

Forest Bidco Limited

Forest Bidco Limited

Annual report and financial statements

For the 60 weeks ended
19 April 2007

Registration Number 05724323

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COMPANIES HOUSE

Directors and advisors

Directors

M P Dalby
M R France
A M Robinson
P H Stoll
A Valeri

Secretary

T H Parker

Independent auditors

PricewaterhouseCooper LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Bankers

The Royal Bank of Scotland plc
5th Floor
135 Bishopsgate
London
EC2M 3UR

Registered office

One Edison Rise
New Ollerton
Newark
Nottinghamshire
NG22 9DP

Directors' report

For the 60 weeks ended 19 April 2007

The directors present their annual report and audited financial statements for the period ended 19 April 2007

Principal activities and review of the business

The principal activity of the company during the period was that of an intermediate holding company. No change to the principal activity is anticipated. The company was incorporated on 28 February 2006.

During the period the Company acquired the shares of Center Parcs (UK) Group Limited. This company was then disposed of to a fellow group company, Forest Refico Limited.

The profit and loss account on page 6 shows a pre-tax loss of £13,206,000 for the period.

Future outlook

The directors forecast that the company will continue its current trading position for the foreseeable future.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Forest Holdco Limited group, which include those of the company, are disclosed in the Forest Holdco Limited's annual report which does not form part of this report.

Date of incorporation

The company was incorporated on 28 February 2006 as Forest Bidco Limited.

This is the first accounting reference period of the Company and hence no comparative figures are presented.

Key performance indicators ("KPIs")

The directors of Forest Holdco Limited manage the group's operations on a per village basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Forest Bidco Limited.

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 Forest Holdco Limited Group.

The Group finances its operations by a mixture of shareholders' funds, bank and other borrowings and loan notes as required. The Group has historically sought to reduce the cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

Liquidity risk

The Group maintains sufficient cash reserves to ensure that it can meet its medium term working capital and funding obligation.

Currency risk

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

Directors' report (continued)

For the 60 weeks ended 19 April 2007

Credit risk

The Group borrows from well-established institutions with high credit ratings

Directors

The directors who served the company during the period were as follows

J P Baratta	(appointed 03 March 2006, resigned 19 April 2007)
M P Dalby	(appointed 07 June 2006)
M R France	(appointed 14 December 2006)
A M Robinson	(appointed 14 December 2006)
A Valeri	(appointed 03 March 2006, resigned 14 February 2007, reappointed 19 April 2007)
P H Stoll	(appointed 19 April 2007)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state that the financial statements comply with IFRSs as adopted by the European Union
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 1985. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report (continued)

For the 60 weeks ended 19 April 2007

Auditors and disclosure of information to auditors

In respect of each of the persons who was a director of the company at the date at which the directors' report was approved

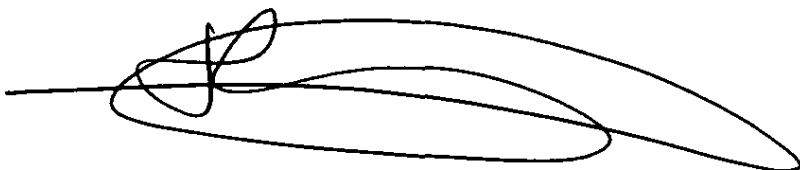
- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware Relevant information is defined as "information needed by the company's auditors in connection with preparing their report
- each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and establish that the company's auditors are aware of that information

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board

M P Dalby
Director
31 October 2007

A large, stylized handwritten signature in black ink, appearing to be 'M P Dalby', written over a horizontal line.

Independent auditors' report

to the members of Forest Bidco Limited

We have audited the financial statements of Forest Bidco Limited for the year ended 19 April 2007 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Forest Bidco Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 19 April 2007 and of its loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
27 November 2007

Income statement for the 60 weeks 19 April 2007

	<i>Notes</i>	60 weeks ended 19 April 2007 £'000
Loss on disposal of a subsidiary	7	(4,455)
Interest receivable	4	102
Interest payable	5	(8,853)
Loss on ordinary activities before taxation		(13,206)
Tax on loss on ordinary activities	6	-
Loss on ordinary activities before taxation		(13,206)

All results derive from continuing operations

There is no difference between the loss on ordinary activities before taxation and the results for the period stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognises gains and losses has been presented

Statement of Changes in Equity

for the 60 weeks ended 19 April 2007

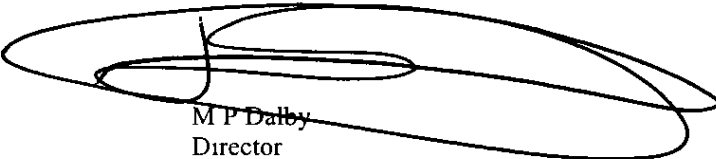
		60 weeks ended 19 April 2007 £'000
	Notes	
At Incorporation		-
Issue of Shares	10	20,000
Capital contribution	11	70,516
Net loss for the period		(13,206)
At 19 April 2007	11	77,310

Balance Sheet

As at 19 April 2007

	Notes	2007 £'000
Assets		
Investments	7	27,605
Current Assets		
Trade and other receivables	8	54,726
Cash or cash equivalents		7
		54,733
Current Liabilities		
Trade and other payables	9	(5,028)
Net current assets		49,705
Total assets less current liabilities		77,310
Net assets		77,310
Shareholders Funds		
Called up share capital	10	1
Share Premium	11	19,999
Capital contribution	11	70,516
Retained Earnings	11	(13,206)
Total shareholder's funds	11	77,310

The financial statements on pages 6 to 14 were approved by the board of directors on 31 October 2007 and were signed on its behalf by


M P Dalby
Director

Cash Flow Statement

for the 60 weeks ended 19 April 2007

60 weeks
ended 19
April 2007

	Note	£'000
Cash flows from operating activities		
Cash utilised in operations	12	(2,462)
Interest received	4	87
Interest paid		(4,394)
Net cash from operating activities		(6,769)
Cash flows from investing activities		
Acquisition of a subsidiary		(209,348)
Net cash used in investing activities		(209,348)
Cash flows from financing activities		
Receipt of bank loan	10	125,608
Issue of shares	11	20,000
Capital contribution		70,516
Net cash used in financing activities		216,124
Net movement in cash and cash equivalents		7
Cash and cash equivalents at start of period		-
Cash and cash equivalents at end of period		7

Notes to the financial statements

for the 60 weeks ended 19 April 2007

1. Accounting policies

General information

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company does not have any income or expense that has not been recognised in the income statement during the period and has therefore not prepared a statement of recognised income and expense.

Accounting reference date

The Company prepares financial statements drawn up to the Thursday nearest 22 April each year.

Basis of consolidation

The company is not required to prepare group accounts under s 228 of the Companies Act 1985. The company is included in the consolidated accounts of CP Comet Holdings Limited. The accounts show information relating to the company as an individual undertaking and not as a group.

Fixed asset investments

Investments held as fixed assets are stated at cost.

Dividends received from investments are brought to account in the profit and loss account when received.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements (continued)

for the 60 weeks ended 19 April 2007

1 Accounting policies (continued)

Deferred tax (continued)

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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank, cash in hand and overnight deposits

Going Concern

The directors have received confirmation that the immediate parent company, Center Parcs (UK) Group Limited, will provide sufficient support to the company to allow it to meet its debts as they fall due over the next 12 months. On this basis the financial statements have been prepared on the going concern basis

Capital instruments

Capital instruments are included at cost, adjusted for discount accretion or premium amortisation. Interest thereon and the premium or discount where relevant is taken to the profit and loss account so as to produce a constant rate of return over the period to the date of expected redemption. Finance costs associated with the issue of the capital instrument are capitalised and written off to the profit and loss account over the period to the expected date of redemption.

Costs associated with the early repayment of borrowings are written off to the profit and loss account as incurred.

2. Operating loss

Auditors' remuneration of £115,000 is included within the financial statements of Center Parcs (Operating Company) Limited, a fellow group undertaking. This includes £2,000 in respect of Forest Bidco Limited.

3. Staff costs

The company has no employees other than the Directors. No salaries or wages have been paid to employees, including the directors, during the period.

4. Interest receivable

	<i>60 weeks ended 19 April 2007 £'000</i>
Bank interest receivable	87
Interest receivable from group undertakings	15
	102

5 Interest payable

	<i>60 weeks ended 19 April 2007 £'000</i>
Bank interest payable	5,931
Amortisation of issue costs	2,922
	8,853

Notes to the financial statements (continued)

for the 60 weeks ended 19 April 2007

6. Tax on loss on ordinary activities

Factors affecting current tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of (30%) The difference is reconciled below

	<i>60 weeks ended 19 April 2007 £'000</i>
Loss on ordinary activities before taxation	(13,206)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(3,962)
Group relief not paid for	2,625
Loss on disposal of a subsidiary – not subject to tax	1,337
Tax credit for the period	-

7. Investments

	<i>Investments in subsidiary undertakings £'000</i>
Cost	
Additions	236,954
Disposals	(209,349)
At 19 April 2007	27,605

On 18 April 2006 a scheme of arrangement document dated 24 March 2006 to enable the acquisition of the entire issued and to be issued ordinary share capital of Center Parcs (UK) Group plc was approved by the shareholders of the company. The scheme was sanctioned by the court on 10 May 2006 and the effective date of the acquisition of Center Parcs (UK) Group plc by the company was 12 May 2006. Total costs of the acquisition were £209,349,000.

On 13 December 2006 the company acquired the entire issued share capital of Forest Refico Limited.

On 13 December 2006 the investment in Center Parcs (UK) Group was disposed of to Forest Refico Limited as part of a group restructuring. A loss of £4,455,000 was incurred on this disposal. As part of this disposal Forest Refico Limited repaid the bank loan drawn down by the Company as part of the initial acquisition of Center Parcs (UK) Group Limited.

Investments at 19 April 2007 relate to the investments in Forest Refico Limited, registered in England & Wales. Investments represent holdings of 100% of issued share capital. The principal activity of Forest Refico Limited is that of an intermediate holding company.

Notes to the financial statements (continued)

for the 60 weeks ended 19 April 2007

8. Trade and other receivables

	2007 £'000
Amounts owed by group undertakings	54,726

Included within amounts owed by group undertakings are loans of £45,500,500 & £8,521,250 from Forest Midco Limited & Center Parcs (UK) Group Limited respectively. These loans are interest free.

9. Trade and other payables

	2007 £'000
Amounts owed to group undertakings	5,028

10. Share capital

	2007 £000's
Authorised	
20,000,000 Ordinary shares of £1 each	20,000
	2007 £000's
Allotted, issued and fully paid	
1,000 Ordinary shares of £1 each	1

On incorporation 1,000 ordinary shares of £1 were issued at premium of £19,999,000 for cash consideration.

11. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Share Premium £'000	Capital Redemption £'000	Profit and loss account £'000	Total share-holders' funds £'000
At Incorporation	-	-	-	-	-
Issue of share capital	1	19,999	70,516	-	90,516
Result for the period				(13,206)	(13,206)
At 19 April 2007	1	19,999	70,516	(13,206)	77,310

Notes to the financial statements (continued)

for the 60 weeks ended 19 April 2007

12. Cash flow from operating activities

Reconciliation of operating profit to net cash in flow from operating activities

	2007 £'000
Net loss	(13,206)
Adjustments for	
Interest income	(102)
Interest payable	8,853
Movement on debtors	1,993
Cash utilised in operations	(2,462)

13. Related party transactions

The following movements on accounts with fellow Group companies occurred in the periods reported in these financial statements

	Balance at incorporation £'000s	Movement in 52 weeks £'000s	Balance at 19 April 2007 £'000s
Forest Midco Limited	-	45,500	45,500
Center Parcs (Operating Company) Limited	-	(5,030)	(5,030)
Center Parcs (UK) Group Limited	-	8,521	8,521
Forest Refico Limited	-	705	705

14 Post balance sheet event

A number of changes to the UK corporation tax system were announced in the March 2007 Budget Statement and were enacted in the 2007 Finance Act in June 2007. The changes had not substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The main changes which will affect these accounts going forward are i) the corporation tax rate will reduce from 30% to 28% with effect from 1 April 2008 and ii) balancing adjustments for industrial buildings are abolished. The financial impact of these changes will be quantified in the accounts going forward.

15 Ultimate parent company

At 19 April 2007 the immediate parent company was Forest Midco Limited, a company registered in England & Wales, with the ultimate parent company Forest Cayco Holdings LP, registered in the Cayman Islands. The largest and smallest group of which the company is a member and for which group accounts are drawn up is Forest Holdco Limited.

A copy of the Forest Holdco Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.