

Company name

Registered number: 08159281

FOREST HOLIDAYS GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022



Registered number: 08159281

FOREST HOLIDAYS GROUP LIMITED

Company Information

Directors

Graham Donoghue
Michael Steven Graham
Bruce James McKendrick

Registered number

08159281

Registered office

Bath Yard
Moir
Swadlincote
DE12 6BA

FOREST HOLIDAYS GROUP LIMITED

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FOREST HOLIDAYS GROUP LIMITED

Strategic Report

Introduction

The Directors present their strategic report for the period ended 30th September 2022.

Business Review

The Statement of profit or loss and Other comprehensive income is set out on page 9.

The Directors are satisfied with the trading performance and will continue to develop the existing activities of the Company.

Company strategy

Forest Holidays Group Limited (the "Company") is an intermediate holding company within a group whose principal activity is short term holiday lets through its eco-cabin sites.

Financial key performance indicators

The Company's key financial performance indicators during the period were as follows:

	Unit	Period ended 30 September 2022	Period ended 3 March 2022
Total assets	£000	51,439	51,439

Principal risks and uncertainties

Due to the acquisition by Forge Holiday Group, the Company's position in the group has changed and as a result, its main principal is that of a holding company. The Directors feel the Company does not have any principal risks or uncertainties.

Directors' statement of compliance with duty to promote the success of the Group and the Company

The Directors believe they have acted at all times to promote the success of the Group and Company for the benefit of its members as a whole.

The Board is responsible for leading stakeholder engagement. Considering stakeholders when making decisions of strategic importance is fundamental to the execution of our strategy and critical in achieving long-term sustainable success.

The Board understands the needs of our different stakeholders to ensure that the long-term consequences of any decisions are well considered. It is not always possible to provide positive outcomes for all stakeholders and the Board is mindful when making decisions based on the competing priorities of stakeholders.

The Board considers its key stakeholders to be its employees, guests, suppliers, property owners, local communities in which it operates, the environment, Governments and industry bodies and its shareholders.

FOREST HOLIDAYS GROUP LIMITED

Strategic Report (Continued)

Directors' statement of compliance with duty to promote the success of the Group and the Company (continued)

The Board has considered the interest of a range of stakeholders impacted by the Group, as well as having regard for the matters set out in section 172(1) of the UK Companies Act 2006, namely:

- the likely consequences of any decisions in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for the high standards of business conduct; and
- the need to act fairly between members of the Group

Board and decision-making process

The Group operates under four fundamental values, that are considered in all decision-making processes at Board, strategic and operational levels

- Be one team
- Own it
- Communicate honestly
- Learn, grow and innovate

Board meetings are held every month (excluding August and December) and the monthly reports include:

- Summary of key initiatives and their progress
- Corporate Development update
- Operations update
- IT update, including operational and strategic objectives
- Monthly Financials including budgets/forecasts

Executive Board members meet on a weekly basis, alongside key senior management to provide day to day oversight on strategic and operational objectives, with significant changes and decisions referred to the formal Board of Directors.

Key Stakeholders

Directors utilise a full range of communication channels to engage with stakeholders; these include face to face meetings, events, reports and other written materials, as well as through public relations activity, targeted digital content and social media.

The Directors have identified the following as key stakeholders of the Group, as they are either directly affected or benefit from the success of the Group.

- **Guests** – the Group provides a diverse range of quality holiday properties to over 1 million guests each year in the United Kingdom, Ireland and New Zealand. Guests are engaged initially through targeted marketing initiatives and via contact to our UK and New Zealand based call centres. During and post travel, customers have access to our customer services support, online, via social media and telephone. Feedback is gathered through satisfaction surveys.
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FOREST HOLIDAYS GROUP LIMITED

Strategic Report (Continued)

Directors' statement of compliance with duty to promote the success of the Group and the Company (continued)

Key Stakeholders (continued)

- **Workforce** – the Group employs approximately 2,000 people across the UK and New Zealand. The Group places considerable value on the involvement of its employees, therefore it ensures information on matters of concern is provided and where appropriate the employees are consulted so their views are taken into account when making decisions. This is achieved through monthly briefings, intranet and e-mails to employees' work addresses. Employee involvement in the Group is encouraged through regular employee surveys. The Group also ensures its employees are paid at least the Minimum Real Living Wage.
- **Suppliers** – The Group engages with key suppliers and settles invoices in a timely manner and within the agreed credit terms. Forest Holidays Ltd has a working partnership with Forestry England, Forestry Land Scotland and National Resources Wales to deliver environmental, social and economic benefits for multiple stakeholders.
- **Community and Environment** – The Group participates in several community-based initiatives through fund raising events and commitment of resources. The Group supports various charities as it enables the local offices to choose who they raise funds for. During the year the Group has raised money for *Changing Lives Together*, *Suffolk Community Foundation* and *Saint Catherine's Hospice* to name a few. The Group looks to minimise its carbon footprint where possible, reducing the use of paper through technical developments and maximising recycling of paper/plastics/metals via numerous in-office recycling collection points. In the specialist operator division, a Forest Ranger is employed at each location to both protect, enhance and educate our customers about the local forest environment with each location having a long-term biodiversity enhancement strategy and active woodland management plan. It also has a five-year partnership with the UK's National Parks that will connect over 20,000 young people with nature and a three-year commitment to fund a rural business start-up every year with the Prince's Countryside Fund.
- **Shareholders and lenders** – The ultimate parent company of the Forest Holidays Group and the Company is Priestholm TopCo Ltd. The ultimate controlling party of Priestholm TopCo Ltd and the Forest Holidays Group is Vitruvian Partners LLP, which is a private equity investment company. The Group has also entered into a Loan Facility and Revolving Credit Facility with external lenders. Both Vitruvian Partners LLP and lenders receive monthly financial updates as standard, with ad hoc initiatives and key developments reported as required.
- **Governments (and tax authorities) & Industry bodies** - The Group has processes in place to monitor new regulations and compliance requirements that may impact the business – including for example, product regulations, financial accounting and reporting updates and tax accounting and reporting compliance.

FOREST HOLIDAYS GROUP LIMITED

Strategic Report (Continued)

Directors' statement of compliance with duty to promote the success of the Group and the Company (continued)

Key decisions

The Directors have identified the below as the key decisions made in the year. Key decisions have been determined as anything with strategic importance to the Group or that have taken a significant amount of management and Board time.

Decision 1

Acquisition of Forest Holidays Group by Forge Holiday Group Ltd (formerly Priestholm BidCo Ltd)

On 27th April 2022, Canopy HoldCo Ltd (Forest Holidays Group) was acquired by Forge Holiday Group Ltd registered in United Kingdom whose Ultimate Parent Company is Priestholm TopCo Ltd registered in Jersey and Ultimate Controlling Party is Vitruvian Partners LLP.

As part of the acquisition, Forest Holidays Group became part of the Forge Holiday Group which has a UK Cottage Agency division, International division and a Caravan division. As part of the acquisition of Forest Holiday Group, Forge Holiday Group undertook a refinancing, which has provided the group with additional long-term funding to facilitate growth through acquisition and developing current and new sites.

Outcomes and impact on key stakeholders (where applicable):

- **Guests** - Able to offer a wider variety of property options to the whole Group through the nationwide marketing capacity of the Group, over multiple websites and marketing channels.
- **Employees** - Clear plans are put into place and communicated through updates and written notices, to the existing and new staff base. Expected synergies related to the acquisitions are highlighted alongside career opportunities that may result. More employment opportunities/progression as employees have a variety of divisions to work in.
- **Community** - Press releases to promote awareness within the local communities.
- **Shareholders & Lenders** - Notification to both parties explaining the rationale for the acquisition and expected benefits was made, which is part of the formal board communication.

Decision 2

BCorp Certification

In 2021 a more structured response to the climate crisis and social inequality was introduced in the business to kick-start a step-change in the way the group carries out business. Stakeholder expectations and factors that impact the decision making process, along with expected changes to legislation around sustainability and ethical business practices. The escalating Climate Crisis and Social Inequalities has been the catalyst to taking steps to future proof our business so that ESG is not purely about compliance but is integrated into every investment decision.

FOREST HOLIDAYS GROUP LIMITED

Strategic Report (Continued)

Directors' statement of compliance with duty to promote the success of the Group and the Company (continued)

Key decisions (continued)

Decision 2 (continued)

BCorp Certification (continued)

During the year the board decided to start the process of obtaining a B Corp Certification. B Corp is one of the most demanding, internationally recognised certifications, that evaluates companies' social and environmental impacts. Certified B Corps meet a high standard of social and environmental performance, transparency and accountability. The certification process can take up to 21 months to achieve.

The Board considers that businesses that attain high standards of social and environment performance are more profitable, have faster growth, higher levels of employee retention, have a more diverse and engaged workforce and are more innovative.

B Corp certification demonstrates that the Group has a structured framework to capture these strategic goals.

Outcomes and impact on key stakeholders (where applicable):

- **Guests** – can be confident they are purchasing from a business that is committed to making a positive social and environmental impact.
- **Employees** – our clear purpose, mission and measurable commitments along with transparent reporting will show our commitment to making a difference and supporting colleagues to be the best they can be. This will improve retention rates and make us a more attractive proposition to future recruits.
- **Shareholders & Lenders** - The Forge Holiday Group will be a more attractive investment opportunity.

This report was approved by the board on 7th March 2023 and signed on its behalf.

DocuSigned by:

Michael Graham

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Michael Steven Graham
Director

FOREST HOLIDAYS GROUP LIMITED

Directors' Report

The Directors present their report and the financial statements for the period ended 30th September 2022.

Principal activity

The principal activity of the Company is that of an intermediate holding company within a group whose principal activity is short term holiday lets through its eco-cabin sites.

Directors

The Directors who served during the period were:

Graham Donoghue	(appointed 27 April 2022)
Michael Steven Graham	(appointed 27 April 2022)
Bruce James McKendrick	
Alexander Peter James Priestley	(resigned 23 February 2023)

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Future developments

An indication of likely future developments in the business and particulars of significant events, which have occurred since the end of the financial period, have been included in the strategic report on page 1.

Financial Instruments

Objectives and policies

The Company does not use derivative financial instruments. The Company enters into financial derivative contracts to mitigate financial risk and details are included above in the Strategic Report under the relevant risk heading.

Going concern

The Directors of the Company during their going-concern assessment have confirmed the ability of its parent company to provide continued support access to cash to ensure its day-to-day running of the Company. The Board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Ltd who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31st March 2024.

Streamlined Energy and Carbon Reporting (SECR)

Information about the Company's Streamlined Energy and Carbon Reporting ("SECR") is included in the parent company Directors' Report which is prepared on a consistent basis with the requirements applicable to the Company. The consolidated financial statements of Priestholm Midco Ltd may be obtained from 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

FOREST HOLIDAYS GROUP LIMITED

Directors' Report (continued)

Post period end events

There have been no significant events affecting the Company since the period end.

Audit exemptions under section 479A of the Companies Act 2006

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act. Under the provisions of section 479A of the Companies Act 2006, the ultimate parent company Priestholm Midco Limited has guaranteed all of the company's liabilities to which the company is subject at 30 September 2022.

Advantage has been taken of the audit exemption available for small companies conferred by section 479A of the Companies Act 2006 on the grounds that for the period ended 30 September 2022 the company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

This report was approved by the board on 7th March 2023 and signed on its behalf.

DocuSigned by:

Michael Graham

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Michael Steven Graham
Director

FOREST HOLIDAYS GROUP LIMITED

Directors' Responsibilities' Statement

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 the 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 whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

FOREST HOLIDAYS GROUP LIMITED**Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 September 2022**

	Period ended 30 September 2022 £000	<i>Period ended 3 March 2022 £000</i>
Note		
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	-
Exceptional items	-	-
Operating profit	-	-
Finance income	-	-
Finance expenses	-	-
Profit before tax	-	-
Tax charge	10 -	-
Profit for the period	-	-

There was no other comprehensive income for 2022 (3 March 2022: £nil)

Turnover and operating profit are derived wholly from continuing operations.

The financial statements include the notes on pages 12 to 25.

FOREST HOLIDAYS GROUP LIMITED**Statement of Financial Position
as at 30 September 2022**

		30 September 2022 £000	3 March 2022 £000
	Note		
Assets			
Non-current Assets			
Investments	11	-	-
Trade and other receivables	12	51,439	51,439
		51,439	51,439
Total assets		51,439	51,439
Current liabilities			
Trade and other liabilities	13	(52,870)	(52,870)
		(52,870)	(52,870)
Total liabilities		(52,870)	(52,870)
Net liabilities		(1,431)	(1,431)
Issued capital and reserves attributable to owners of the parent			
Share capital	14	103	103
Share premium	15	142	142
Other reserves		1	1
Retained earnings	15	(1,677)	(1,677)
Total Equity		(1,431)	(1,431)

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 9 to 25 were approved and authorised for issue by the board of Directors on 7th March 2023 and were signed on its behalf by:

DocuSigned by:

Michael Graham

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Michael Steven Graham
Director

FOREST HOLIDAYS GROUP LIMITED

Statement of Changes in Equity For the Period Ended 3 March 2022

	Share Capital	Share Premium	Treasury Share reserve	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000
At 26 February 2021	103	142	1	(1,677)	(1,431)
Loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-
At 3 March 2022	103	142	1	(1,677)	(1,431)

Statement of Changes in Equity For the Period Ended 30 September 2022

	Share Capital	Share Premium	Treasury Share reserve	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000
At 4 March 2022	103	142	1	(1,677)	(1,431)
Loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-
At 30 September 2022	103	142	1	(1,677)	(1,431)

The financial statements include the notes on pages 12 to 25.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

1. Corporate Information

Forest Holidays Group Limited ("the Company") is a Limited Liability Company incorporated and domiciled in the United Kingdom. The registered office is located at Bath Yard, Moira, Swadlincote, England, DE12 6BA

Canopy Holdco Limited is a holding company within a group whose principal activity is short term holiday lets through its eco-cabin sites.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 8).

Going Concern

Notwithstanding the net liabilities, the Directors of the Company during their going-concern assessment have confirmed the ability of its parent company to provide continued support access to cash to ensure its day-to-day running of the Company. The board has obtained a written confirmation of financial support from its parent undertaking Priestholm TopCo Ltd who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to the Company to meet such liabilities for the period to 31st March 2024.

Financial statement approval

The financial statements of Forest Holidays Group Limited for the period ended 30th September 2022 were authorised for issue in accordance with a resolution of the board of Directors on 7th March 2023.

3. Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

4. Standards issued not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1st January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements as they do not have a material effect on the Company's financial statements.

The following amended standards are not expected to have a significant impact on the Company's financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3); and
- Definition of material amendments to IAS 1 and IAS 8
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

5. Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

6. Exemption from preparing consolidated financial statements

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of Priesholm MidCo Ltd, incorporated in the UK. The consolidated financial statements of Priesholm MidCo Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies

The accounting policies set out below have, unless otherwise stated, has been applied consistently to all periods presented in these Company financial statements.

7.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

7.2 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies (continued)

7.2 Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

7.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

7.4 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- | | |
|---|---------|
| • Disclosures for significant assumptions | Note 8 |
| • Investments | Note 11 |

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies (continued)

7.4 Impairment of non-financial assets (continued)

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five periods. A long-term growth rate is calculated and applied to project future cash flows after the fifth period.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

7.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are recognised on the trade date which is the date it commits to purchase the instruments. Loans are recognised when the funds are advanced. All other financial instruments are recognised on the date that they are originated. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value, with the exception of trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one period of receiving them. For financial assets which are not held at fair value through the income statement, transaction costs are also added to the initial fair value. Trade receivables that don't contain a significant financing component or where the customer will pay for the related goods or services within one period of receiving them are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies (continued)

7.5 Financial instruments (continued)

i. Financial assets (continued)

Initial recognition and measurement (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into the following categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when;

- The rights to receive cash flows from the asset have expired; or
 - The Company has transferred its rights to receive cash flows from the asset
-

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies (continued)

7.5 Financial instruments (continued)

i. Financial assets (continued)

Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

ii. Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

7. Significant Accounting policies (continued)

7.5 Financial instruments (continued)

ii. Financial Liabilities (continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

8. Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 7, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements and estimation. The Directors have had to make the following estimates:

Recoverability of Investments

Due to the inherent uncertainty involved in forecasting and discounting future cash flows this is considered a critical estimate. The estimates used in the valuation of the recoverability of investments are considered to have a significant risk of causing a material misstatement, specifically; the estimation of future cash flows, the use of the most appropriate methodology and the selection of a suitable discount rate.

9. Directors' Remuneration

The Company has no employees other than the Directors whose remuneration costs are borne by other group companies, Canopy BidCo Limited and Forge Holiday Group Ltd (formerly Priestholm Bidco Ltd) and not specifically recharged. The proportion of Directors' time spent on this Company is considered immaterial to their time spent working in the overall Group. Therefore, their remuneration has not been allocated to the Company.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

10. Tax charge

10.1 Income tax recognised in profit or loss

	2022 £000	2021 £000
Current tax	-	-
Deferred tax		
Total deferred tax	-	-
Total tax credit		
Tax credit	-	-
	-	-

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	2022 £000	2021 £000
Profit for the period	-	-
Tax charge	-	-
Profit before tax	-	-
Tax using the Company's domestic tax rate of 19% (2021: 19%)	-	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill, amortisation, and impairment	-	-
Total tax credit	-	-

Changes in tax rates and factors affecting the future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1st April 2020) was substantively enacted on 6th September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1st April 2020, and this change was substantively enacted on 17th March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1st April 2023) was substantively enacted on 24th May 2021. This will increase the Company's future current tax charge accordingly. Deferred taxes as at 30th September 2022 have been calculated based on these rates, reflecting the expected timing of reversal of the related temporary and timing differences (3 March 2022: 25%).

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

11. Investments

	Investments in subsidiary companies £000
Cost	
At 4 March 2022	-
Additions	-
At 30 September 2022	-
Net book value	
At 30 September 2022	-
At 4 March 2021	-

The Directors believe that the carrying values of investments at 30th September 2022 is supported by their underlying net assets, or value in use. In measuring value in use, the discount rate used reflects current assessments of the time value of money and the risks specific to the asset. As a result no impairment is required.

The following were subsidiary undertakings of the Company:

Company	Country of incorporation	Registered numbers	Class of shares held	Ownership	
				30 September 2022	3 March 2022
Directly held					
Forest Holidays Limited*	UK	08159308	Ordinary	100%	100%
Indirectly held					
FH England LLP*	UK	OC318816	Ordinary	100%	100%
Forest Holidays (Scotland) LLP**	UK	SO300880	Ordinary	100%	100%

Registered office

* Bath Yard, Bath Lane, Moira, Derbyshire, DE12 6BA

** 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

12. Trade and other receivables

	30 September 2022 £000	3 March 2022 £000
Amounts owed by group undertakings	51,439	51,439
Total trade and other receivables	51,439	51,439
Total current portion	-	-
Total non-current portion	51,439	51,439

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

During the period the directors assessed the amounts due from group companies and determined that the balance is not expected to be realised within 12 months of the reporting date. The balance receivable of £51,439,000 (3 March 2022: £51,439,000) is therefore presented as non-current. The balance is repayable on demand.

13. Trade and other liabilities

	30 September 2022 £000	3 March 2022 £000
Trade and other payables	9	9
Amounts owed to group companies	52,861	52,861
Total trade and other liabilities	52,870	52,870
Less: current portion – Trade and other payables	(9)	(9)
Less: current portion – Amount owed to group companies	(52,861)	(52,861)
Total current portion	(52,870)	(52,870)
Total non-current portion	-	-

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

14. Share Capital

Authorised, issued and fully paid

	30 September 2022		3 March 2022	
	Number	£000	Number	£000
Shares treated as equity				
A Ordinary shares of £0.20 each	119,750	24	119,750	24
B Ordinary shares of £0.20 each	40,000	8	40,000	8
Ordinary shares of £1 each	45,378	46	45,378	46
E Ordinary shares of £1 each	18,250	18	18,250	18
C Ordinary shares of £1 each	7,561	7	7,561	7
	230,939	103	230,939	103

The A ordinary shares, B ordinary shares, C ordinary shares and ordinary shares rank *pari passu* in relation to the payment of dividends. The E ordinary shares received a preferred dividend at a rate of LIBOR, multiplied by the nominal value of the shares. Dividends on all classes of share require the pre-approval of at least 50% of the A ordinary shareholders.

All share classes each receive 1 vote per share, however the total voting rights of the A ordinary shares are limited to 44.5% of the total voting rights, and the total voting rights of the B ordinary shares are limited to 20% of the total voting rights.

The A ordinary shares have the right to a return of capital (*pari passu* with the B ordinary shares as if the same constituted one ordinary share) to an amount equal to the issue price (inclusive of any premium) paid for such shares. Thereafter any payment to the ordinary shareholders and C ordinary shareholders on a return of capital of an amount equal to the issue price (inclusive of any premium) paid for such shares, the balance of such assets shall be distributed amongst the holders of the ordinary shares, A ordinary shares, B ordinary shares and C ordinary shares in proportion to the number of ordinary shares, A ordinary shares, B ordinary shares and C ordinary shares held by them (*pari passu* as if the same constituted one class of share).

15. Reserves

Share premium

The amount subscribed for the ordinary shares in excess of the nominal value of these new shares is recorded in 'share premium'.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

FOREST HOLIDAYS GROUP LIMITED

Notes to the Financial Statements

16. Controlling party

Until the 27th April 2022 the Ultimate Controlling Party Phoenix Equity Partners LLP. Canopy HoldCo Ltd was acquired by Forge Holiday Group Ltd (formerly Priestholm BidCo Ltd) resulting in the Ultimate Controlling Party being Vitruvian Partners LLP.

At the period ended 30th September 2022, the Company was a subsidiary undertaking of Priestholm TopCo Ltd which was the Ultimate Parent Company incorporated in Jersey. The Ultimate Controlling Party was Vitruvian Partners LLP.

The largest group in which the results of the Company are consolidated was that headed by Priestholm TopCo Ltd, incorporated in Jersey. The consolidated financial statements of this group may be obtained from 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, JE1 4TR, Jersey.

The smallest group in which the results of the Company are consolidated was that headed by Priestholm MidCo Ltd, incorporated in the United Kingdom. The consolidated financial statements of this group may be obtained from 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

17. Events after the reporting date

There have been no significant events affecting the Company since the period end.