

Carp (UK) 2 Limited  
Financial statements  
for the period ended 22 April 2001

Registered Number 4066196



# Carp (UK) 2 Limited

## Financial statements for the period ended 22 April 2001

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# **Carp (UK) 2 Limited**

## **Directors and Advisors**

### **Directors**

M.Bonsall

J.A.J.Chapman

M.Dale

N.C.Davies

G.P. Essex-Cater

C.M.C. Purslow

S.J. Robertson

### **Secretary**

D. Cummins

### **Auditors**

PricewaterhouseCoopers

Victoria House

76 Milton Street

Nottingham

NG1 3QY

### **Solicitors**

Allen & Overy

One New Change

London

EC4M 9QQ

### **Registered Office**

Kirklington Road

Eakring

Newark

Nottinghamshire

NG22 0DZ

### **Registered Number**

4066196

# **Carp (UK) 2 Limited**

## **Directors' report for the period ended 22 April 2001**

The directors present their report and the audited financial statements of the Company for the period ended 22 April 2001.

### **Change of name and increase in share capital**

The Company was incorporated as Alnery No 2088 Limited on 6 September 2000 and changed its name to Carp (UK) 2 Limited on 1 March 2001.

The authorised share capital of the Company was increased from £100 to £11,000,000 on 1 March 2001, through the creation of 10,999,900 ordinary shares of £1 each.

### **Change of accounting reference date**

The Company resolved to change its accounting reference date from 30 September to 30 April on 1 March 2001, and to 22 April on 26 June 2001.

### **Principal activities**

The Company acts as an intermediate holding company and finance provider for the UK Center Parcs group.

### **Review of business and future developments**

On 5 March 2001, the shares in Carp (UK) 3 Limited, a fellow group undertaking, were transferred to the Company from Carp (UK) 1 Limited, its parent company for £9,980,000, settled through the intercompany account.

On 7 March 2001, an application for an additional 9,979,900 shares was received from Carp (UK) 1 Limited and approved. On the same day the issue of a £63,000,000 unsecured deep discounted bond and a £35,000,000 junior facility ("payment in kind") were approved, both with a coupon of 18% per annum attached (*note 8*). The finance received from these was subsequently lent on to Carp (UK) 3 Limited, at nil interest.

The directors do not expect there to be any significant change to the Company's principal activities in the foreseeable future.

### **Results and dividends**

The results for the period show a loss of £3,172,000. The directors do not propose the payment of a dividend on the ordinary shares.

### **Post balance sheet events**

Following the period end the Company acquired a new subsidiary undertaking, Carp (UK) 2A Limited (*note 5*) and restructured its borrowings (*note 8*).

On 10 October 2001, Carp (UK) 2A Limited changed its name to Center Parcs (UK) Holdings Limited and on 19 October 2001 was sold to Deutsche Bank Capital Partners Europe (GP) Jersey Limited at its historic cost. It is anticipated that Center Parcs (UK) Holdings Limited will become the new ultimate parent company of Carp (UK) 2 Limited in early November 2001, with effect from 19 October 2001.

# Carp (UK) 2 Limited

## Directors' report for the period ended 22 April 2001 (continued)

### Directors and their interests

The directors who held office during the period are as follows:

Alnery Incorporations No 1 limited	(Appointed 6 September 2000, Resigned 1 March 2001)
Alnery Incorporations No 2 limited	(Appointed 6 September 2000, Resigned 1 March 2001)
M. Bonsall	(Appointed 1 March 2001)
J.A.J. Chapman	(Appointed 1 March 2001)
M. Dale	(Appointed 1 March 2001)
N.C. Davies	(Appointed 1 March 2001)
G.P. Essex-Cater	(Appointed 1 March 2001)
C.M.C. Purslow	(Appointed 1 March 2001)
S.J. Robertson	(Appointed 1 March 2001)

None of the directors at 22 April 2001, whose interests in the shares and debentures of group companies are required to be notified to the Company, had any such interests at that date or at the date of appointment.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

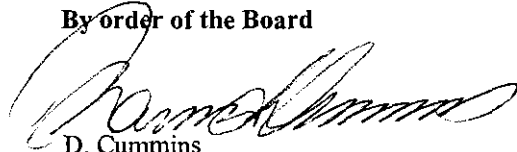
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 22 April 2001 and that applicable accounting standards have been followed.

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.

### Auditors

PricewaterhouseCoopers were appointed auditors on 1 March 2001. A resolution to approve the appointment and to re-appoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By order of the Board



D. Cummins

Secretary

31 October 2001

# **Carp (UK) 2 Limited**

## **Auditors' report to the members of Carp (UK) 2 Limited**

We have audited the financial statements on pages 4 to 12.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

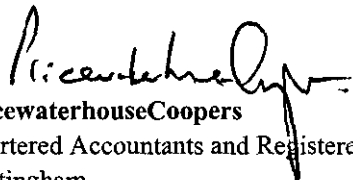
### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 22 April 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Nottingham  
31 October 2001

## **Carp (UK) 2 Limited**

### **Profit and loss account for the period ended 22 April 2001**

	Note	Period ended 22 April 2001 £'000
Turnover		-
Cost of sales		-
Gross profit		-
Net operating expenses	2	(30)
<b>Operating loss</b>		<b>(30)</b>
Interest payable and similar charges	4	(3,142)
<b>Loss for the period</b>	11	<b>(3,172)</b>

All activities are derived from continuing operations.

The Company has no recognised gains and losses other than those included in the losses above and therefore no separate statement of total recognised gains and losses has been presented.

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

# Carp (UK) 2 Limited

## Balance sheet as at 22 April 2001

	Note	2001 £'000
<b>Fixed assets</b>		
Investment in subsidiary	5	9,980
<b>Current assets</b>		
Debtors	6	96,483
Creditors: amounts falling due within one year	7	(129)
<b>Net current assets</b>		<b>96,354</b>
<b>Total assets less current liabilities</b>		<b>106,334</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(99,526)</b>
<b>Provisions for liabilities and charges</b>	9	<b>-</b>
<b>Net assets</b>		<b>6,808</b>
<b>Capital and reserves</b>		
Called up share capital	10	9,980
Profit and loss account	11	(3,172)
<b>Equity shareholders' funds</b>	12	<b>6,808</b>

The financial statements on pages 4 to 12 were approved by the board of directors on 31 October 2001 and were signed on its behalf by:

Director





# **CARP (UK) 2 Limited**

## **Notes to the financial statements for the period ended 22 April 2001**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

Due to the fact that this is the Company's first accounting period there are no comparatives included.

The directors have taken the opportunity to adopt FRS 18 "Accounting Policies" from the date of incorporation. The accounting policies adopted are deemed by the directors to be the most appropriate for the Company and the Group.

#### **Accounting Reference Date**

The Company prepares accounts drawn up to the Thursday nearest 22 April each year as permitted under Companies Act 1985.

#### **Consolidation**

The Company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to prepare group accounts.

#### **Investments**

The cost of investments, including loans to associated companies, is their purchase cost together with any incremental costs of acquisition. Provision is made against the cost of investments where, in the opinion of the directors, there is an impairment in the value of the individual investment.

#### **Cash Flow statement**

The Company has taken advantage of the exemption permitted by Financial Reporting Standard No 1 (revised 1996) whereby a cash flow statement need not be prepared by a wholly owned subsidiary of an ultimate parent company which itself publishes a consolidated cash flow.

#### **Deferred taxation**

Deferred taxation is provided on the 'liability' method to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes, only to the extent that the timing differences are expected to reverse in the foreseeable future.

#### **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.

# Carp (UK) 2 Limited

## Notes to the financial statements for the period ended 22 April 2001 (continued)

### 2 Operating loss

Period ended  
22 April 2001  
£'000

Operating loss is stated after charging:

Bank fees	30
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Auditors' remuneration is included within the financial statements of Center Parcs Longleat Limited, a fellow group undertaking.

### 3 Directors and employees

The directors received no remuneration in respect of their services to the Company in the period.

During the period the Company did not have any employees or related employment costs.

### 4 Interest payable and similar charges

Period ended  
22 April 2001  
£'000

Interest payable on:

Bank loans	753
Unsecured loan stock 2012	1,335
Amortisation of issue costs	1,054
	3,142

As a result of the refinancing of the Company post period end (*see note 8*) the directly attributable borrowing costs incurred are being amortised over the period to 28 August 2001 on a straight line basis. During the period, £924,000 of the £1,487,500 of borrowing costs capitalised have been written off by the Company. The additional £130,000 expensed during the period relates to other syndication fees incurred which have not been capitalised, in accordance with FRS4 "Capital instruments".

## **Carp (UK) 2 Limited**

### **Notes to the financial statements for the period ended 22 April 2001 (continued)**

#### **5 Investments**

	<b>Investment in group undertaking £'000</b>
<b>Cost and net book value</b>	
At 6 September 2000	-
Additions	9,980
At 22 April 2001	9,980

The Company holds the following investment at 22 April 2001. Consolidated financial statements are prepared by Carp (UK) 1 Limited, the Company's parent undertaking.

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Percentage of nominal value of issued shares held</b>	<b>Type of share capital</b>
Carp (UK) 3 Limited	England & Wales	Intermediate holding company	100%	Ordinary

On 24 July 2001, the Company acquired the one issued ordinary share of £1 in Carp (UK) 2A Limited (renamed Center Parcs (UK) Holdings Limited on 10 October 2001). This was subsequently sold to Deutsche Bank Capital Partners Europe (GP) Jersey Limited on 19 October 2001.

#### **6 Debtors**

	<b>2001 £'000</b>
Amounts owed by group undertakings	96,483

On 7 March 2001, the Company lent on the proceeds received from the issue of the unsecured deep discounted bond and the junior facility to Carp (UK) 3 Limited. There is no interest attached to this loan.

#### **7 Creditors: amounts falling due within one year**

	<b>2001 £'000</b>
Other creditors	129

## Carp (UK) 2 Limited

### Notes to the financial statements for the period ended 22 April 2001 (continued)

#### 8 Creditors: amounts falling due after more than one year

	2001 £'000
Bank loan	35,190
Unsecured loan stock 2012	64,336
	99,526
<b>Maturity of debt</b>	
In one year or less, or on demand	-
In more than one year, but not more than two years	-
In more than two years, but not more than five years	-
In more than five years	100,090
	100,090
Directly attributable fee and other finance costs	(564)
	99,526

The above table sets out the maturity of debt as at 22 April 2001, grossed up to reflect directly attributable fee and other finance costs which remain capitalised within the debt at the period end in accordance with FRS 4 "Capital Instruments". These have then been removed to arrive at the outstanding net creditor balance.

Two financing agreements (the bank loan or 'junior facility' and the unsecured loan stock 2012) were entered into by the Company on 7 March 2001.

The bank loan (junior facility) of £35,000,000 has been recognised net of £1,487,500 of directly attributable fee and other finance costs. The facility has an 18% coupon, which accrues semi-annually throughout its 10 year life. Interest of £753,261 has accrued and £924,000 of the fees have been written off in the period. The junior facility is structurally subordinated to the senior facility held by Carp (UK) 3 Limited, the subsidiary company. The bank loan is secured by a fixed and floating charge over the assets of the other group companies and is due for redemption in March 2011. Attached to the junior facility are warrants for Merrill Lynch or its affiliates to subscribe for 1,049,724 'D' ordinary shares of £0.01 each in the capital of Carp (UK) 1 Limited, the parent undertaking.

The unsecured loan stock 2012 of £63,000,000 is redeemable at £389,100,000 in March 2012, with interest accruing on the book value at 18% per annum over the period. Interest of £1,335,945 has accrued during the period.

# Carp (UK) 2 Limited

## Notes to the financial statements for the period ended 22 April 2001 (continued)

### 8 Creditors: amounts falling due after more than one year (continued)

On 28 August 2001, the Company restructured its borrowings. £35,000,000 of subordinated debt was drawn down from Royal Bank of Scotland and used to repay the bank loan (junior facility) and to settle £5,820,548 of bank loan interest and prepayment costs.

On 18 September 2001, a further £15,000,000 of subordinated debt was drawn down from Royal Bank of Scotland.

The terms and conditions of the new loan are broadly similar to those of the loan held at 22 April 2001, with the debt being split into a number of tranches and interest accruing at between 0.50% and 6.25% above libor. The subordinated debt is repayable on 27 August 2010.

### 9 Provisions for liabilities and charges

	2001 £'000
<b>Deferred taxation liability provided in the accounts comprises:</b>	
Accelerated capital allowances	-
Other timing differences	-
Deferred tax liability	-
<b>The unprovided amounts of deferred taxation are as follows:</b>	
Accelerated capital allowances	-
Other timing differences	-
Losses	952
	<b>952</b>

# Carp (UK) 2 Limited

## Notes to the financial statements for the period ended 22 April 2001 (continued)

### 10 Called up share capital

	2001 £'000
<b>Authorised</b>	
11,000,000 ordinary shares of £1	11,000
<b>Allotted, called up and fully paid</b>	
9,980,000 ordinary shares of £1	9,980

On incorporation, the Company had an authorised share capital of 100 £1 ordinary shares.

On 1 March 2001, the authorised share capital of the Company was increased to £11,000,000 through the creation of 10,999,900 ordinary shares of £1 each. On this date, the 1 ordinary share currently in issue was transferred from Alnery Incorporations No.1 Limited to Carp (UK) 1 Limited. On 7 March 2001, 9,979,999 of the ordinary shares were issued at par to Carp (UK) 1 Limited.

### 11 Reserves

	Profit and loss account £'000
At 6 September 2000	-
Loss for the period	(3,172)
<b>At 22 April 2001</b>	<b>(3,172)</b>

### 12 Reconciliation of movements in shareholders' funds

	2001 £'000
Loss for the period	(3,172)
Issue of ordinary shares	9,980
<b>Net change in shareholders' funds</b>	<b>6,808</b>
Shareholders' funds as at 6 September 2000	-
<b>Shareholders' funds as at 22 April 2001</b>	<b>6,808</b>

## **Carp (UK) 2 Limited**

### **Notes to the financial statements for the period ended 22 April 2001 (continued)**

#### **13 Related party disclosures**

The Company has taken advantage of the exemption under FRS 8 "Related Party Disclosures " not to disclose related party transactions between companies which are 90% owned by the ultimate parent company.

#### **14 Ultimate parent company and controlling party**

The Company is 100% owned by Carp (UK) 1 Limited, registered in England and Wales.

At 22 April 2001, the directors regard the ultimate controlling party to be Deutsche Bank Capital Partners.

At 22 April 2001, the ultimate parent company, which is the parent undertaking of the smallest and largest group to consolidate the financial statements of the Company is also Carp (UK) 1 Limited. However, following the period end a group restructuring was begun. It is therefore anticipated that in early November 2001 Center Parcs (UK) Holdings Limited will become the new ultimate parent company, with effect from 19 October 2001.