

Carp (UK) 3 Limited
Financial statements
for the period ended 22 April 2001

Registered Number 4066200



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for the period ended 22 April 2001
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Carp (UK) 3 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
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EC4M 9QQ

Registered Office

Kirklington Road
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NG22 0DZ

Registered Number

4066200

Carp (UK) 3 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 2083 Limited on 6 September 2000 and changed its name to Carp (UK) Limited on 10 November 2000. The name was subsequently changed to Carp (UK) 3 Limited on 1 March 2001.

The authorised share capital of the Company was increased from £100 to £5,000,000 on 10 November 2000 through the creation of 4,999,900 ordinary shares of £1 each. The authorised share capital was subsequently increased to £11,000,000 on 1 March 2001 through the creation of a further 6,000,000 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 7 March 2001, the Company acquired the ordinary share capital of Center Parcs Limited, the ordinary and preference share capital of Center Parcs Longleat Limited and the preference share capital of Center Parcs Sherwood Limited, Center Parcs Elveden Limited and 3D Longleat Limited (whose name was subsequently changed to 3D Education and Adventure Limited on 14 June 2001), together making up the UK Center Parcs and 3D Education & Adventure businesses. The total consideration for the acquisition was £296,273,884 (*see note 7*).

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

Results and dividends

The results for the period show a loss of £2,605,000. 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 two new subsidiary undertakings, Carp (UK) 3A Limited and Carp (UK) 4 Limited (whose name was changed to Oasis Holidays Limited on 18 September 2001) (*note 7*) and restructured its borrowings (*note 11*).

As part of a group restructuring, it is anticipated that Center Parcs (UK) Holdings Limited will become the new ultimate parent company of Carp (UK) 3 Limited in early November 2001, with effect from 19 October 2001.

Carp (UK) 3 Limited

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

Directors and their interests

The directors who held office during the period are given below:

Alnery Incorporations No 1 Limited	(Appointed 25 May 2000, resigned 10 November 2000)
Alnery Incorporations No 2 Limited	(Appointed 25 May 2000, resigned 10 November 2000)
M. Bonsall	(Appointed 1 March 2001)
J. A. J. Chapman	(Appointed 10 November 2000)
M. Dale	(Appointed 10 November 2000)
N. C. Davies	(Appointed 10 November 2000)
G. P. Essex-Cater	(Appointed 10 November 2000)
C. M. C. Purslow	(Appointed 10 November 2000)
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) 3 Limited

Auditors' report to the members of Carp (UK) 3 Limited

We have audited the financial statements on pages 4 to 16.

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) 3 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	(313)
Operating loss		(313)
Income from shares in group undertakings	17	957
Profit on ordinary activities before interest		644
Interest payable and similar charges	4	(4,292)
Interest receivable and other income	5	115
Loss on ordinary activities before taxation		(3,533)
Taxation credit on loss on ordinary activities	6	928
Loss for the period	14	(2,605)

All activities are derived from continuing operations.

The Company has no recognised gains and losses other than 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) 3 Limited

Balance sheet as at 22 April 2001

	Note	2001 £'000
Fixed assets		
Investments	7	210,063
Current assets		
Debtors	8	68,602
Cash at bank and in hand		16,612
		85,214
Creditors: amounts falling due within one year	9	(118,283)
Net current liabilities		(33,069)
Total assets less current liabilities		176,994
Creditors : amounts falling due after more than one year	10	(169,619)
Provisions for liabilities and charges	12	-
Net assets		7,375
Capital and reserves		
Called up share capital	13	9,980
Profit and loss account	14	(2,605)
Equity shareholders' funds	15	7,375

The financial statements on pages 4 to 16 were approved by the board of directors on 31 October 2001 and were signed on its behalf by:

Director



CARP (UK) 3 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) 3 Limited

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

1 Principal accounting policies (continued)

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are including in the trading results.

2 Net operating expenses

	Period ended 22 April 2001 £'000
Facility and other financing costs	337
Exchange movements	(24)
	313

Auditors' remuneration is included within the financial statements of Center Parcs Longleat Limited, a subsidiary undertaking.

3 Directors and Employees

The directors received no remuneration in respect of their services to the Company. During the period the Company did not have any employees or related employment costs.

CARP (UK) 3 Limited

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

4 Interest and similar charges

	Period ended 22 April 2001 £'000
Interest payable on :	
Bank loans	1,755
Other loans	87
Amortisation of issue costs	2,450
	4,292

As a result of the refinancing of the Company post period end (*see note 11*), the directly attributable borrowing costs incurred are being amortised over the period to 28 August 2001 on a straight line basis. During the period £1,001,314 of the £3,982,500 of borrowing costs capitalised have been written off by the Company. The additional £1,449,000 expensed during the period relates to other fees incurred which were not capitalised, in accordance with FRS 4 "Capital Instruments".

5 Interest receivable and other income

	Period ended 22 April 2001 £'000
Bank interest receivable	115

6 Taxation credit on loss on ordinary activities

	Period ended 22 April 2001 £'000
Taxation credit on the loss for the period	
UK corporation tax at 30%:	
Group relief receivable	928

CARP (UK) 3 Limited

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

7 Investments

	Investments in group undertakings £'000
Cost and net book value	
At 6 September 2000	-
Additions	210,063
At 22 April 2001	210,063

The Company holds the following investments at 22 April 2001, all of which are consolidated into the group financial statements of Carp (UK) 1 Limited, the ultimate parent of the Company.

Name of undertaking	Country of incorporation	Principal activity	Beneficial interest held	Type of share capital
Center Parcs Longleat Limited	England & Wales	Trading	100%	Ordinary and Preference shares
3D Longleat Limited ¹	England & Wales	Trading	100%	Preference shares
Center Parcs Sherwood Limited	England & Wales	Trading	100%	Preference shares
Center Parcs Elveden Limited	England & Wales	Trading	100%	Preference shares
Center Parcs Limited	England & Wales	Non-trading	100%	Ordinary shares

The non-redeemable preference shares carry a fixed, cumulative, preferential dividend at the rate of 7.25% per annum payable annually in arrears on 30 April. The shares have no redemption entitlement. On a winding-up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights unless the dividend is in arrears by six months or more.

¹ 3D Longleat Limited changed its name to 3D Education & Adventure Limited on 14 June 2001.

CARP (UK) 3 Limited

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

7 Investments (continued)

On 7 March 2001, the Company acquired the companies holding the trade and business assets of the UK Center Parcs and 3D Education & Adventure businesses from the Scottish & Newcastle plc group for £296,273,884, broken down as follows :

	£'000
Initial cash payment	191,425
Assignment of loan note	5,500
Deferred consideration	6,874
	203,799
Directly attributable acquisition costs	6,264
Cost of investment	210,063
Settlement of intercompany balances by Center Parcs Longleat Limited	92,475
	302,538
Directly attributable acquisition costs	(6,264)
	296,274

The basis of the acquisition was the purchase of the ordinary and preference shares in Center Parcs Longleat Limited, the ordinary shares in Center Parcs Limited and the preference shares in Center Parcs Elveden Limited, Center Parcs Sherwood Limited and 3D Longleat Limited (which subsequently changed its name to 3D Education & Adventure Limited on 14 June 2001). £191,424,703 of the consideration was by way of an initial cash payment and a further £5,500,000 by way of a loan note between Center Parcs Limited and Center Parcs Longleat Limited, bearing interest at 8% per annum (this being the balance due to Center Parcs Limited by Scottish & Newcastle plc at the date of acquisition). £92,475,317 was paid through the settlement of intercompany balances with Scottish & Newcastle plc by Center Parcs Longleat Limited and the remaining £6,873,864 represents the discounted value of the £7,000,000 deferred consideration paid on 7 September 2001.

In addition, directly attributable acquisition costs of £6,264,925 have been capitalised as part of the cost of investment.

On 12 August 2001, the Company ratified the acquisition of the one issued ordinary share of £1 in both Carp (UK) 3A Limited and Carp (UK) 4 Limited, with effect from 24 July 2001. Carp (UK) 4 Limited subsequently changed its name to Oasis Holidays Limited on 18 September 2001.

CARP (UK) 3 Limited

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

8 Debtors

	2001 £'000
Amounts owed by group undertakings	68,001
Other debtors	553
Prepayments and accrued income	48
	68,602

The amounts owed by group undertakings primarily relates to a loan from the Company to Center Parcs Longleat Limited, a subsidiary Company, in order to enable the latter to settle the intercompany balances with the Scottish & Newcastle plc group as part of the acquisition of the UK Center Parcs business on 7 March 2001.

9 Creditors: amounts falling due within one year

	2001 £'000
Bank loans (<i>note 11</i>)	4,400
Trade creditors	4,612
Amounts owed to group undertakings	102,001
Accruals and deferred income	7,270
	118,283

10 Creditors: amounts falling due after more than one year

	2001 £'000
Bank loans (<i>note 11</i>)	169,619

CARP (UK) 3 Limited

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

11 Borrowings

	2001 £'000
Maturity of debt:	
In one year or less, or on demand	4,400
In more than one year, but not more than two years	10,800
In more than two years, but not more than five years	49,400
In more than five years	112,400
	177,000
Directly attributable fee and other finance costs	(2,981)
	174,019

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 as shown in notes 9 and 10.

As part of the acquisition of the UK Center Parcs and 3D Education & Adventure businesses, Merrill Lynch and Deutsche Bank arranged £197,000,000 of senior secured credit facilities. £177,000,000 of this was in the form of a senior term loan, the remaining £20,000,000 being in the form of a revolving credit facility. Directly attributable fee and other finance costs of £3,982,500 were incurred by the Company in raising this finance and therefore capitalised, £1,001,314 of which has been written off during the period.

The balance above therefore represents the £177,000,000 senior term loan, net of the remaining capitalised fees and finance costs.

The senior term loans have been tranchised into a £97,000,000 senior 'A' term loan with interest payable at 2.25% above LIBOR, a senior 'B' term loan of £40,000,000 repayable in March 2009 with interest payable at 2.75% above LIBOR and a senior 'C' term loan of £40,000,000 repayable in March 2010 with interest payable at 3.25% above LIBOR. 27.8% of the senior term loan 'A' is required to be repaid through the mandatory amortisation schedule by March 2004. The term 'B' and term 'C' loans are to be amortised on a nominal basis (1% per annum) through the life of the loans (except in year one where 0.5% is amortised) with two semi-annual repayments for amounts outstanding in years 8 and 9 respectively.

During the period, £1,754,965 of interest has been paid or accrued in relation to the senior term loan.

At the time of acquisition, £5,000,000 of the revolving credit facility was drawn down and used to fund the acquisition of the cash on the balance sheet at that date. However, this was repaid prior to the period end by Center Parcs Longleat Limited, a subsidiary company.

CARP (UK) 3 Limited

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

11 Borrowings (continued)

The senior credit facilities' agreement includes the provision of a cash sweep-up mechanism after April 2002, whereby 50% of any excess cash flow for each year in excess of £2,000,000 per annum must be applied to the outstanding term loans on a pro-rata basis against outstanding repayment instalments.

The senior term loan is secured by fixed and floating charges over the assets of Center Parcs Longleat Limited, Center Parcs Elveden Limited, Center Parcs Sherwood Limited and 3D Longleat Limited (which subsequently changed its name to 3D Education & Adventure Limited on 14 June 2001).

On 28 August 2001, the Company restructured its borrowings. £210,000,000 of senior debt was drawn down from Royal Bank of Scotland and used to repay the £177,000,000 senior term loans and settle £9,179,452 of other costs.

On 18 September 2001, £140,000,000 of senior debt was drawn down from Royal Bank of Scotland and lent on to Oasis Holidays Limited at nil interest.

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 2.25% and 2.50% above libor. The senior debt is repayable on 27 August 2010.

12 Provisions for liabilities and charges

	2001 £'000
<hr/> Deferred taxation liability provided in the accounts comprises:	
Accelerated capital allowances	-
Other timing differences	-
Deferred tax liability	-
<hr/> The unprovided amounts of deferred taxation are as follows:	
Accelerated capital allowances	-
Other timing differences	-
Losses	419
	<hr/> 419 <hr/>

CARP (UK) 3 Limited

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

13 Called up share capital

	2001 £'000
Authorised	
11,000,000 ordinary shares of £1 each	11,000
Allotted, called up and fully paid	
9,980,000 ordinary share of £1	9,980

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

On 10 November 2000, the authorised share capital of the Company was increased to £5,000,000 through the creation of 4,999,900 ordinary shares of £1 each. On this date, 55 ordinary shares were allotted to Carp (Jersey) Limited and 44 ordinary shares to Deutsche Bank AG, and the 1 ordinary share currently in issue was transferred from Alnery Incorporations No.1 Limited to Deutsche Bank AG.

On 1 March 2001, the authorised share capital of the Company was increased to £11,000,000 through the creation of 6,000,000 ordinary shares of £1 each.

On 7 March 2001, the 100 ordinary shares in issue were transferred to Carp (UK) 1 Limited and a further 9,979,900 ordinary shares were allotted to Carp (UK) 1 Limited. All shares held by Carp (UK) 1 Limited were subsequently transferred to Carp (UK) 2 Limited on the same day.

14 Reserves

	Profit and loss account £'000
At 16 September 2000	-
Loss for the period	(2,605)
At 22 April 2001	(2,605)

CARP (UK) 3 Limited

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

15 Reconciliation of movements in shareholders' funds

For the period ended 22 April 2001	2001 £'000
Loss for the period	(2,605)
Proceeds of ordinary shares issued for cash	9,980
Net change in shareholders' funds	7,375
Shareholders' funds as at 6 September 2000	-
Shareholders' funds as at 22 April 2001	7,375

16 Related party disclosures

The Company does not disclose related party transaction with other group companies under the exemption in Financial Reporting Standard No 8 for 90% or more subsidiary undertaking.

Details of transactions with related parties during the period are as follows:

	Profit & loss account	Creditor
	£'000	£'000
Interest paid or payable to Deutsche Bank	1,755	393

17 Contingent assets

As at 22 April 2001, the Company was entitled to £5,222,549 of undeclared dividends on the 7.25% cumulative non-redeemable preference shares held in Center Parcs Longleat Limited, Center Parcs Elveden Limited, Center Parcs Sherwood Limited and 3D Longleat Limited Limited (which subsequently changed its name to 3D Education & Adventure Limited on 14 June 2001). However, although these balances have been appropriated in the respective companies during the period, distributable reserve levels have resulted in only £957,029 being recognised in these accounts. The remaining £4,265,520 will be recognised when distributable reserve levels in the respective companies permits. Until then, they will continue to accrue, with an initial payment date of 30 April 2001.

CARP (UK) 3 Limited

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

18 Ultimate parent company and controlling party

The whole of the equity share capital in the Company is owned by Carp (UK) 2 Limited, its immediate parent company.

At 22 April 2001, the directors regard the ultimate parent company to be Carp (UK) 1 Limited, registered in England and Wales, and the ultimate controlling party to be Deutsche Bank Capital Partners. Therefore for the period ended 22 April 2001 the largest and smallest group of which the Company is a member and for which group accounts are drawn up is that of 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.