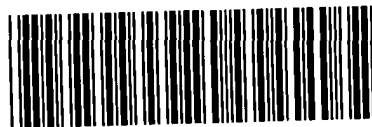


BOURNE LEISURE HOLDINGS LIMITED

Report and Financial Statements

31 December 2018

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COMPANIES HOUSE

Bourne Leisure Holdings Limited

Registered No. 04011667

DIRECTORS

G I Cooper (Chairman)*
C D R Allen*
J E Bentall
R J Cook*
R J C Donnelly*
J P Dunford (resigned 1 January 2018)
P C Flaum (appointed 1 January 2018)
P E W Harris*
D F King (resigned 1 January 2019)
I S MacMillan (appointed 1 January 2019)
S Thompson

* Non-Executive Directors

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

BANKERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

SOLICITORS

Slaughter and May
One Bunhill Row
London EC1Y 8YY

REGISTERED OFFICE

1 Park Lane
Hemel Hempstead
Hertfordshire HP2 4YL

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2018.

REVIEW OF THE BUSINESS

The Group's principal activity during the year continued to be the operation of holiday centres. The Company provides management services for the Group and acts as the holding Company for the Group.

The Group's key financial results were as follows:

	2018 £000	2017 £000	Change %
Turnover	1,057,797	1,035,307	2.2
EBITDA	250,850	247,073	1.5
Group operating profit	169,832	169,849	-
Interest payable (net)	(16,442)	(14,722)	11.7
Profit after tax	121,650	142,073	(14.4)
Equity shareholders' funds	497,330	437,089	13.8
Capital expenditure	242,888	150,898	61.0
Average number of employees	14,028	13,721	2.2

The Group's key financial and other key performance indicators include items such as turnover, EBITDA, guest satisfaction, health and safety and team turnover.

Group turnover increased by 2.2% during the year. Group operating profit increased by 1.5%, as a result of improved trading. During the last week of February 2018, the UK suffered heavy snowfall and severely cold weather which had an impact on the Group in terms of cancelled breaks, lower bookings and frost damage. This was followed by one of the hottest summers on record.

Net interest payable of £16.4 million was £1.7 million higher than the previous year mainly because of higher average interest rates.

Profit after tax in 2018 was £121.7 million (2017 - £142.1 million). The decrease of 14.4% was a result of the increased tax charge of £18.7 million, mainly relating to deferred tax. The previous year, 2017, included a credit to deferred tax of £14.5 million in respect of a revision of certain assumptions underlying the historical deferred tax position including a re-evaluation of the application of tax law in relation to revaluations.

The average number of employees increased by 2.2% in 2018 to support the growth of the business.

Guest loyalty and repeat business underpins the long-term growth of the Group. All Group companies continue to sustain high guest satisfaction ratings.

Capital expenditure was £242.9 million in 2018 (2017 - £150.9 million). The 2018 expenditure included continued investment in hire fleet, pitches, entertainment complexes and swimming pools at the Caravan Parks and expenditure on improving the guest experience and accommodation at Warner Leisure Hotels and Butlins. In 2018 we continued to develop a new Warner hotel (Studley Castle) and a new swimming pool at Butlins Bognor Regis both of which opened in 2019. Capital expenditure also included £3.9m relating to the acquisition of Celtic Haven in April 2018 and £61.3m relating to the acquisition of Heythrop Park Limited in December 2018.

The Group continues to put environmental responsibilities high on the agenda and 37 of its Caravan Parks have achieved a Gold David Bellamy Conservation Award. All of the Group's Caravan Parks are members of the prestigious Green Tourism Business Scheme. As part of the drive to develop the environmental efforts, 'Park Rangers' have been introduced over the last few years to bring our guests closer to nature.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group recognises a variety of financial and market-based risks, including exposure to fluctuating interest risks, changing economic conditions, technological and industry based risks, the competitive environment and regulatory changes. These either singularly or collectively, may affect revenue, cost structure or the value of assets within the business, and are all difficult to quantify.

The main risks arising from the Group's financial instruments are interest rate, liquidity and cash flow risk and credit risk. Policies with respect to these risks are described below. There is no currency exposure as all material transactions and financial instruments are in sterling.

- Interest rate risk

The Group borrows at floating rates of interest, currently 2.00% above LIBOR. The Directors regularly review the need for any financial instruments to cover the risk posed by fluctuating interest rates, thereby minimising the Group's exposure to significant changes in interest rates.

- Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The Group aims to mitigate liquidity and cash flow risk by managing cash generation by its operations. The Group also manages liquidity and cash flow risk via revolving credit facilities and long-term debt. The Group's long-term debt is not repayable until 25 May 2021.

- Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Other risks

- IT risk and cyber security

The Group has various IT systems and applications, the obsolescence or failure of which could impede trading. Failure to put in place adequate preventative measures, if attacked, could lead to data loss or the inability to use the IT systems for a prolonged period. The IT strategy is focused on ensuring the long-term stability of operating systems and data security, whilst keeping pace with the changing face of consumer IT expectations. We continue to strengthen IT security to mitigate the increasing risk of cyber security threats.

- People and succession

Bourne is a people business and employs over 16,000 team members at peak times. Attracting and maintaining talented team members and investing in their training and development are essential to the efficiency and sustainability of the Group. Succession planning is embedded across the Group and is proactively managed.

By order of the Board



I S MacMillan
Director

29 April 2019

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2018.

DIRECTORS

The Directors who served during the year and up until the date of these financial statements are listed on page 1. P C Flaum and S Thompson were appointed on 1 January 2018. J P Dunford resigned on 1 January 2018. I S MacMillan was appointed on 1 January 2019 and D F King resigned as a Director and Company Secretary on 1 January 2019.

DIVIDENDS

Ordinary dividends of £0.162 (2017 - £0.155) per 'A' and 'B' ordinary share, amounting to £56,970,219, were paid during the year (2017 - £54,508,543). Dividends paid during the year on the 'E' non-voting ordinary shares amounted to £4,303,435 (2017 - £4,303,435).

Subsequent to the 2018 year end, the Company declared and paid a dividend on the A and B shares of £38,683,482 and the 'E' non-voting ordinary shares of £2,151,718. In accordance with FRS 102, this dividend has not been recognised as a liability in the consolidated financial statements at 31 December 2018.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to interest rate, credit, liquidity and cash flow risk are set out in the Strategic Report above.

The Group has considerable financial resources from its established operations. The Group also has substantial long-term committed financing arrangements. Taking this and all other factors into account, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

FUTURE DEVELOPMENTS

The Directors aim to maintain the management policies which have resulted in the Group's substantial growth in recent years. They anticipate that 2019 will show further growth in sales and profits from continuing operations.

EMPLOYEES

Employees are kept informed of the performance and objectives of the Group through established methods of briefing and consultations. We conduct team surveys at least annually to provide insight into the views of employees.

The Group gives disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees.

The Group continues the employment of and arranges training for employees who have become disabled persons while employed and otherwise promotes the training, career development and promotion of disabled persons.

In March 2019, Bourne Leisure was voted by its employees as the fifth best big company to work for in the UK, according to the 'Sunday Times'.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' LIABILITIES

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

AUDITOR

Ernst and Young LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor.

By order of the Board



I S MacMillan
Director

29 April 2019

CORPORATE GOVERNANCE STATEMENT

The Directors wish to apply good governance principles and currently follow best practice and consider the provisions of the UK Corporate Governance Code. Set out below are the disclosures of the Directors' application of those aspects of the UK Corporate Governance Code which have been adopted at Bourne Leisure Holdings Limited. We have considered Provisions C1.1, C2.2, C2.3 and C3.2 of the UK Corporate Governance Code and have set out below the specific parts within these provisions that Bourne Leisure Holdings Limited has complied with. The Group has not complied with all aspects of these provisions. In light of the recent changes in legislation under The Companies (Miscellaneous Reporting) Regulations 2018 and the recent publication of the FRC's Wates Principles, the Company intends to reassess the corporate governance framework which it applies for the year ending 2019 to ensure it is the most appropriate for all aspects of the Company and its key stakeholders.

THE WORKINGS OF THE BOARD AND ITS COMMITTEES

The Board

The Board currently comprises the chairman and eight other Directors (four executive Directors and four non-executive Directors). They demonstrate a range of experience and sufficient calibre to make decisions on issues of strategy, performance, resources and standards of conduct, which is vital to the success of the Group. The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the financial statements is set out on page 8.

The Board meets at least six times per annum, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining major acquisition possibilities and reporting to shareholders. The non-executive Directors have a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. The chairman ensures that the Directors take independent professional advice as required.

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to ensure the Company maintains effective controls and arrangements to mitigate risks and exercise responsible stewardship of its assets and liabilities. The committee is chaired by P E W Harris, includes two other non executive Directors, and is scheduled to meet twice per annum. The committee provides a forum for reporting by the Group's external auditors. Meetings are also attended, by invitation, by other executive Directors as appropriate.

The Audit and Risk Committee is responsible for reviewing a wide range of matters including the annual financial statements before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Audit and Risk Committee advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The audit committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Remuneration Committee

The purpose of the Remuneration Committee is to determine the remuneration, including variable pay, of the executive Directors and senior management. The committee is chaired by R J Cook, includes two other non executive Directors, and is scheduled to meet twice per annum. Meetings are also attended, by invitation, by other executive Directors as appropriate.

RELATIONS WITH SHAREHOLDERS

Communications with shareholders are given high priority. The Board uses the Annual General Meeting to communicate with shareholders and welcomes their participation.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

INTERNAL CONTROL

The Directors acknowledge that they are responsible for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's strategic objectives and can only provide reasonable not absolute assurance against material misstatement or loss.

The Group's key risk management processes and system of internal control procedures include the following:

- *Management structure:* Authority to operate the various brands is delegated to an executive Board Director within limits set by the whole Board. The appointment of executives to the most senior positions within the Group requires the approval of the Board. Functional, operating and financial reporting standards are established by head office management for application across the whole Group.
- *Information and financial reporting systems:* The Group's comprehensive planning and financial reporting procedures include detailed operational budgets for the year ahead and a rolling plan that is updated on a regular basis. The Board reviews and approves them. Performance is monitored and relevant action taken throughout the year through the weekly reporting of key performance indicators, updated forecasts for the year together with information on the key risk areas.
- *Investment appraisal:* A budgetary process and authorisation levels regulate capital expenditure. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Reviews are carried out after the investment is complete and, for some projects, during the investment period, to monitor expenditure; major overruns are investigated. Commercial, legal and financial due diligence work is carried out if a business is to be acquired.
- *Audit and Risk Committee:* The audit and risk committee monitors the controls which are in force and any perceived gaps in the control environment. The audit and risk committee also considers and determines relevant action in respect of any control issues raised by the external auditors.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNE LEISURE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bourne Leisure Holdings Limited ('the parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Group Income Statement, the Statement of Changes in Equity for the Group and Parent Company, the Group and Parent Company Statement of Financial Position, the Group Statement of Cash Flows and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the parent company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. We are independent of the Group and parent 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the 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 Group's or the parent 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURNE LEISURE HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 8, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOURNE LEISURE HOLDINGS LIMITED (CONTINUED)

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 <https://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.

Ernst & Young L.L.P.

Cameron Cartmell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 April 2019

Bourne Leisure Holdings Limited**GROUP INCOME STATEMENT**
for the year ended 31 December 2018

	<i>Notes</i>	2018 £000	2017 £000
TURNOVER	2	1,057,797	1,035,307
Cost of sales		<u>(760,934)</u>	<u>(741,616)</u>
GROSS PROFIT		296,863	293,691
Administrative expenses		<u>(127,031)</u>	<u>(123,842)</u>
GROUP OPERATING PROFIT	3	169,832	169,849
Interest receivable	6	525	427
Interest payable	6	<u>(16,967)</u>	<u>(15,149)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		153,390	155,127
Tax charge on profit on ordinary activities	7	<u>(31,740)</u>	<u>(13,054)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>121,650</u></u>	<u><u>142,073</u></u>

All of the Group's activities are regarded as continuing.

There were no recognised gains or losses in either year other than those recognised in the income statement.

Bourne Leisure Holdings Limited

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP AND PARENT COMPANY
for the year ended 31 December 2018

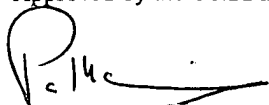
	<i>Share capital</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Reserve for own shares</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Group						
At 31 December 2016	59,332	9,952	105,068	(10,735)	191,008	354,625
Profit for the year	–	–	–	–	142,073	142,073
Purchase of own shares	–	–	–	(1,709)	259	(1,450)
Dividends (Note 8)	–	–	–	–	(58,159)	(58,159)
At 31 December 2017	59,332	9,952	105,068	(12,444)	275,181	437,089
Profit for the year	–	–	–	–	121,650	121,650
Purchase of own shares	–	–	–	(1,381)	444	(937)
Dividends (Note 8)	–	–	–	–	(60,472)	(60,472)
At 31 December 2018	59,332	9,952	105,068	(13,825)	336,803	497,330
Company						
At 31 December 2016	59,332	9,952	105,068	(10,735)	289,489	453,106
Profit for the year	–	–	–	–	126,022	126,022
Purchase of own shares	–	–	–	(1,709)	259	(1,450)
Dividends (Note 8)	–	–	–	–	(58,159)	(58,159)
At 31 December 2017	59,332	9,952	105,068	(12,444)	357,611	519,519
Profit for the year	–	–	–	–	140,016	140,016
Purchase of own shares	–	–	–	(1,381)	444	(937)
Dividends (Note 8)	–	–	–	–	(60,472)	(60,472)
At 31 December 2018	59,332	9,952	105,068	(13,825)	437,599	598,126

Bourne Leisure Holdings Limited

GROUP STATEMENT OF FINANCIAL POSITION
At 31 December 2018

		2018 £000	2017 £000
	Notes		
ASSETS			
NON - CURRENT ASSETS			
Intangible assets - goodwill	11	5,038	-
Tangible assets	10	1,358,866	1,209,223
		<u>1,363,904</u>	<u>1,209,223</u>
CURRENT ASSETS			
Stocks	12	23,902	27,828
Debtors: amounts falling due within one year	13	90,112	74,458
Debtors: amounts falling due after one year	13	21,742	22,999
Cash at bank and in hand	14	25,116	130,520
		<u>160,872</u>	<u>255,805</u>
CREDITORS: amounts falling due within one year	15	<u>(139,522)</u>	<u>(145,357)</u>
NET CURRENT ASSETS		<u>21,350</u>	<u>110,448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,385,254</u>	<u>1,319,671</u>
CREDITORS: amounts falling due after more than one year			
Secured senior loans	16	(600,000)	(600,000)
Other secured bank loan	16	-	(50)
Accruals	16	<u>(8,630)</u>	<u>(14,017)</u>
		<u>(608,630)</u>	<u>(614,067)</u>
PROVISIONS FOR LIABILITIES	17	<u>(79,028)</u>	<u>(70,200)</u>
DEFERRED INCOME	18	<u>(200,266)</u>	<u>(198,315)</u>
NET ASSETS		<u>497,330</u>	<u>437,089</u>
CAPITAL AND RESERVES			
Called up share capital	19	59,332	59,332
Share premium account	20	9,952	9,952
Capital redemption reserve	20	105,068	105,068
Reserve for own shares	20	(13,825)	(12,444)
Profit and loss account		<u>336,803</u>	<u>275,181</u>
EQUITY SHAREHOLDERS' FUNDS		<u>497,330</u>	<u>437,089</u>

Approved by the Board and signed on its behalf by



P E W Harris
Director
29 April 2019



I S MacMillan
Director

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	<i>Notes</i>	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
FIXED ASSETS			
Investment in subsidiaries	11	234,080	234,080
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	364,048	285,441
CREDITORS: amounts falling due within one year	15	(2)	(2)
NET CURRENT ASSETS		364,046	285,439
TOTAL ASSETS LESS CURRENT LIABILITIES		598,126	519,519
CAPITAL AND RESERVES			
Called up share capital	19	59,332	59,332
Share premium account	20	9,952	9,952
Capital redemption reserve	20	105,068	105,068
Reserve for own shares	20	(13,825)	(12,444)
Profit and loss account		437,599	357,611
EQUITY SHAREHOLDERS' FUNDS		598,126	519,519

The Company realised a profit for the year of £140,016,000 (2017 – £126,022,000), including dividends received from subsidiary companies of £140,000,000 (2017 - £126,000,000).

Approved by the Board and signed on its behalf by



P E W Harris
Director

29 April 2019



I S MacMillan
Director

Bourne Leisure Holdings Limited**GROUP STATEMENT OF CASH FLOWS**
for the year ended 31 December 2018

	<i>Notes</i>	2018 £000	2017 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	201,989	214,265
INVESTING ACTIVITIES			
Interest received		533	453
Payments to acquire tangible assets		(179,282)	(120,078)
Receipts from sales of tangible assets		11,729	12,306
Purchase of subsidiary undertakings		(62,117)	(21,198)
Net cash flow from investing activities		(229,137)	(128,517)
FINANCING ACTIVITIES			
Interest paid		(16,845)	(15,100)
Repayment of long term loans		-	(300)
Equity dividends paid		(60,472)	(58,159)
Purchase of own shares		(937)	(1,450)
Net cash flow from financing activities		(78,254)	(75,009)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(105,402)	10,739
CASH AND CASH EQUIVALENTS AT 1 JANUARY		130,518	119,779
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		25,116	130,518

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

1. ACCOUNTING POLICIES

Statement of compliance

Bourne Leisure Holdings Limited is a private company limited by shares incorporated in England. The Registered Office is 1 Park Lane, Hemel Hempstead, Hertfordshire HP2 4YL.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 December 2018.

Accounting convention

The financial statements of Bourne Leisure Holdings Limited were approved for issue by the Board of Directors on 29 April 2019. The Group has taken advantage of the exemption allowed by FRS 102 and has not disclosed any related party transactions with entities of the Group. The Company has taken advantage of the FRS102 exemptions and has not disclosed an entity profit and loss account or cash flow and has not disclosed any related party transactions with entities of the Group.

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £000.

Basis of consolidation

The Group financial statements consolidate the financial statements of Bourne Leisure Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year. The year end of Heythrop Park Limited which was acquired in December 2018 is currently 30 September. The year end of Heythrop Park will be changed to 31 December in 2019. No profit and loss account is presented for Bourne Leisure Holdings Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary Celtic Haven Limited in accordance with sections 479A – 479C of the Companies Act 2006, as this UK subsidiary company of the group is exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of section 479A of this Act.

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Freehold and long leasehold buildings	– Between 20 years and 125 years
Short leasehold buildings	– Over the term of the lease
Long life plant and machinery	– 10 years
Vehicles	– 4 years
Fixtures and fittings	– 6 years
Computer equipment	– 3 to 4 years

Land is not depreciated.

Caravans for hire are depreciated on a straight-line basis to their estimated value at the date on which they are due for replacement.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

Stocks of caravans and other goods for resale are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred income

Income invoiced or cash received for site fees, holidays and other goods and services relating to future periods is included within deferred income.

Pension costs

Pension contributions are made to defined contribution schemes for certain Directors and employees. These contributions are charged to the profit and loss account as they are incurred.

Revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of VAT. Revenue is measured at the fair value of the consideration received, net of discounts, rebates and value added tax. Revenue comprises:

Holiday sales

Revenue received for holiday sales is initially deferred and subsequently recognised when the holiday commences.

Caravan sales and owner services

Sales of caravans are recognised when risks and rewards have been transferred to the purchaser. Owner services include site fees which are paid annually. The fees are deferred and released across the period to which they relate.

Retail sales

Sales of goods through our onsite facilities are shown net of returns and discounts. Retail sales are generally recognised at the point of cash receipt.

Advertising and promotional activities

Expenditure is recognised as an expense when the Group receives the service.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

Hire purchase contracts

Amounts receivable under hire purchase contracts are included within debtors and represent the total amount outstanding under hire purchase agreements less earned income. Hire purchase income, having been allocated to accounting periods to give a constant periodic rate of return on the net cash investment, is included within turnover.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability / (asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Guaranteed Lets

On certain sales of caravans, the Group offers a guaranteed let arrangement, whereby part payment for the caravan is taken in the form of a guaranteed let, the value of which is held on the balance sheet as a debtor and released to the profit and loss account as a cost over the sub-let agreement. Revenue associated with the letting is recognised when the holiday commences.

Share - based payment awards (Long Term Incentive Plans)

Cash-settled transactions

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in the income statement.

Treasury shares

Treasury shares held by the Employee Benefit Trust are classified in capital and reserves, as 'reserve for own shares' and recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale issue or cancellation of equity shares.

1. ACCOUNTING POLICIES (CONTINUED)*Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Deferred tax

The Group recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these items differs from these estimates, such differences will have an impact on corporation tax and deferred tax provisions in the period when such determination is made. Details of the tax charge and deferred tax are set out in note 7. The deferred tax liability of £79,028,000 (2017 - £70,200,000) is within provisions for liabilities (see Note 17).

- Long term incentive plans

The liabilities for long term incentive plans include estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The long-term incentive plan liability of £8,630,000 (2017 - £14,017,000) is within long term accruals (see Note 16).

- Public liability claims

The Group recognises a provision for public liability claims relating to accidents that have occurred at its sites. Management make an estimate of the potential claim value based on guidance from lawyers, in house specialists and previous experience. The public liability provision is a liability of £10,146,000 held within accruals.

- Acquisitions

On 20 December 2018, Bourne Holidays Limited purchased 100% of the issued share capital of Firoka (Heythrop Park) Limited, which was subsequently renamed Heythrop Park Limited, a hotel operator, for a cash consideration of £59.5m. Under FRS 102 the Group is required to value the business at fair value. At the year end this process was still under consideration and will be reassessed during the subsequent year however an initial estimate has been made to increase the value of land and buildings to £61.3m and to record a deferred tax liability and goodwill of £5m.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services, net of discounts, VAT and similar taxes. It includes £499.4m (2017 - £493.4m) for the sale of goods and £558.4m (2017 - £541.9m) for the sale of services. The Group operates in one principal area of activity, being the operation of holiday centres within the United Kingdom only. All operations were continuing.

3. GROUP OPERATING PROFIT

This is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	81,515	77,224
Auditor's remuneration		
- audit of the financial statements	381	360
- statutory audits for subsidiaries	63	63
- taxation services	131	315
- other services	47	47
Operating lease rentals		
- land and buildings	4,186	4,128
- plant and machinery	1,990	1,903

The Group realised a profit of £497,000 from the sale of two houses during 2018 (2017 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

4. STAFF COSTS

	2018	2017
	£000	£000
Wages and salaries	226,554	227,952
Social security costs	16,458	16,582
Other pension costs	2,464	2,068
	<u>245,476</u>	<u>246,602</u>

The average monthly number of employees was made up as follows:

	2018	2017
	No.	No.
Operations	13,747	13,438
Administration	<u>281</u>	<u>283</u>

The Company did not have any employees or staff costs in 2018 or 2017.

5. DIRECTORS' REMUNERATION

	2018	2017
	£000	£000
Aggregate remuneration in respect of qualifying services	2,668	2,364
Group contributions paid to money purchase pension schemes	3	3
	<u>2,671</u>	<u>2,367</u>

The amounts in respect of the highest paid Director were as follows:

	2018	2017
	£000	£000
Aggregate remuneration	915	763
Contributions paid to money purchase pension schemes	-	-
	<u>915</u>	<u>763</u>

One Director was accruing benefits under a money purchase pension scheme (2017: one Director)

The remuneration disclosed above excludes the charges / credits for long term incentive plans (see Note 18). Five Directors participated in the long-term incentive plans in 2018 (2017: four Directors).

Remuneration of £2,271,000 (2017 - £1,984,000) included within the above related to key executive management.

The Directors of the Company were also Directors of other undertakings within the Bourne Leisure Holdings Limited Group. The Directors do not believe it is practicable to apportion this amount between their qualifying services as Directors of the Company and their qualifying services as Directors of other undertakings within the Bourne Leisure Holdings Limited Group.

6. INTEREST

	2018	2017
	£000	£000
Interest receivable:		
Short-term deposits	<u>525</u>	<u>427</u>
Interest payable:		
Bank loans and overdrafts	<u>16,967</u>	<u>15,149</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

7. TAX

- (a) Tax on profit on ordinary activities. The tax charge is made up as follows:

	2018	2017
	£000	£000
<i>Current tax</i>		
Corporation tax at 19.0% (2017 – 19.25%) on the profit for the year	28,733	31,625
Adjustment in respect of previous years	(85)	(3,484)
Current tax	28,648	28,141
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 17)	3,092	(15,087)
Tax on profit on ordinary activities	31,740	13,054

- (b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2017 – lower) than the standard rate of corporation tax in the UK of 19.0% (2017 – 19.25%). The differences are reconciled below:

	2018	2017
	%	%
UK corporation tax rate	19.0	19.3
Expenses not deductible for tax purposes	1.6	1.5
Adjustments to tax charge in respect of previous periods – current tax	(0.1)	(2.3)
Adjustments to tax charge in respect of previous periods – deferred tax	0.2	(1.0)
Adjustments to tax charge in respect of previous periods – deferred tax, non-recurring	-	(9.1)
Effective tax rate	20.7	8.4

The Group expects the unwinding of the net deferred tax balance to be £1,222,000 in 2019.

8. DIVIDENDS

	2018	2017
	£000	£000
Paid in April at £0.11 (2017 - £0.103) per share on 'A' and 'B' shares in relation to 2017 / 2016	38,683	36,222
Paid in October at £0.052 (2017 - £0.052) per share on 'A' and 'B' shares in relation to 2018 / 2017	18,286	18,286
Paid in April in respect of non-voting 'E' ordinary shares	2,152	2,152
Paid in October in respect of non-voting 'E' ordinary shares	2,152	2,152
Less: dividends paid to Employee Benefit Trust	(801)	(653)
	60,472	58,159

Subsequent to the 2018 year end, the Company declared and paid a dividend on the A and B shares of £38,683,482 and the 'E' non-voting shares of £2,151,718.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING

The profit after tax dealt with in the financial statements of the parent company is £140,016,000 (2017 – £126,022,000).

10. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Land and buildings</i>		<i>Short leasehold</i>	<i>Plant and equipment</i>	<i>Total</i>
	<i>Freehold</i>	<i>Long leasehold</i>			
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:					
As at 1 January 2018	1,160,496	176,118	46,234	242,211	1,625,059
Additions	70,843	25,786	14,608	66,453	177,690
Acquisition of subsidiary undertakings	64,218	-	-	980	65,198
Disposals	(11,291)	(2,815)	(46)	(46,343)	(60,495)
At 31 December 2018	1,284,266	199,089	60,796	263,301	1,807,452
Depreciation:					
As at 1 January 2018	253,980	44,247	12,039	105,570	415,836
Provided during the year	32,296	5,576	2,960	40,683	81,515
Disposals	(11,291)	(2,815)	(46)	(34,613)	(48,765)
At 31 December 2018	274,985	47,008	14,953	111,640	448,586
Net book value:					
At 31 December 2018	1,009,281	152,081	45,843	151,661	1,358,866
At 31 December 2017	906,516	131,871	34,195	136,641	1,209,223

The Group's senior loans are secured jointly on the Group's freehold and leasehold property. The other secured bank loan is secured by a fixed and floating charge over the assets of a subsidiary company (see Note 16).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

11. INVESTMENTS IN SUBSIDIARIES

Company

	2018	2017
	£000	£000
Foray 989 Limited	234,080	234,080

The subsidiary undertakings, all of which are wholly owned and registered at 1 Park Lane, Hemel Hempstead, HP2 4YL, the same registered office as Bourne Leisure Holdings Limited (except for those incorporated elsewhere, as stated below), comprise the following:

Owned directly

Foray 989 Limited

Activities

Intermediate holding company

Owned indirectly

Bourne Leisure Limited

Activities

Holding company

Colaingrove Limited

Holding company

Evergreen Finance Limited

Finance company

Guardian Shield Insurance Limited*
(incorporated in Guernsey)

Insurance company

Bridge Street (Nominees) Limited

Nominee company

Melesey Limited

Administrative services

Bourne Holidays Transport Services Limited

Transportation services

Leisure Employment Services Limited

Employment services

Haven Leisure Limited

Caravan park operator

Bourne Leisure (Hopton) Limited

Caravan park operator

Kiln Park Estates Limited

Caravan park operator

Palmhall Limited

Caravan park operator

Rockley Sands (Estates) Limited

Caravan park operator

Flamborough Holidays Limited

Caravan park operator

Celtic Haven Limited

Operation of holiday park

Bourne Holidays Limited

Hotel operator

Heythrop Park Limited

Hotel operator

Butlins Skyline Limited

Operation of holiday parks

Butlins Development Limited

Hotel developer

Butlins Operations Limited

Hotel operator

Butlins Property (Hotel) Limited

Property rental company

BL Park Lane Limited (incorporated in the Isle of Man)**

Property rental company

Amtree Farm Development Limited

Dormant

B L (British Holidays) Limited

Dormant

Berwick Holiday Centre Limited

Dormant

Bourne Leisure Group Limited

Dormant

Butlins Limited

Dormant

Far Grange Park and Golf Club Limited

Dormant

Greenacres Holiday Park Limited

Dormant

Haggerston Castle Limited

Dormant

JPB Leisure Limited

Dormant

Lakeland Holiday Park Limited

Dormant

Leisure Services Agency Limited

Dormant

SLC (Bourne) Limited

Dormant

Seton Sands Holiday Centre Limited

Dormant

Warner Holidays Limited

Dormant

Registered addresses of overseas subsidiaries

* Maison Trinity, Trinity Square, St Peter Port, Guernsey GY1 4AT

** First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

On 5 April 2018, Haven Leisure Limited purchased 100% of the issued share capital of Celtic Haven Limited, a holiday park operator, for a cash consideration of £3.7m. The fair value of the net assets acquired was £3.7m. The Group has included the post acquisition results and balance sheet of Celtic Haven Limited using the acquisition method of accounting. Celtic Haven Limited contributed £898,000 to the Group's turnover and £50,000 to the Group's profit after tax in 2018.

On 20 December 2018, Bourne Holidays Limited purchased 100% of the issued share capital of Firoka (Heythrop Park) Limited, which was subsequently renamed Heythrop Park Limited, a hotel operator, for a cash consideration of £59.5m (including £1.0m of acquisition costs). Under FRS 102 the Group is required to value the business at fair value. At the year end this process was still under consideration and will be reassessed during the subsequent year however an initial estimate has been made to increase the value of land and buildings to £61.3m and to record a deferred tax liability and goodwill of £5m. The fair value of land and buildings has initially been determined using the future expected cash flows.

The Group has included the post acquisition results and balance sheet of Heythrop Park Limited using the acquisition method of accounting. Heythrop Park Limited did not contribute to the Group's turnover or profit after tax in 2018.

Management performed their own fair value assessment of the above acquisitions, based on the estimated net present value of future cash flows.

The estimated fair value and actual book values of the assets and liabilities of Heythrop Park Limited as at the date of acquisition were:

	<i>Fair value recognised on acquisition</i>	<i>Fair value adjustment</i>	<i>Book value on acquisition</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Intangible fixed assets - goodwill	5,038	5,038	-
Tangible fixed assets	61,288	34,530	26,758
Stocks	113	-	113
Debtors	239	-	239
Cash and cash equivalents	762	-	762
	<u>67,440</u>	<u>39,568</u>	<u>27,872</u>
Trade creditors	(544)	-	(544)
Corporation tax	(399)	-	(399)
Other creditors and accruals	(536)	-	(536)
Deferred income	(775)	-	(775)
Deferred tax	(698)	-	(698)
Deferred tax on consolidation	(5,038)	(5,038)	-
	<u>(7,990)</u>	<u>(5,038)</u>	<u>(2,952)</u>
Purchase consideration transferred / net book value	<u>59,450</u>	<u>34,530</u>	<u>24,920</u>

12. STOCKS

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Stock	<u>23,902</u>	<u>-</u>	<u>27,828</u>	<u>-</u>

There is no significant difference between the current replacement cost of stocks and the amounts at which they are stated in the balance sheet.

The value of stock written off in 2018 was £125,000 (2017 - £158,000). The value of stock purchased and expensed to the profit and loss account was £197,769,000 (2017 - £202,737,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

13. DEBTORS

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	56,838	-	49,361	-
Amounts due from subsidiary undertakings	-	363,742	-	285,382
Net investment in hire purchase contracts	27,090	-	28,656	-
Other debtors and prepayments	27,926	306	19,440	59
	<u>111,854</u>	<u>364,048</u>	<u>97,457</u>	<u>285,441</u>

Included in net investment in hire purchase contracts are amounts falling due between two and five years of £21,742,000 (2017 - £22,999,000). Unearned interest on the hire purchase contracts (excluded from the figures above) is £6,030,000 (2017: £7,358,000). The amounts due from subsidiary companies are interest free.

14. CASH AT BANK AND IN HAND

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Short-term deposits	<u>25,116</u>	<u>-</u>	<u>130,520</u>	<u>-</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Other secured bank loan	50	-	-	-
Bank overdrafts	-	-	2	-
Trade creditors	25,483	-	23,092	-
Corporation tax	13,989	2	12,478	2
Other taxes and social security costs	29,819	-	28,500	-
Other creditors	12,311	-	13,339	-
Accruals	57,870	-	67,946	-
	<u>139,522</u>	<u>2</u>	<u>145,357</u>	<u>2</u>

The other secured bank loan is secured by a fixed and floating charge over the assets of a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<i>Group</i> <i>2018</i> <i>£000</i>	<i>Group</i> <i>2017</i> <i>£000</i>
Secured senior loans	600,000	600,000
Other secured bank loan	-	50
Accruals	8,630	14,017
	<u>608,630</u>	<u>614,067</u>
<i>Analysis of loans by maturity</i>		
Repayable as follows:		
Between two and five years	600,000	600,050
Current amount due on other secured bank loans	50	-
Total gross borrowings	600,050	600,050
Less: included in creditors: amounts falling due within one year	(50)	-
	<u>600,000</u>	<u>600,050</u>
<i>Details of loans at the year end:</i>		
	<i>Group</i> <i>2018</i> <i>£000</i>	<i>Group</i> <i>2017</i> <i>£000</i>
<i>Secured senior loans</i>		
Secured Senior Bank Facility Tranche A repayable on 25 May 2021	570,000	570,000
Interest is currently charged at 2.00% above LIBOR		
Secured Senior Bank Facility Tranche B repayable on 25 May 2021	30,000	30,000
Interest is currently charged at 2.00% above LIBOR		
	<u>600,000</u>	<u>600,000</u>

Security

All of the above senior loans are secured jointly on the Group's freehold and leasehold property. The other secured bank loan is secured by a fixed and floating charge over the assets of a subsidiary company.

Loan renegotiation

In May 2016, the Group renegotiated its borrowings and extended the repayment date of the facilities from 25 May 2020 to 25 May 2021. The facilities of £750 million, consist of a Tranche A facility of £570 million, a Tranche B facility of £80 million and other credit facilities of £100 million. £50 million of the Tranche B facility and £80 million of the other credit facilities were undrawn at the end of December 2018.

Other secured bank loan

Details of the other loan wholly repayable within five years are as follows:

	<i>Group</i> <i>2018</i> <i>£000</i>	<i>Group</i> <i>2017</i> <i>£000</i>
Committed bank facility secured by a fixed and floating charge over the assets of a subsidiary company	50	50

The above facility is repayable on 31 May 2019.

The loan facility of the subsidiary is £14,000,000, £13,950,000 of which was unused at 31 December. The subsidiary company also had an unused overdraft facility of £1,000,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 December 2018

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Accruals

Accruals falling due after more than one year of the Group relate to long term incentive plans.

Long term incentive plans

The Group provides benefits to employees (including Directors) of the Group in the form of cash-settled share-based payment transactions, whereby employees render services in exchange for shares or the value of those shares in cash terms.

For cash-settled share-based payments, the fair value of the employee services rendered is determined at each balance sheet date and the charge recognised through the income statement over the vesting period of the share-based payment scheme, with the corresponding increase in accruals.

The Group recognised a credit of £5,537,000 (2017: expense of £3,814,000) related to share-based payment transactions made during the financial year and had a liability at the year end of £8,480,000 (2017: £14,017,000).

The Group operates a number of long term incentive schemes as set out below

2015 scheme

The Group introduced a long-term incentive plan in 2015 "the 2015 LTIP" for certain senior executives. The 2015 LTIP is designed to reward sustainable growth in shareholder value above a minimum rate.

The scheme primarily vests when the participant leaves the scheme. After 3 years the participant is entitled to a cash element of the reward up to a maximum 10% of the participant's plan value each year.

No awards were exercisable at the year end (2017: None).

The fair value of the plan awards accruing are measured using a probability weighted EBITDA forecast to 2020 and is revised each year.

2016 scheme

The Group introduced "the 2016 LTIP" plan for brand leadership which is equally designed to reward sustainable growth above a target EBITDA. The fair value of the plan awards accruing is measured using a probability weighted EBITDA forecast to 2020 and revised each year. No awards were exercisable at the year end (2017: none).

2017 scheme

The Group introduced "the 2017 LTIP" plan which operates on a similar basis as the "2015 LTIP". No awards were exercisable at the year end (2017: None).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

17. PROVISIONS FOR LIABILITIES*Group*

	<i>Deferred tax</i> <i>£000</i>
At 1 January 2018	70,200
Amounts utilised – current year	3,044
– in respect of previous years	48
Acquisition of subsidiary undertaking	698
Consolidation adjustment on acquisition	5,038
At 31 December 2018	<u>79,028</u>

The Group deferred tax provided at 17% (2017 – 17%) is as follows:

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Accelerated capital allowances	34,411	33,147
Revaluation of property to its market value	4,155	3,979
Gains rolled over into replacement assets	35,678	34,967
Other short-term timing differences	(254)	(1,893)
Consolidation adjustment on acquisition	5,038	-
	<u>79,028</u>	<u>70,200</u>

The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. Deferred tax is recognised at 17% as at 31 December 2018.

18. DEFERRED INCOME

Deferred income comprises income invoiced or cash received for site fees, holidays and other goods and services relating to future periods.

19. SHARE CAPITAL

	<i>2018</i> <i>Number</i>	<i>2017</i> <i>Number</i>	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
<i>Allotted, called up and fully paid</i>				
'A' ordinary shares of 0.02p	50,125,000	50,125,000	10	10
'B' ordinary shares of 0.02p	301,543,018	301,543,018	60	60
'E' non-voting ordinary shares of £1	59,262,007	59,262,007	59,262	59,262
			<u>59,332</u>	<u>59,332</u>

The 'A' and 'B' ordinary shares rank pari passu for dividends, voting rights and on a return of capital on a winding up but they constitute separate classes of shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

19. SHARE CAPITAL (CONTINUED)

The holders of the 'E' non-voting ordinary shares of £1 each may receive a cumulative preferential net cash dividend at the rate of 5 per cent per annum of £1.452342 per 'E' share, payable in equal half yearly instalments on 6 April and 6 October, the payment dependent upon formal declaration by the Board.

A subsidiary undertaking of the Leisure Employment Services Employee Benefit Trust held 4,741,374 'A' ordinary shares in Bourne Leisure Holdings Limited as at 31 December 2018 (2017 – 4,479,776 'A' ordinary shares). These shares were initially acquired in 2010 at a cost of £1.78 each, in 2011 and 2012 at a cost of £2.14 each, in 2016 at a cost of £3.19 each and in 2017 and 2018 at a cost of £3.57 each, with a nominal value of 0.02p. During 2018 the Trust purchased 564,000 'A' shares for £3.57 each for a consideration of £2,023,550 (including Stamp Duty) and sold 302,402 shares for £3.79 each for a total consideration of £1,146,104. The shares held by the Trust represented 9.5% of the called up 'A' share capital as at 31 December 2018.

20. RESERVES*Share premium account*

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares redeemed by the Company. At the time of redemption, the nominal value of the shares redeemed is transferred from distributable reserves to the capital redemption reserve.

Reserve for own shares

This reserve records the cost of shares purchased by the Company and held in the Leisure Employment Services Employee Benefit Trust.

21. CAPITAL COMMITMENTS

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Amounts contracted but not incurred at year end	57,743	–	105,033	–

22. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme for certain Directors and employees and in addition has made available to all employees a stakeholder defined contributions scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

23. OTHER FINANCIAL COMMITMENTS

Group

At 31 December 2018 the Group had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and Buildings</i>	<i>Plant and machinery</i>	<i>Land and Buildings</i>	<i>Plant and machinery</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Operating leases which expire:</i>				
Within one year	-	315	514	298
Between two and five years	-	1,064	-	1,034
In over five years	4,181	683	3,677	586
	<u>4,181</u>	<u>2,062</u>	<u>4,191</u>	<u>1,918</u>

Company

The Company has no operating lease commitments.

The Group has commitments under forward contracts to purchase electricity and gas in 2019 at a contracted value of £3,362,000.

24. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption allowed by FRS 102 and has not disclosed any related party transactions with entities of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2018

25. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash inflow from operating activities.

	2018 £000	2017 £000
Operating profit	169,832	169,849
Depreciation	81,515	77,224
Working capital movements		
Decrease in stocks	4,058	3,376
Increase in debtors	(13,634)	(19,560)
(Decrease) / increase in creditors	(13,674)	485
Increase in deferred income	1,951	12,059
Increase / (decrease) in provisions	-	3,305
Corporation tax paid	(28,059)	(32,473)
Net cash inflow from operating activities	201,989	214,265

(b) Cash and cash equivalents and net borrowings

Cash and cash equivalents and net borrowings comprise the following

	At 1 January 2018 £000	Cash flow £000	At 31 December 2018 £000
Cash at bank and in hand	130,520	(105,404)	25,116
Bank overdraft	(2)	2	-
Cash and cash equivalents	130,518	(105,402)	25,116
<i>Borrowings</i>			
Secured senior loans	(600,000)	-	(600,000)
Other secured bank loan	(50)	-	(50)
Net debt	(469,532)	(105,402)	(574,934)