Carp (E)

(formerly Center Parcs Elveden Limited)

Consolidated financial statements

for the year ended 22 April 2003

Registered Number 4074184

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Carp (E)
(formerly Center Parcs Elveden Limited)

Directors and advisors

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E A C Spencer-Churchill, Lord
T D Woodcock

Secretary
A P Bradshaw

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Registered Number
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Carp (E)
(formerly Center Parcs Elveden Limited)

Directors' report
for the year ended 22 April 2003

The directors present their report and the audited financial statements of the Company for the year ended 22 April 2003.

Change of name and re-registration as an unlimited company
On 25 September 2003, the Company re-registered as an unlimited company and changed its name to Carp (E).

Principal activity
Up until 26 September 2003, the principal activity of the Group and the Company was the operation of the Center Parcs Holiday Village at Elveden in Suffolk. Since this date, the Group's principal activity has been that of a lessor and the Company's principal activity has been that of an intermediate holding company.

Change in share capital
On 3 November 2002, all the authorised and allotted 7.25% cumulative non-redeemable preference shares were redesignated as £1 ordinary shares. The authorised share capital of the Company therefore became 120,000,000 ordinary shares of £1 each.

On 25 September 2003, the Company undertook a capital restructuring which resulted in the issued share capital being reduced to two ordinary shares of £1 each.

Group restructuring
A group restructuring was completed between 28 October and 5 November 2002 as part of the £465m sale and leaseback of the land and buildings of the Center Parcs Sherwood, Longleat and Whinfell Forest holiday villages.

On 28 October 2002, the Company was acquired by Center Parcs (Jersey) 1 Limited, the ultimate parent company of the Center Parcs UK group. On the same day the Company acquired the entire issued share capital of Elveden Property Limited from a fellow group company, Center Parcs (Jersey) 2 Limited.

On 4 November 2002, an agreement was entered into with Sun CP Properties Limited, a related party, whereby a £100 million bridging facility and a £10 million capex facility were made available to the Company at initial interest rates of 8% and 10% per annum respectively. On the same day, a put option was granted to Center Parcs (Jersey) 1 Limited for the sale of the Elveden Forest holiday village land and buildings.

Review of business
On 4 April 2002, a fire within the central plaza of the Center Parcs Elveden holiday village resulted in a total evacuation of the building. Although the incident resulted in the destruction of the central area of the plaza and damage to adjacent parts, the fire was brought under control with no injuries to guests, staff or fire fighters.

As a result of this incident the village was closed to guests from 4 April 2002. Re-building work is now complete and the village re-opened to paying guests on 11 July 2003.

A significant proportion of the staff employed on-site at the time of the fire were retained during the period of closure. Their costs and other costs incurred during the year ended 22 April 2003 have been charged to the profit and loss account.

Review of business (continued)
Subsequent to the year-end the Company has reached a satisfactory agreement with its insurers over its claim in respect of both property damage and business interruption. As a result of this settlement the result for the year under review has been adjusted accordingly (see note 3).

Post balance sheet events
As part of a £109 million sale and leaseback of the land and buildings of the Center Parcs Elveden holiday village, a group restructuring was completed, which included the disposal of the trade and business assets of the Group to Center Parcs (Operating Company) Limited, a fellow group undertaking, on 26 September 2003 and the disposal of the Company to Sun CP Properties Limited on the same day (*see note 28*).

These financial statements have been prepared on a going concern basis, as the assets and liabilities disposed of post year end as part of this group restructuring were disposed of at a value at least equating to book value. It is therefore the opinion of the directors that there is no material difference between these financial statements as stated and those which would have resulted from preparation on a break up basis.

Dividends and transfer to reserve
The directors declared a dividend on the 7.25% cumulative non-redeemable preference shares for the period up to their redesignation as £1 ordinary shares on 3 November 2002 of £3,757,000 (2002: £6,891,000). In prior years, although the full appropriation of £9,382,630 was reflected within the profit and loss account, only £210,045 of the dividend could be paid. The remaining £9,172,585 has therefore been declared and paid during the year ended 22 April 2003.

No dividend has been declared on the ordinary shares (2002: £Nil).

The retained profit for the year of £22,061,000 (2002: loss of £14,569,000) has been transferred to reserves.

Directors and their interests
The directors who held office during the year are as follows:

H Briggs	(appointed 4 November 2002)
M P Dalby	(resigned 24 September 2003)
M Dale	(appointed 4 November 2002, resigned 26 September 2003)
C M C Purslow	(appointed 4 November 2002, resigned 24 September 2003)
S J Robertson	(appointed 4 November 2002, resigned 24 September 2003)
A M Robinson	(resigned 24 September 2003)

D Cummins was appointed director on 24 September 2003 and resigned on 26 September 2003. Messrs Spencer-Churchill and Woodcock were appointed directors on 26 September 2003.

None of the directors at 22 April 2003 or at 23 April 2002 (or later date of appointment) had any interests in the shares of the Company.

Carp (E)
(formerly Center Parcs Elveden Limited)

Directors' report
for the year ended 22 April 2003 (continued)

Directors and their interests (continued)
The interests of the directors at 22 April 2003 in the shares of the Center Parcs (Jersey) 1 Limited, the parent company of the Center Parcs UK Group are as follows:

	'A' Ordinary Shares of 0.01p each	'B' Ordinary Shares of 1p each	'D' Ordinary Shares of 1p each	'A' Preference Shares of £1 each	'B' Preference Shares of 10p each
H Briggs	807,623	-	-	40,251	36,453
M Dalby	-	10,100,000	200,000	513,347	464,908
M Dale	8,468,248	-	-	422,053	382,228
C M C Purslow	3,217,926	-	-	160,380	145,246
S J Robertson	5,927,753	-	-	295,436	267,559
M A Robinson	-	17,675,000	350,000	898,357	813,588

There are no other interests in the shares and debentures of group companies that require notification to the Company.

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the in-house newspaper, newsletters and briefing groups.

Policy and practice on payment of creditors
The Company agrees payment terms individually with suppliers prior to the commencement of trading and adheres to the terms of arrangements made. Trade creditors at the year-end represented 34 days (2002: 46 days).

Statement of directors' responsibilities
The directors are required by UK Company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and Group as at the end of the financial period and of the profit or loss and total recognised gains or losses of the Company and Group for that period.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the period ended 22 April 2003. The directors also confirm that applicable accounting standards have been followed and that the going concern basis is appropriate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors also have general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Auditors
PricewaterhouseCoopers LLP were appointed auditors at the AGM on 4 July 2003.

By order of the Board

Hugh A. Briggs

H Briggs
Director
10 November 2003

Carp (E)
(formerly Center Parcs Elveden Limited)

Independent auditors' report to the members of Center Parcs Elveden Limited

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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.

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 affairs of the Company and the Group at 22 April 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
10 November 2003

Carp (E)
(formerly Center Parcs Elveden Limited)

Consolidated profit and loss account
for the year ended 22 April 2003

	Note	**Year ended 22 April 2003 £'000**	Year ended 22 April 2002 £'000
Turnover	1	**87**	43,136
Cost of sales		**318**	(10,315)
Gross profit		**405**	32,821
Net operating expenses		**(18,833)**	(25,975)
Other income	3	**15,630**	-
Operating (loss)/profit	2	**(2,798)**	6,846
Profit/(loss) on disposal of fixed assets	3	**35,950**	(17,360)
Profit/(loss) on ordinary activities before interest and taxation		**33,152**	(10,514)
Interest payable and similar charges	4	**(3,899)**	-
Profit/(loss) on ordinary activities before taxation		**29,253**	(10,514)
Tax on profit/(loss) on ordinary activities	8	**(3,435)**	2,836
Profit/(loss) for the financial year		**25,818**	(7,678)
Preference share dividends and appropriations	9	**(3,757)**	(6,891)
Retained profit/(loss) for the financial year	19	**22,061**	(14,569)

All activities are derived from continuing operations. However on 26 September 2003 the Group disposed of its business assets and trade, but retained the land, buildings and the majority of the installations.

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

Carp (E)
(formerly Center Parcs Elveden Limited)

Balance sheets
as at 22 April 2003

	Note	2003 Group £'000	2003 Company £'000	2002 Group £'000	2002 Company £'000
Fixed assets					
Intangible assets	10	**19,087**	**19,087**	20,180	20,180
Tangible assets	11	**96,221**	**96,221**	63,645	63,645
Investments	12	**-**	**-**	-	-
Current assets					
Stock	13	**321**	**321**	314	314
Debtors	14	**109,219**	**109,219**	12,437	12,437
Cash at bank and in hand	24	**12,779**	**12,779**	1,614	1,614
		122,319	**122,319**	14,365	14,365
Creditors: amounts falling due within one year	15	**(136,630)**	**(136,630)**	(10,819)	(10,819)
Net current (liabilities)/assets		**(14,311)**	**(14,311)**	3,546	3,546
Total assets less current liabilities		**100,997**	**100,997**	87,371	87,371
Provisions for liabilities and charges	17	**(738)**	**(738)**	-	-
Net assets		**100,259**	**100,259**	87,371	87,371
Capital and reserves					
Called up share capital	18	**95,049**	**95,049**	95,049	95,049
Profit and loss account	19	**5,210**	**5,210**	(7,678)	(7,678)
Total shareholders' funds	21	**100,259**	**100,259**	87,371	87,371
Analysis of shareholders' funds					
Equity		**100,259**	**100,259**	(16,851)	(16,851)
Non-equity		**-**	**-**	104,222	104,222
Total shareholders' funds		**100,259**	**100,259**	87,371	87,371

The financial statements on pages 6 to 23 were approved by the board of directors on 10 November 2003 and were signed on its behalf by:

H Briggs
Director

Notes to the financial statements for the year ended 22 April 2003

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. The directors have reviewed the accounting policies and consider them to be the most appropriate ones for the Group and for the Company.

Basis of consolidation
The consolidated financial statements include the Company and its subsidiary undertaking. The results of subsidiaries or businesses acquired or disposed of during the period are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group sales, profits and balances are eliminated fully on consolidation.

Accounting reference date
The Company prepares accounts drawn up to the Thursday nearest 22 April each year as permitted under the Companies Act 1985. Therefore these financial statements have been prepared for a 364 day period which has been referred to as a 'year'.

Accounts presentation
The Company has adopted the provisions of FRS 4 "Capital Instruments", which requires the amount of shareholders' funds attributable to equity and non-equity interests to be separately disclosed. Dividends for the year on the Company's cumulative non-redeemable preference shares have been appropriated through the profit and loss account. Where the Company does not have sufficient distributable reserves in order to pay such preference share dividends, these dividends are credited back within the profit and loss account reserve and disclosed as being due to the preference shareholders.

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 investment where, in the opinion of the directors, there is an impairment in the value of the individual investment. In deciding whether an impairment is required, the directors consider the underlying inherent value of an investment.

Turnover
Turnover comprises rental income in relation to holidays commenced during the period and other income, primarily in relation to on-Village leisure, retail and food and beverage spend, after the deduction of value added tax.

Notes to the financial statements for the year ended 22 April 2003 (continued)

1 Principal accounting policies (continued)

Deferred taxation
Deferred taxation is accounted for to recognise timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes. The Group has adopted FRS 19 'Deferred tax' which requires full provision to be made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes.

A deferred tax liability is recognised if transactions result in the Group having an obligation to pay more tax in future periods. Where transactions or events that have occurred before the balance sheet date give the Group the right to pay less tax in future a deferred tax asset will only be recognised to the extent that it is considered to be more likely than not it will be recovered.

Fixed assets
The cost of tangible fixed assets includes directly attributable costs. Finance costs are capitalised where appropriate and these are depreciated as part of the total cost.

Depreciation is provided on the cost of all fixed assets (except freehold land and assets in the course of construction), so as to write off the cost of tangible fixed assets, less their residual value, on a straight line basis over the expected useful economic life of the assets concerned, using the following rates:

Freehold buildings	-	2.5%
Leasehold land and buildings	-	2.5% or by equal instalments over the period of the lease, whichever is the greater.
Installations	-	6.67%
Equipment/Fixtures and fitting	-	14%
Computer equipment	-	25%
Motor vehicles	-	25%

Goodwill and intangible assets
Any difference between the cost of acquisition and the fair value of identifiable assets and liabilities is reflected as goodwill on the balance sheet. This goodwill is written off over 20 years, which is the directors' assessment of its useful economic life.

Pensions
Group employees can choose to be a member of one of two defined contribution pension schemes. Contributions are charged to the profit and loss account as incurred.

Stocks and work in progress
The basis of valuation of stocks is the lower of cost and estimated net realisable value. A provision is made for any obsolete and slow moving stock.

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 included in the trading results.

Notes to the financial statements for the year ended 22 April 2003 (continued)

1 Principal accounting policies (continued)

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 expected date of 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.

2 Operating (loss)/profit

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Operating (loss)/profit is stated after charging:		
Depreciation of tangible fixed assets *(note 11)*	**3,100**	4,236
Employee costs *(note 7)*	**6,866**	9,352
Loss on disposal of fixed assets	**79**	200
Amortisation of goodwill *(note 10)*	**1,093**	1,093
Management fees	**-**	2,190

Auditors' remuneration has been charged through the fellow group companies, Carp (L) Limited and Center Parcs (Operating Company) Limited during the year, £26,000 (2002: £24,000) of which relates to Center Parcs Elveden Limited.

The Group retained profit for the financial year relates entirely to the Company.

Notes to the financial statements for the year ended 22 April 2003 (continued)

3 Insurance claim

On 4 April 2002, a fire within the central plaza of the village destroyed the vast majority of the non-accommodation buildings on site. In the financial statements for the year ended 22 April 2002, fixed assets with a net book value of £17,360,000 were written off, with no insurance proceeds recognised, given the uncertainty that existed over the timing and quantum of their receipt.

During the year ended 22 April 2003 negotiations have remained ongoing with the insurers and on 19 June 2003 a settlement agreement covering both property damage and business interruption was signed. Therefore, in accordance with SSAP 18 'Accounting for post balance sheet events' the results for the year ended 22 April 2003 have been adjusted to reflect this settlement. The settlement in respect of property damage is included as a profit on disposal of fixed assets and other settlements are included within other income.

At the year end date an amount of deferred income is held in relation to business interruption proceeds covering the post year end period and compensation vouchers yet to be redeemed.

4 Interest payable and similar charges

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Interest payable on:		
Other loans	**3,583**	-
Commitment fee	**20**	-
Amortisation of issue costs	**296**	-
	3,899	-

The Group entered into a £100 million bridging facility and £10 million capex facility with Sun CP Properties Limited on 4 November 2002 *(note 16)*. A commitment fee is payable on the element of the capex facility which has not been drawn down.

£295,500 out of a total of £533,341 directly attributable borrowing costs relating to the bridging facility have been written off.

Notes to the financial statements for the year ended 22 April 2003 (continued)

5 Directors' emoluments

During the year, the emoluments of Messrs Dalby and Robinson were paid by fellow group companies, Carp (L) Limited and Center Parcs (Operating Company) Limited, which made no recharge to the Group. Due to the fact that the Service Agreements of Messrs Dalby and Robinson are held with another group company, Center Parcs Limited, and this company acts as a management company for the UK Center Parcs group, their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of that company. The directors of Center Parcs Limited do not believe it is possible to make an accurate apportionment of their emoluments in respect of each of the group companies.

The emoluments of the other directors who held office during the year were paid by a third party, MidOcean Partners (formerly Deutsche Bank Capital Partners). Their services to the Group and to other group companies are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the third party.

6 Employee information

The average monthly number of persons (including executive directors) employed by the Group and the Company during the year was:

Group and Company	**Year ended 22 April 2003 Number**	Year ended 22 April 2002 Number
Leisure, food & retail	**400**	668
Administration	**67**	83
Housekeeping, technical & estate services	**328**	499
	795	1,250

7 Employee costs

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Wages and salaries	**6,280**	8,678
Social security costs	**409**	507
Other pensions costs	**177**	167
	6,866	9,352

Carp (E)
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Notes to the financial statements
for the year ended 22 April 2003 (continued)

8 Tax on profit/(loss) on ordinary activities

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Current tax:		
UK corporation tax on profit/(loss) for the year	-	-
Deferred tax:		
Origination and reversal of timing differences (ACA and other):		
Current year	3,435	(2,850)
Prior period	-	14
Total deferred tax *(note 17)*	3,435	(2,836)
Tax charge/(credit) on profit on ordinary activities	3,435	(2,836)

The tax assessed for the year is different to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Profit/(loss) on ordinary activities before taxation	29,253	(10,514)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK 30% (2002: 30%)	8,776	(3,154)
Effects of:		
Depreciation in excess of capital allowances	(3,049)	2,850
Expenses not allowable for tax purposes	761	4,047
Non-taxable insurance proceeds and capital gains rolled over into replacement assets	(7,185)	-
Losses recognised	697	
Group relief not paid for	-	(3,743)
Current tax charge for the year	-	-

The future tax charge of the Group and the Company will depend upon the tax treatment of the insurance proceeds and rebuilding costs agreed with the Inland Revenue.

9 Preference share dividends and appropriations

	Year ended 22 April 2003 Group £'000	Year ended 22 April 2002 Group £'000
Preference shares (non-equity) dividends and appropriations		
Preference share dividend arrears	**9,173**	-
Appropriated in previous periods	**(9,173)**	-
	-	-
Preference share dividends and appropriations	**3,757**	6,891
	3,757	6,891

In accordance with the provisions of FRS 4 "Capital Instruments", the Company has appropriated through the profit and loss account preference share dividends on the Company's 7.25% cumulative non-redeemable preference shares of £3,757,047 (2002: £6,891,066). These dividends, along with £9,172,585 of dividends appropriated but not declared in prior periods, were declared upon the redesignation of the preference shares as ordinary shares *(see note 18).*

10 Intangible fixed assets

Group and Company	Goodwill £'000
Cost	
At 23 April 2002 and 22 April 2003	**21,862**
Amortisation	
At 23 April 2002	**1,682**
Provided during the year	**1,093**
At 22 April 2003	**2,775**
Net book value	
At 22 April 2003	**19,087**
At 22 April 2002	20,180

Notes to the financial statements for the year ended 22 April 2003 (continued)

11 Tangible fixed assets

Group and Company	Land and buildings £'000	Installations £'000	Fixtures and fittings £'000	Motor vehicles and software £'000	Assets under the course of construction £'000	Total £'000
Cost						
At 23 April 2002	52,675	10,655	4,260	644	126	**68,360**
Additions	91	76	52	117	35,419	**35,755**
Disposals	(548)	(1,042)	(351)	-	-	**(1,941)**
At 22 April 2003	**52,218**	**9,689**	**3,961**	**761**	**35,545**	**102,174**
Accumulated depreciation						
At 23 April 2002	2,073	1,427	1,011	204	-	**4,715**
Charge for the period	1,268	977	649	206	-	**3,100**
Disposals	(473)	(1,042)	(347)	-	-	**(1,862)**
At 22 April 2003	**2,868**	**1,362**	**1,313**	**410**	**-**	**5,953**
Net book value						
At 22 April 2003	**49,350**	**8,327**	**2,648**	**351**	**35,545**	**96,221**
At 23 April 2002	50,602	9,228	3,249	440	126	63,645

The Elveden Village is held on a 999 year lease, which expires on 13 September 2999.

12 Investment in subsidiary

On 28 October 2002, the Company acquired the issued share capital of one ordinary share in Elveden Property Limited (a company incorporated in England and Wales) from Center Parcs (Jersey) 2 Limited, a fellow group undertaking. Elveden Property Limited is the only other company within the Carp (E) Group.

13 Stocks

Group and Company	**2003 £'000**	2002 £'000
Consumables	**216**	283
Goods held for resale	**105**	31
	321	314

Notes to the financial statements for the year ended 22 April 2003 (continued)

14 Debtors

Group and Company	2003 £'000	2002 £'000
Trade debtors	**52,273**	206
Amounts due from group undertakings	**55,400**	9,274
Prepayments	**1,546**	260
Deferred tax asset *(note 17)*	-	2,697
	109,219	12,437

The amounts due from group undertakings relate to a loan of £55,400,177 made by the Company to Center Parcs (Operating Company) Limited, a fellow group undertaking. The loan is interest free and repayable on demand.

15 Creditors: amounts falling due within one year

Group and Company	2003 £'000	2002 £'000
Other loans *(see note 16)*	**101,219**	-
Trade creditors	**2,182**	472
Amounts due to group undertakings	**14,930**	397
Corporation tax	**443**	443
Taxation and social security	**109**	933
Other creditors	**555**	898
Amounts repayable in respect of advance bookings	-	6,000
Accruals and deferred income	**9,990**	1,676
Payments received on account	**7,202**	-
	136,630	10,819

Included within amounts due to group undertakings is a loan of £2,000,000 made to the Company by Center Parcs (Operating Company) Limited, a fellow group undertaking. The loan is interest free and repayable on demand.

16 Borrowings

Group and Company	**2003 £'000**	2002 £'000
Maturity of debt		
Due within one year	**101,456**	-
Directly attributable fee and other finance costs	**(237)**	-
	101,219	-

Bridging facility: £100,000,000 (2002: £Nil)
On 4 November 2002, a £100,000,000 bridging facility was made available to the Company by Sun CP Properties Limited, a related party, secured against the assets of the Elveden village. This facility bears interest at 8% per annum. During the year interest of £3,573,988 was paid.

As a result of drawing down this facility, directly attributable finance fees and other costs totalling £533,341 were incurred and capitalised. £295,500 of these costs have been amortised during the year leaving £237,841 remaining at the balance sheet date.

Capex facility: £1,456,000 (2002: £Nil)
On 4 November 2002, the Company was granted a £10,000,000 capex facility by Sun CP Properties Limited. The facility was made available to assist in the funding of expansion work at the Center Parcs Elveden holiday village. Under the terms of the facility, interest is charged at 10% per annum on any of the facility utilised, with a commitment fee of 0.5% being payable on the undrawn element. At the year-end the Company had drawn down £1,456,000 on the facility. Interest of £9,679 was charged during the year.

Notes to the financial statements for the year ended 22 April 2003 (continued)

17 Provisions for liabilities and charges

Group and Company	Deferred taxation £'000
As at 23 April 2002	(2,697)
Movement in the year	3,435
As at 22 April 2003	**738**

The deferred tax balance is made up as follows:

	2003 £'000	2002 £'000
Deferred taxation provided in the accounts comprises:		
Accelerated capital allowances	**1,435**	(2,691)
Other timing differences	**(697)**	(6)
Deferred tax liability/(asset)	**738**	(2,697)

The deferred tax asset at 22 April 2002 is included within debtors *(note 14).*

18 Called up share capital

	2003 £'000	2002 £'000
Authorised		
120,000,000 (2002: 100) ordinary shares of £1 each	**120,000**	-
Nil (2002: 119,999,900) 7.25% cumulative non-redeemable preference shares	-	120,000
	120,000	120,000
Allotted, called up and fully paid		
95,049,186 (2002: 1) ordinary shares of £1 each	**95,049**	-
Nil (2002: 95,049,185) 7.25% cumulative non-redeemable preference shares	-	95,049
	95,049	95,049

On 5 September 2003, a resolution was passed by the Company's shareholder, Center Parcs (Jersey) 1 Limited, stating that on 4 November 2002 it had consented to the authorised and allotted 7.25% cumulative non-redeemable preference shares being reclassified as £1 ordinary shares and the dividend accrued up to that date being declared. These financial statements therefore reflect this redesignation and declaration, effective from 4 November 2002.

19 Reserves

Group and Company	Profit and loss account £'000
At 23 April 2002	(7,678)
Retained profit for the financial year	22,061
Preference share dividend arrears	(9,173)
At 22 April 2003	**5,210**

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

Continuing operations	2003 Group £'000	2002 Group £'000
Operating (loss)/profit	(2,798)	6,846
Depreciation *(note 11)*	3,100	4,236
Amortisation of goodwill *(note 10)*	1,093	1,093
Loss on sale of fixed assets *(note 2)*	79	200
(Increase)/decrease in stocks	(7)	469
Decrease/(increase) in debtors	(8,186)	(9,425)
(Decrease)/increase in creditors	(3,490)	1,237
Net cash (outflow)/inflow from operating activities	**(10,209)**	4,656

21 Reconciliation of movements in shareholders' funds

Group and Company	2003 £'000	2002 £'000
Profit/(loss) for the financial year	**25,818**	(7,678)
Preference share appropriation	**(3,757)**	(6,891)
	22,061	(14,569)
Unpaid preference share appropriation	**-**	6,891
Preference share dividend arrears *(note 9)*	**(9,173)**	-
Net change in shareholders' funds	**12,888**	(7,678)
Shareholders' funds brought forward	**87,371**	95,049
Shareholders' funds carried forward	**100,259**	87,371

22 Reconciliation of net cash flow to movement in net debt

	2003 Group £'000
Increase in cash in the period	**11,165**
Net cash inflow from new debt	**(48,056)**
Capitalised issue and other finance costs	**533**
Change in net debt resulting from cash flows	**(36,358)**
Other non-cash items:	
Amortisation of issue costs	**(296)**
Movement in net debt in the period	**(36,654)**
Net debt at 23 April 2002	**1,614**
Net debt at 22 April 2003	**(35,040)**

Notes to the financial statements for the year ended 22 April 2003 (continued)

23 Analysis of changes in net debt

Group	At 22 April 2002 £'000	Cash flow £'000	Other non-cash changes £'000	At 22 April 2003 £'000
Cash at bank and in hand	1,614	11,165	-	**12,779**
Debt due within one year	-	53,400	-	**53,400**
Debt due after one year	-	(100,923)	(296)	**(101,219)**
	1,614	**(36,358)**	**(296)**	**(35,040)**

Non-cash changes represent capitalised issue and other finance costs incurred on the borrowings which have been amortised during the period.

24 Contingent liabilities

As at 22 April 2003, the Company had £3,000,000 of its cash held by Crédit Lyonnais on an escrow account to cover any corrective work required to the Elveden village subsequent to its reopening.

The Company is a guarantor to the revolving credit facility of the Group. Under this agreement the Company is jointly and severally liable for any amounts due under the finance documents

25 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.

The interests of Messrs. Dale and Spencer-Churchill in the share capital of Sun CP Topco Limited, a related party to the Company by virtue of the shares owned by MidOcean Partners in Sun CP Topco Limited, at the year end date are disclosed in the financial statements of Sun CP Topco Limited.

On 4 November 2002, the Company entered into a £100 million bridge facility and £10 million capex facility with Sun CP Properties Limited, a subsidiary of Sun CP Topco Limited. At the 22 April 2003, £101,456,000 of these facilities had been drawn down and interest of £3,583,667 had been charged in the period. An interest prepayment of £1,523,121 was held at 22 April 2003.

26 Capital and other commitments

Group and Company	2003 £'000	2002 £'000
Capital expenditure contracted for but not provided	**25,252**	3,717

27 Pension scheme

The Group participates in the Center Parcs pension scheme, which is a defined contribution pension scheme with a contributory and a non-contributory membership level. The pension charge for the year represents contributions payable by the Group to the scheme in respect of Group employees and amounted to £177,000 (2002: £167,000).

28 Post balance sheet events

As part of a £109 million sale and leaseback of the land and buildings of the Center Parcs Elveden holiday village, a group restructuring was completed.

On 24 September 2003, Center Parcs (Block 1) Limited acquired 95,049,185 of the issued £1 ordinary shares in the Company and Center Parcs (Block 2) Limited acquired the remaining 1 £1 ordinary share in issue, entering into a declaration of trust in favour of Center Parcs (Block 1) Limited, pursuant to which all dividends and other distributions of profits or assets in respect of such share would be held by Center Parcs (Block 2) Limited on trust and as nominee for Center Parcs (Block 1) Limited.

On 25 September 2003, the land and buildings and the majority of the installations owned by the Company were sold to Elveden Property Limited, the subsidiary undertaking, for £109.2m. This reflected a profit on disposal to the Company of around £4.3m, but had no impact on the Group position.

On the same day, the Company re-registered as an unlimited company and changed its name to Carp (E). In addition, it cancelled and extinguished 95,049,184 of its £1 ordinary shares, cancelling the amount paid up on each share and crediting an equivalent amount to the profit and loss account of the Company.

On 26 September 2003, the trade and remaining business assets of the Company were sold to Center Parcs (Operating Company) Limited, a fellow group company for £93.3m, generating a profit on disposal of around £41.6m. In addition, the Agency Agreement with Center Parcs Limited and the Trademark Agreement with Center Parcs NV were terminated and a dividend was declared equal to the full profit and loss account of the Company, this dividend receivable then being assigned by Center Parcs (Block 1) Limited to the Company's registered shareholder, Center Parcs (Jersey) 1 Limited. On the same day, the Company was sold to Sun CP Properties Limited.

29 Ultimate parent company and controlling party

At 22 April 2003 the Company was 100% owned by Center Parcs (Jersey) 1 Limited, a company incorporated in Jersey. For the year ended 22 April 2003 the largest group of which the Company is a member and for which group accounts are drawn up is that of Center Parcs (Jersey) 1 Limited.

At 22 April 2003, the directors regard the ultimate parent company to be Ultramar Capital Limited, a company incorporated in the Cayman Islands, and the ultimate controlling parties to be Ted Virtue and Graham Clempson.

Following the group restructuring described in note 28, Sun CP Topco Limited became the Company's ultimate parent company. No one individual has overall control of this company.