	19.8	7.0	26.8
Net book amount			
At 20 April 2017	244.1	14.3	258.4
Cost			
At 20 April 2017	263.9	21.3	285.2
Additions	-	11.2	11.2
Disposals	-	(3.2)	(3.2)
Transfers (note 7)	-	6.7	6.7
At 26 April 2018	263.9	36.0	299.9
Amortisation			
At 20 April 2017	19.8	7.0	26.8
Charge	-	4.7	4.7
On disposals	-	(3.2)	(3.2)
At 26 April 2018	19.8	8.5	28.3
Net book amount			
At 26 April 2018	244.1	27.5	271.6

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

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

8 Goodwill and other intangible assets (continued)

Impairment test for goodwill

Goodwill is allocated equally 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 five-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 Adjusted EBITDA margin, growth rates and the discount rate; the long-term growth rate applied is 2.30% (2017: 2.25%) and the pre-tax discount rate applied is 9.0% (2017: 9.7%).

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 53 weeks ended 26 April 2018 (continued)

9 Investments

	Investments in Group undertakings
	£m
Cost and net book value	
At 21 April 2016, 20 April 2017 and 26 April 2018	5.5

Investments at 26 April 2018 and 20 April 2017 relate to 100% of the ordinary shares of Center Parcs Limited and Centrepark Limited. All subsidiaries are registered in England and Wales. The Directors believe that the carrying value of investments is supported by the underlying net assets of the investee.

Center Parcs Limited made a pre-tax profit of £0.7 million for the 53 weeks ended 26 April 2018 (2017: profit of £0.7 million) and its net assets at that date were £13.4 million (20 April 2017: £12.7 million).

Centrepark Limited made a pre-tax profit of £nil for the 53 weeks ended 26 April 2018 (2017: profit of £nil) and its net assets at that date were £39 (2017: £39).

The registered office for all subsidiary undertakings is the same as the Company (One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP).

10 Trade and other receivables

	2018	2017
	£m	£m
<i>Amounts due within one year:</i>		
Trade receivables	2.8	2.0
Rental deposits	-	2.9
Amounts owed by Group undertakings	302.3	285.1
Amounts owed by related parties	1.4	1.5
Prepayments and accrued income	14.6	14.2
Other receivables	0.4	-
	321.5	305.7
<i>Amounts due after more than one year:</i>		
Amounts owed by Group undertakings	280.1	250.6
	280.1	250.6

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

10 Trade and other receivables (continued)

The fair value of trade and other receivables is equal to its book value and no impairment provisions have been made (2017: £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 (2017: £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 £15.9 million (2017: £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 at 26 April 2018 and 20 April 2017 represent amounts advanced to Zinc Investments Sarl. This balance is interest-free, unsecured and repayable on demand.

Amounts due after more than one year

Amounts owed by Group undertakings consists of the following:

- An unsecured loan of £50.6 million (2017: £50.6 million) due from Center Parcs (Holdings 3) Limited and the associated unpaid interest. Interest on this loan of £6.3 million accrued in the 53 week period ended 26 April 2018 (2017: £5.6 million). The loan notes are redeemable on 11 June 2025.
- Unsecured loans and associated unpaid interest totalling £213.9 million (2017: £190.7 million) due from CP Woburn (Operating Company) Limited. As at 26 April 2018, interest is payable at a fixed rate of 8% per annum on loans of £2.6 million and at 12% per annum on the remainder. Interest is rolled up into the outstanding balance and interest on these loans of £23.2 million accrued in the 53 week period to 26 April 2018 (2017: £20.3 million). 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 53 weeks ended 26 April 2018 (continued)

11 Deferred tax

	2018	2017
	£m	£m
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	10.0	14.4

The movement on the deferred tax account is shown below:

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
At the beginning of the period	14.4	14.1
(Charged)/credited to the income statement	(4.1)	0.1
(Charged)/credited to the statement of comprehensive income	(0.3)	0.2
At the end of the period	10.0	14.4

	Depreciation in excess of capital allowances	Pension	Total
	£m	£m	£m
As at 21 April 2016	13.7	0.4	14.1
Credited/(charged) to the income statement	0.2	(0.1)	0.1
Credited to the statement of comprehensive income	-	0.2	0.2
As at 20 April 2017	13.9	0.5	14.4
Charged to the income statement	(4.1)	-	(4.1)
Charged to the statement of comprehensive income	-	(0.3)	(0.3)
	9.8	0.2	10.0

Deferred tax is calculated at a rate of 17% (2017: 17%).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

12 Trade and other payables

	2018	2017
	£m	£m
<i>Amounts due within one year:</i>		
Trade payables	4.8	7.4
Other tax and social security	15.7	12.1
Other payables	1.9	2.0
Amounts owed to Group undertakings	211.2	148.9
Amounts owed to related parties	10.5	18.6
Accruals	46.8	42.6
Payments on account	76.0	69.8
	366.9	301.4

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

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

13 Borrowings

	2018	2017
Current	£m	£m
Mortgage due within one year	0.3	0.3
<hr/>		
	2018	2017
Non-current	£m	£m
Mortgage	0.3	0.6
Secured debt	806.8	547.7
	807.1	548.3

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 £6,000 (2017: £9,000).

Secured debt

The secured debt consists of the following:

	2018	2017
	£m	£m
Tranche A2	145.0	145.0
Tranche A3	77.5	77.5
Tranche A4	103.8	31.0
Tranche B2	-	299.0
Tranche B3	322.0	-
Tranche B4	167.7	-
Unamortised deferred issue costs	(9.2)	(4.8)
	806.8	547.7

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

13 Borrowings (continued)

The secured debt is part of an overall £1,760.0 million (2017: £1,490.0 million) facility made available to the Group. The loans detailed below represent the issue proceeds recharged to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

On 15 June 2017 the Group issued an additional £100.0 million of Tranche A4 secured notes via a tap issue, at a premium of £9.5 million; this premium is being amortised over the period to expected maturity and amortisation of £0.6 million (2017: £nil) was credited to the income statement of the Company during the period. On the same date the Group issued £730.0 million of New Class B secured notes, divided into £480.0 million B3 notes and £250.0 million B4 notes. Part of the proceeds of these new notes was used to settle the Group's Class B2 secured notes.

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

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%.

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

The tranche B3 notes have an expected maturity date of 28 August 2022 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity is fixed at 4.250%.

The tranche B4 notes have an expected maturity date of 28 August 2025 and a final maturity date of 28 February 2047. The interest rate to both expected maturity and final maturity is fixed at 4.875%.

The tranche B3 and B4 debt is subordinated to the Class A debt. All tranches of secured debt 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.

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 53 weeks ended 26 April 2018 (continued)

13 Borrowings (continued)

The maturity of the Company's borrowings is set out below. All amounts are denominated in £ sterling.

	Less than 1 year	2 – 5 years	Greater than 5 years	Premium and deferred issue costs	Total
	£m	£m	£m	£m	£m
As at 26 April 2018					
Mortgage	0.3	0.3	-	-	0.6
Secured debt	-	399.5	410.7	(3.4)	806.8
Total borrowings	0.3	399.8	410.7	(3.4)	807.4
As at 20 April 2017					
Mortgage	0.3	0.6	-	-	0.9
Secured debt	-	376.5	176.0	(4.8)	547.7
Total borrowings	0.3	377.1	176.0	(4.8)	548.6

All of the above amounts are denominated in £ sterling.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

14 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. The Company's financial liabilities are categorised as other financial liabilities.

	2018	2017
Financial assets	£m	£m
Trade receivables	2.8	2.0
Other receivables	584.2	540.1
Cash and cash equivalents	43.3	28.0
	630.3	570.1

	2018	2017
Financial liabilities	£m	£m
Borrowings	807.4	548.6
Trade payables	4.8	7.4
Accruals	46.8	42.6
Other payables	223.6	169.5
	1,082.6	768.1

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

14 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 (2017: 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 26 April 2018 was £855.0 million (2017: £618.6 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 53 weeks ended 26 April 2018 (continued)

14 Financial instruments (continued)

Maturity of financial liabilities

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

As at 26 April 2018	Mortgage	Secured debt	Total
	£m	£m	£m
In less than one year	0.3	37.9	38.2
In two to five years	0.6	535.6	536.2
In more than five years	-	446.7	446.7
	0.9	1,020.2	1,021.1

As at 20 April 2017	Mortgage	Secured debt	Total
	£m	£m	£m
In less than one year	0.3	34.6	34.9
In two to five years	0.9	475.6	476.5
In more than five years	-	199.0	199.0
	1.2	709.2	710.4

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

15 Share capital

	2018	2017
	£m	£m
Allotted and fully paid		
38,490,322 (2017: 38,490,321) 'A' ordinary shares of £100/38,490,321	-	-

On 3 August 2017 the Company made a bonus issue of one share at a premium of £136.1 million (see note 16).

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.

16 Share premium and retained earnings

	Share premium £m	Retained earnings £m
As at 20 April 2017	-	271.6
Profit for the period	-	30.6
Net movement on pension scheme	-	1.4
Bonus issue of shares	136.1	(136.1)
Capital reduction	(136.1)	136.1
Dividends	-	(298.1)
As at 26 April 2018	-	5.5

On 3 August 2017 the Company undertook a capital reduction pursuant to which its share premium account was cancelled in full.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

16 Share premium and retained earnings (continued)

	Retained earnings £m
As at 21 April 2016	280.5
Profit for the period	40.8
Net movement on pension scheme	(1.2)
Dividends	(48.5)
As at 20 April 2017	271.6

17 Working capital and non-cash movements

	53 weeks ended 26 April 2018 £m	52 weeks ended 20 April 2017 £m
Profit on disposal of property, plant and equipment	(0.2)	(0.2)
Increase in inventories	-	(0.3)
Decrease in trade and other receivables	0.1	0.7
Increase in trade and other payables	74.4	86.2
	74.3	86.4

18 Employees and Directors

	53 weeks ended 26 April 2018 £m	52 weeks ended 20 April 2017 £m
Staff costs for the Company during the period:		
Wages and salaries	82.4	75.6
Social security costs	4.8	4.4
Pension costs	2.6	2.5
	89.8	82.5

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

18 Employees and Directors (continued)

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

	53 weeks ended 26 April 2017	52 weeks ended 20 April 2017
	Number	Number
By activity		
Leisure, food and retail	2,901	2,899
Administration	762	723
Housekeeping, technical and estate services	3,072	3,010
	6,735	6,632

Key management compensation:

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Short-term benefits	2.9	2.6
	2.9	2.6

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

Directors

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Remuneration in respect of qualifying services	1.6	1.7

One Director (2017: one) has retirement benefits accruing under the Company's money purchase pension scheme, in respect of which the Company made contributions of £7,500 (2017: £nil). In addition, retirement benefits are accruing to one Director (2017: one Director) under the Company's defined benefit pension scheme.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

18 Employees and Directors (continued)

	53 weeks ended 26 April 2018	52 weeks ended 20 April 2017
	£m	£m
Included in the above are amounts in respect of the highest paid Director, who is a member of the defined benefit pension scheme:		
Aggregate emoluments	1.0	1.0
Accrued pension at end of period	0.3	0.3

Advances to Director

During the period, a loan of £0.5 million was advanced to Mr C G McKinlay. This loan attracts interest at a rate of 2.5% per annum. A repayment of £0.1m was received during the period, resulting in a balance of £0.4 million owed to the Group at 26 April 2018. This balance is included within other receivables.

19 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 26 April 2018 were £2.3 million (2017: £2.3 million).

Accruals per note 12 include £0.3 million (2017: £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 26 April 2018 by a qualified independent actuary. An actuarial valuation was performed at 1 August 2017 but had not been received at the balance sheet date.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

19 Pension commitments (continued)

The principal assumptions used were:

	2018	2017
Discount rate	2.80%	2.60%
Rate of price inflation (RPI)	3.10%	3.20%
Rate of price inflation (CPI)	2.10%	2.20%
Rate of increase in salaries	2.10%	2.20%
Life expectancy from age 60, for a male:		
• Currently age 60	28.7 years	31.9 years
• Currently age 50	29.6 years	33.4 years

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

	2018	2017
	£m	£m
Present value of funded obligations	(15.1)	(16.3)
Fair value of plan assets	13.9	13.1
Net pension liability	(1.2)	(3.2)

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	53%	21
Deferred members	5	31%	22
Pensioners	2	16%	17
Total	8	100%	21

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

19 Pension commitments (continued)

At the prior year 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	52%	22
Deferred members	5	30%	22
Pensioners	2	18%	18
Total	8	100%	21

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

	2018	2017
Equity securities	39%	38%
Debt securities	60%	54%
Cash	1%	8%

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 20 April 2017	13.1	(16.3)	(3.2)
Current service cost	-	(0.3)	(0.3)
Interest income/(expense)	0.4	(0.4)	-
	0.4	(0.7)	(0.3)
Remeasurements			
- Return on plan assets, excluding amount included in interest	(0.1)	-	(0.1)
- Gain from change in demographic assumptions	-	1.2	1.2
- Gain from change in financial assumptions	-	0.7	0.7
- Experience losses	-	(0.1)	(0.1)
	(0.1)	1.8	1.7
Employer contributions	0.6	-	0.6
Benefits payable from plan	(0.1)	0.1	-
At 26 April 2018	13.9	(15.1)	(1.2)

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

19 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	16.6
1 year increase in life expectancy	15.7
0.5% increase in salary increases	15.2
0.5% increase in inflation	16.2

	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 21 April 2016	12.2	(14.3)	(2.1)
Current service cost	-	(0.2)	(0.2)
Interest income/(expense)	0.4	(0.5)	(0.1)
	0.4	(0.7)	(0.3)
Remeasurements			
- Return on plan assets, excluding amount included in interest	1.4	-	1.4
- Loss from change in financial assumptions	-	(2.7)	(2.7)
- Experience losses	-	(0.1)	(0.1)
	1.4	(2.8)	(1.4)
Employer contributions	0.6	-	0.6
Benefits payable from plan	(1.5)	1.5	-
At 20 April 2017	13.1	(16.3)	(3.2)

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 period are £0.6 million.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

20 Operating lease commitments

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£m	£m	£m	£m
Commitments under non-cancellable operating leases due:				
Within one year	71.1	-	61.1	-
Later than one year and less than five years	288.2	-	204.1	-
After five years	1,467.0	-	1,275.8	-
	1,826.3	-	1,541.0	-

The intra-group 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 was extended in November 2017 for a further 15 years.

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

21 Capital commitments

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £20.5 million (2017: £22.8 million).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

22 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 20 April 2017	Movement in 53 weeks	Balance at 26 April 2018
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	-	(0.1)
Sun CP Newmidco Limited	1.1	(1.1)	-
Longleat Property Limited	(30.6)	(9.9)	(40.5)
Center Parcs (Holdings 1) Limited	280.4	15.9	296.3
CP Sherwood Village Limited	(22.8)	(8.0)	(30.8)
CP Elveden Village Limited	(26.8)	(8.1)	(34.9)
CP Whinfull Village Limited	(6.1)	(4.9)	(11.0)
SPV2 Limited	2.7	0.7	3.4
Center Parcs Limited	(0.1)	-	(0.1)
Center Parcs (Holdings 3) Limited	60.8	8.0	68.8
CP Woburn (Operating Company) Limited			
- Loans	190.7	23.2	213.9
- Trading balances	(59.5)	(34.3)	(93.8)
CP Cayman Midco 2 Limited	(0.2)	0.2	-
Zinc Investments Sarl	1.5	(0.1)	1.4
BSREP II Center Parcs Jersey Limited	(18.4)	7.9	(10.5)

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, Zinc Investments Sarl 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.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

22 Related party transactions (continued)

The movement on the balance with Sun CP Newmidco Limited represents the transfer of the liability to that entity's parent company, Sun CP Newportco Limited. The balance was subsequently assigned to Center Parcs (Holdings 3) Limited.

The movement on the balance with Longleat Property Limited represented rent invoiced of £18.5 million, off-set by the payment of interest, commitment fees and refinancing costs on that company's behalf of £8.6 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represents interest receivable.

The movement on the balance with CP Sherwood Village Limited represents rent invoiced of £18.3 million, off-set by the payment of interest, commitment fees and refinancing costs on that company's behalf of £10.3 million.

The movement on the balance with CP Elveden Village represents rent invoiced of £17.6 million, off-set by the payment of interest, commitment fees and refinancing costs on that company's behalf of £9.5 million.

The movement on the balance with CP Whinfall Village represents rent invoiced of £15.6 million, off-set by the payment of interest, commitment fees and refinancing costs on that company's behalf of £10.7 million.

The movement on the balance with SPV2 Limited represents funds advanced to that company of £0.9 million, off-set by the transfer of a receivable of £0.2 million.

The movement on the balance with Center Parcs (Holdings 3) Limited represents interest receivable of £6.3 million, the payment of interest and commitment fees on that company's behalf of £0.5 million and the transfer of other receivables totalling £1.2 million.

The movement on the loan balances with CP Woburn (Operating Company) Limited represents interest receivable.

The movement on the trading balances with CP Woburn (Operating Company) Limited represents cash advanced of £52.6 million, off-set by the settlement of interest and other liabilities on that company's behalf of £18.3 million.

The movement on the balance with CP Cayman Midco 2 Limited represents the settlement of the balance due.

The movement on the balance with Zinc Investments Sarl represents a partial repayment of the balance due, offset by funds advanced to that company.

The movement on the balance with BSREP II Center Parcs Jersey Limited represents adjustments to group relief payable balances.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

22 Related party transactions (continued)

	Balance at 21 April 2016	Movement in 52 weeks	Balance at 20 April 2017
	£m	£m	£m
Center Parcs (Jersey) 1 Limited	(0.1)	-	(0.1)
Sun CP Newmidco Limited	1.1	-	1.1
Longleat Property Limited	(22.1)	(8.5)	(30.6)
Center Parcs (Holdings 1) Limited	264.6	15.8	280.4
CP Sherwood Village Limited	(16.3)	(6.5)	(22.8)
CP Elveden Village Limited	(20.3)	(6.5)	(26.8)
CP Whinfell Village Limited	(2.8)	(3.3)	(6.1)
SPV2 Limited	1.9	0.8	2.7
Center Parcs Limited	(0.1)	-	(0.1)
Center Parcs (Holdings 3) Limited	54.7	6.1	60.8
CP Woburn (Operating Company) Limited			
- Loans	170.4	20.3	190.7
- Trading balances	2.1	(61.6)	(59.5)
CP Cayman Midco 2 Limited	(0.2)	-	(0.2)
Center Parcs Ireland Limited	2.7	2.7	-
Zinc Investments Sarl	-	1.5	1.5
BSREP II Center Parcs Jersey Limited	(5.5)	(12.9)	(18.4)

Center Parcs Ireland Limited has the same ultimate ownership as Center Parcs (Operating Company) Limited but is not part of the Center Parcs (Holdings 1) Limited Group.

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

22 Related party transactions (continued)

The movement on the balance with Longleat Property Limited represented rent invoiced of £17.9 million, off-set by the payment of interest and commitment fees on that company's behalf of £9.4 million.

The movement on the balance with Center Parcs (Holdings 1) Limited represented interest receivable.

The movement on the balance with CP Sherwood Village Limited represented rent invoiced of £17.7 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.2 million.

The movement on the balance with CP Elveden Village represented rent invoiced of £17.0 million, off-set by the payment of interest and commitment fees on that company's behalf of £10.5 million.

The movement on the balance with CP Whinfell Village represented rent invoiced of £15.1 million, off-set by the payment of interest and commitment fees on that company's behalf of £11.8 million.

The movement on the balance with SPV2 Limited represented funds advanced to that company of £0.9 million, off-set by the transfer of a receivable of £0.1 million.

The movement on the balance with Center Parcs (Holdings 3) Limited represented interest receivable of £5.6 million and the payment of interest and commitment fees on that company's behalf of £0.5 million.

The movement on the loan balances with CP Woburn (Operating Company) Limited represented interest receivable.

The movement on the trading balances with CP Woburn (Operating Company) Limited represented cash advanced of £80.0 million, off-set by the settlement of interest and other liabilities on that company's behalf of £18.4 million.

The movement on the balance with Zinc Investments Sarl represented funds advanced to that company.

The movement on the balance with Center Parcs Ireland Limited represented the net of amounts paid on that company's behalf and the settlement of the balance due.

The movement on the balance with BSREP II Center Parcs Jersey Limited represented payment for group relief of £13.4 million, off-set by payments on that company's behalf of £0.5 million.

23 Contingent liabilities

The Company, along with other members of the Group headed by Center Parcs (Holdings 1) Limited, is an obligor in securing the Group's external borrowings of £1,760.0 million (2017: £1,490.0 million).

Center Parcs (Operating Company) Limited

Notes to the financial statements for the 53 weeks ended 26 April 2018 (continued)

24 Ultimate parent company and controlling parties

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

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 (registered office).