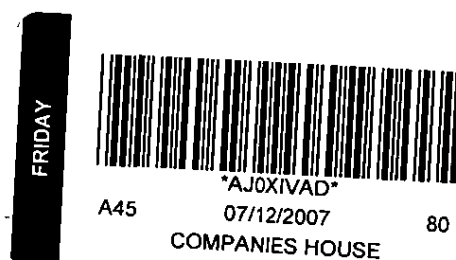


Center Parcs Spa Division Holdings Limited
Annual Report and financial statements
for the 52 weeks ended 19 April 2007

Registered Number 5268258



Center Parcs Spa Division Holdings Limited

Annual Report and Financial Statements For the 52 weeks ended 19 April 2007

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Center Parcs Spa Division Holdings Limited

Directors and advisors

Directors

A M Robinson

M P Dalby

Secretary

T H Parker

Independent auditors

PricewaterhouseCoopers LLP

Donington Court

Pegasus Business Park

Castle Donington

East Midlands

DE74 2UZ

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City Point

One Ropemaker Street

London

EC2Y 9SS

Registered Office

One Edison Rise

New Ollerton

Newark

Notts

NG22 9DP

Registered Number

5268258

Center Parcs Spa Division Holdings Limited

Directors' report for the 52 weeks ended 19 April 2007

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 19 April 2007

Principal activity

The principal activity of the Company is to act as an intermediate holding company

Results, dividends and future developments

The results for the period are set out in the income statement on page 8. The Directors do not propose the payment of a dividend for the period.

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

Going Concern

The Company has net liabilities at the balance sheet date. The directors have received confirmation that the immediate parent company Center Parcs (UK) Group Limited will provide sufficient support to allow the Company to meet its debts over the next 12 months. The financial statements have therefore been prepared on the going concern basis.

Group restructuring

On 18 April 2006 a scheme of arrangement document dated 24 March 2006 to enable the acquisition of the entire issued and to be issued ordinary share capital of Center Parcs (UK) Group plc was approved by the shareholders of that Company.

The Scheme was sanctioned by the Court on 10 May and the effective date of the acquisition of Center Parcs (UK) Group by Forest Bidco Limited was 12 May 2006.

From this date the directors consider Forest Cayco Holdings L P to be the ultimate parent of the Company.

Directors

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

A M Robinson

M P Dalby

Center Parcs Spa Division Holdings Limited

Directors' report for the 52 weeks ended 19 April 2007 (continued)

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the director is required to

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors and disclosure of information to auditors

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

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

Auditors

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

By order of the Board

MP Dalby

Director

31 October 2007



Center Parcs Spa Division Holdings Limited

Directors' report for the 52 weeks ended 19 April 2007 (continued)

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the director is required to

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable him 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.

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

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

Auditors

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

By order of the Board

MP Dalby

Director

31 October 2007

Independent auditors' report to the members of Center Parcs Spa Division Holdings Limited

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

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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


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

Independent auditors' report to the members of Center Parcs Spa Division Holdings Limited (continued)

Opinion

In our opinion

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


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

27 November 2007

Center Parcs Spa Division Holdings Limited

Income Statement for the 52 weeks ended 19 April 2007

	Note	52 weeks ended 19 April 2007 £'000	18 month period ended 20 April 2006 £'000
Administrative expenses	6	(137)	(304)
Loss on disposal of investment	10	(351)	-
Loss on ordinary activities before taxation	9	(488)	(304)
Tax on loss on ordinary activities		-	-
Loss for the financial period	9	(488)	(304)

All activities are derived from continuing operations

There is no difference between the operating loss and the loss for the financial period stated above and their historical cost equivalents

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

Center Parcs Spa Division Holdings Limited

Statement of changes in equity for the 52 weeks ended 19 April 2007

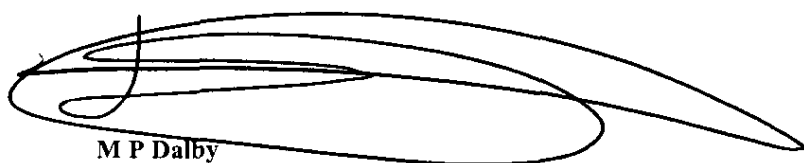
	Note	Retained earnings £'000
At 21 April 2005		-
Net loss for the financial period	9	(304)
At 20 April 2006		(304)
Net loss for the financial period	9	(488)
At 19 April 2007		(792)

Center Parcs Spa Division Holdings Limited

Balance sheet as at 19 April 2007

	Note	2007 £'000	2006 £'000
Assets			
Non Current Assets			
Investments	6	-	60
		-	60
Liabilities			
Current Liabilities			
Trade and other payables	7	(192)	(364)
Net Current Liabilities		(192)	(364)
Net Liabilities		(192)	(304)
Shareholders Funds			
Called up share capital	8	600	-
Retained Earnings	9	(792)	(304)
Total Shareholders Deficit	11	(192)	(304)

The financial statements on pages 8 to 18 were approved by the board of directors on 31 October 2007 and were signed on its behalf by



M P Dalby
Director

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007

1 Principal accounting policies

General information

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

Basis of preparation

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

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

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

First-time adoption of IFRS

IFRS 1 'First time adoption of International Financial Reporting Standards' sets out the requirements for the first time adoption of IFRS. The Company is required to adopt accounting policies that are IFRS compliant and apply these in full retrospectively to determine the IFRS opening balance sheet at the date of transition, 23 April 2004.

The impact of transition to IFRS on the Company's shareholder's funds as at 21 April 2005, and the Company's income statement for the period then ended is discussed in note 14.

The standard permits a number of optional exemptions to this general principle, upon which the Company has concluded as follows:

- IFRS 3 'Business combinations' - the Company has taken the exemption available not to apply IFRS 3 to business combinations that occurred before the date of transition, 21 April 2005. Business combinations that occurred before the date of transition are consolidated in accordance with UK GAAP. Any unamortised goodwill at 23 April 2004, calculated in accordance with UK GAAP, has been frozen. None of the other optional exemptions available are considered relevant to the Company.

A summary of the more important accounting policies is set out below.

Basis of accounting

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

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

1 Principal accounting policies (continued)

Accounting reference date

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

Taxation

Current income tax

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of investments in subsidiaries and interests in joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future and on the initial recognition of non-deductible goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax is measured on an undiscounted basis, and at the tax rates that are expected to apply in the periods in which the asset or liability is settled. It is recognised in the income statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Going Concern

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

Cash Flow Statement

The company has no cash or cash equivalents and therefore no cash flow statement has been prepared.

Investments

The cost of investments, including loans to associated company, 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. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment.

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

1 Principal accounting policies (continued)

New standards and interpretations not applied

During the financial period, the IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2 Financial risk management

The Company has no direct exposure to financial risk. However the overall Group policy on managing financial risk is to reduce the exposure to floating interest rates.

The Company currently has no derivatives.

Interest rate risk

The Company has no exposure to interest rate risk.

Liquidity risk

The Company has no undrawn facilities. Sufficient facilities exist within the Group to allow the Company to meet any unforeseen obligations.

Currency risk

The Company is exposed to no currency risk through foreign currency transactions.

3 Operating loss

Auditors remuneration of £115,000 (2006: £136,000) is included within the financial statements of Center Parcs (Operating Company) Limited, a fellow group undertaking. This included £3,000 (2006: £3,000) in respect of the Company.

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

4 Directors and employees

The directors received no remuneration in respect of their services to the Company in the period. During the period the Company had no employees. Employment costs were:

	52 weeks ended 19 April 2007 £'000	18 months ended 20 April 2006 £'000
Wages and salaries	-	277
Social security costs	-	27
	-	304

5 Tax credit/(charge) on ordinary activities

	52 weeks ended 19 April 2007 £'000	18 month period ended April 2006 £'000
Profit/(loss) on ordinary activities before taxation	(488)	(304)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK 30% (2006 30%)	(146)	(91)
Effects of:		
Group relief not paid for	-	91
Loss on disposal of investment in subsidiary	105	-
Amount written off investments	41	-
Tax credit/(charge) for the period	-	-

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

6 Investment in subsidiaries

	Investment in subsidiary £'000
Cost	
As at 20 April 2006	60
Additions	600
Disposal	(660)
As at 19 April 2007	-
Provisions against Investment	£'000
At 20 April 2006	-
Provided in the period	(137)
Disposals	137
At April 19 2007	-
Net Book Value	£'000
At 19 April 2007	-
At 20 April 2006	60

On 28 April 2006, the Company acquired a further 600,000 shares of £1 each in Chapel Spa Limited, thus increasing the cost of investments to £660,000. The carrying value of the investment was subsequently written down by £138,000 to £522,000. On 19 January 2007 the Company sold Chapel Spa Limited (see note 10).

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

7 Trade and other payables - current

	2007 £'000	2006 £'000
Amounts owed to group undertakings	154	287
Accruals	38	77
	192	364

8 Called up share capital

	2007 £'000	2006 £'000
Authorised		
800,000/100 ordinary shares of £1	800	-
Allotted, called up and fully paid		
600,000/1 ordinary shares of £1	600	-

On 28 April 2006, the Company increased its authorised share capital to 500,000 £1 ordinary shares and issued 299,999 shares to its parent. On 17 May 2006, the Company further increased its authorised share capital to 800,000 £1 ordinary shares and issued a further 300,000 shares to its parent.

9 Retained earnings

	Profit and loss account £'000
As at 20 April 2006	(304)
Loss for the financial period	(488)
As at 19 April 2007	(792)

	Profit and loss account £'000
As at incorporation	-
Loss for the financial period	(304)
As at 20 April 2006	(304)

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

10 Disposal of a subsidiary

On 19 January 2007 the Company disposed of its investment in Chapel Spa Limited for a consideration of £197,000. The loss on disposal is arrived at as follows

	£'000
Consideration	197
Carrying value of investment	(522)
Cost associated with disposal	(26)
Loss on Disposal	(351)

11 Statement of changes in equity

	Total 2007 £'000
As at 20 April 2006	(304)
Issue of shares	600
Loss for the financial period	(489)
As at 19 April 2007	(193)

Center Parcs Spa Division Holdings Limited

Notes to the financial statements for the 52 weeks ended 19 April 2007 (continued)

12 Related party transactions

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

	Balance at 21 April 2005	Movement in 52 weeks	Balance at 20 April 2006	Movement in 52 weeks	Balance at 19 April 2007
	£'000s	£'000s	£'000s	£'000s	£'000s
Center Parcs (Operating Company) Limited	(115)	(104)	(219)	65	(154)
Center Parcs (UK) Group Limited	(60)	-	(60)	-	(60)
Chapel Spa Limited	(6)	-	(6)	-	(6)

13 Ultimate parent company and controlling party

At 19 April 2007 the immediate parent company was Center Parcs (UK) Group Limited, a company registered in England & Wales, with the ultimate parent company Forest Cayco Holdings LP, registered in the Cayman Islands. The largest and smallest group of which the company is a member and for which group accounts are drawn up is now Forest Holdco Limited a company registered in England and Wales. The ultimate controlling parties are investment funds advised by Blackstone.

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

14 Reconciliation of net assets and profit under UK GAAP to IFRS

Center Parcs Spa Division Holdings Limited reported under UK GAAP in its previously published financial statements for the period ended 20 April 2006. Reporting under IFRS, there are no differences in the net assets and profit as reported under UK GAAP as at 20 April 2006.