

Forest Midco Limited

Financial statements

52 weeks ended 25 April 2013

Forest Midco Limited

Annual report and financial statements

For the 52 weeks ended 25 April 2013

Company registration number: 5724326



Financial statements

52 weeks ended 25 April 2013

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Directors' report

For the 52 weeks ended 25 April 2013

The Directors present their report and audited financial statements for the 52 weeks ended 25 April 2013 (2012 52 weeks ended 26 April 2012) which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The registration number of the Company is 5724326

Principal activity

The Company's principal activity is that of an intermediate holding company. No changes to the nature of the business are anticipated.

Business review

The Company did not trade during the current or prior period, its only income and expenditure arising from its investment in a subsidiary undertaking and the holding of certain debt instruments.

The principal risks and uncertainties of the Company are integrated with the principal risks of the Center Parcs (Holdings 1) Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the Business review of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

Key performance indicators and financial risk management

The key performance indicators (KPIs), and financial risk management of the Company are integrated with those of the Center Parcs (Holdings 1) Limited Group and are not assessed separately. An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is presented within the Business review of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

Results and dividends

The results of the Company for the period show a profit of £3.8 million (2012 £105.9 million). During the period, the Company distributed a receivable of £2.2 million via a dividend in specie to its parent company, Forest Holdco Limited. The Directors have not proposed the payment of a final dividend. During the prior period an interim dividend of 648p per ordinary share, totalling £129.5 million, was declared and paid.

Directors

The Directors who served the Company during the period and up to the date of this report, unless otherwise stated, were as follows:

A M Robinson
M P Dalby
P Inglett
P H Stoll
A Valeri
J P Baratta (resigned on 27 November 2012)
F Mawji-Karim

During the period, the Company had in place Directors' and officers' insurance.

Directors' report

For the 52 weeks ended 25 April 2013 (continued)

Statement of Directors' responsibilities in respect of 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 period. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Directors' report is approved, the following applies:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

By order of the board



P Inglett
Director
30 September 2013

Independent auditors' report to the members of Forest Midco Limited

We have audited the financial statements of Forest Midco Limited for the 52 weeks ended 25 April 2013 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 25 April 2013 and of its profit and cash flows for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Forest Midco Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

30 September 2013

Income Statement

for the 52 weeks ended 25 April 2013

	Note	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Administrative expenses		-	(90 5)
Operating loss	2	-	(90 5)
Finance expense	4	-	(2 8)
Finance income	4	1.6	0 2
Income from Group undertaking	5	2.2	199 0
Profit before taxation		3.8	105 9
Taxation	6	-	-
Profit for the period attributable to equity shareholders	10	3 8	105 9

All amounts relate to continuing activities

The Company has no recognised income or expenses other than the profit for the period above and so no Statement of Comprehensive Income is presented

The notes on pages 9 to 17 form part of these financial statements

Statement of Changes in Equity

for the 52 weeks ended 25 April 2013

	Attributable to owners of the parent		
	Share capital £m	Retained earnings £m	Total £m
At 26 April 2012	20.0	0.2	20.2
Comprehensive income			
Profit for the period	-	3.8	3.8
Transactions with owners			
Dividend	-	(2.2)	(2.2)
At 25 April 2013	20.0	1.8	21.8

	Attributable to owners of the parent		
	Share capital £m	Retained earnings £m	Total £m
At 28 April 2011	20.0	23.8	43.8
Comprehensive income			
Profit for the period	-	105.9	105.9
Transactions with owners			
Dividend	-	(129.5)	(129.5)
At 26 April 2012	20.0	0.2	20.2

The notes on pages 9 to 17 form part of these financial statements

Balance Sheet

At 25 April 2013

	Note	25 April 2013 £m	26 April 2012 £m
Assets			
Non-current assets			
Investments	7	-	-
		-	-
Current assets			
Trade and other receivables	8	21.8	20.2
Net current assets		21.8	20.2
Net assets		21.8	20.2
Equity			
Share capital	9	20.0	20.0
Retained earnings	10	1.8	0.2
Total equity		21.8	20.2

The financial statements on pages 5 to 17 were approved by the board of Directors on 30 September 2013 and were signed on its behalf by



P Inglett
Director

The notes on pages 9 to 17 form part of these financial statements

Cash Flow Statement

For the 52 weeks ended 25 April 2013

	Note	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Operating activities			
Operating loss		-	(90 5)
Working capital and non-cash movements	11	-	90 5
Net cash flow from operating activities		-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the period		-	-
Cash and cash equivalents at end of the period		-	-

The notes on pages 9 to 17 form part of these financial statements

Notes to the financial statements

for the 52 weeks ended 25 April 2013

1. Accounting policies

General information

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

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The accounts of Forest Midco Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Financial instruments

The Company classifies its financial assets into two categories, being fair value through profit and loss, and loans and receivables. Financial liabilities are classified as either fair value through profit and loss or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Other financial liabilities are carried at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

1. Accounting policies (continued)

Financial assets

The cost of investments, including loans to associated companies, is their purchase cost together with any incremental costs of acquisition

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. 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.

Investments in subsidiary undertakings

Investments are stated at cost, less any provision for permanent diminution in value. If there are indications of impairment, an assessment is made of the recoverable amount. An impairment loss is recognised in the income statement when the recoverable amount is lower than the carrying value.

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash and cash equivalents comprise cash at bank and cash in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

1. Accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

New standards and interpretations

The only new accounting standard or interpretation effective in the current period is a revision to IAS 12 'Income taxes' in respect of deferred tax and the recovery of underlying assets. This has not impacted, and is not likely to have a future impact on, the financial statements of the Company.

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further 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. Operating loss

Operating loss is stated after charging the following

	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Impairment of investment (note 7)	-	90.5

Auditors' remuneration of £0.2 million (2012: £0.2 million) is included within the financial statements of Center Parcs (Operating Company) Limited, a fellow Group undertaking. This includes £2,000 (2012: £2,500) in respect of Forest Midco Limited.

3. Employees

The Company has no employees other than the Directors (2012: none). No salaries or wages have been paid to employees, including the Directors, during the period (2012: £nil).

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

4. Finance expense and income

	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Finance expense		
Loan note interest payable	-	2.8
	-	2.8
Finance income		
Interest receivable from Group undertakings	(1.6)	(0.2)
	(1.6)	(0.2)

5. Income from Group undertaking

	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Dividend receivable	-	199.0
Dividend in specie	2.2	-
	2.2	199.0

During the period, Forest Bidco Limited, the Company's subsidiary undertaking, distributed a receivable of £2.2 million to the Company. This receivable was a balance due from Center Parcs (Holdings 1) Limited, a fellow Group undertaking.

During the prior period, Forest Bidco Limited declared and paid a dividend on its ordinary shares of £199.0 million.

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

6. Taxation

(a) Taxation

The tax charge for the period is £nil (2012 £nil)

(b) Factors affecting the tax charge

The tax assessed for the period is lower (2012 lower) than that resulting from applying the standard rate of corporation tax in the UK of 24% (2012 26%) The difference is reconciled below

	52 weeks ended 25 April 2013 £m	52 weeks ended 26 April 2012 £m
Profit before taxation	3 8	105 9
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 24% (2012 26%)	0 9	27 5
Group relief (not paid for)/surrendered for nil payment	(0 4)	0 7
Impairment of investment – not subject to tax	-	23 5
Income from subsidiary undertaking - not subject to tax	(0 5)	(51 7)
Tax credit for the period (note 6(a))	-	-

There is no deferred tax, either recognised or unrecognised (2012 £nil)

Change of corporation tax rate and factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was included in the Finance Act 2012 This announcement was substantively enacted at the balance sheet date and hence has been reflected in these financial statements

Further reductions to the UK corporation tax rate have also been announced, which will reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015 These changes were substantively enacted on 3 July 2013 and hence have been recognised in these financial statements

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

7. Investments

	Investments in subsidiary undertaking £m
Cost	
At 25 April 2013, 26 April 2012 and 28 April 2011	90.5
Impairment	
At 28 April 2011	-
Impairment in the period	(90.5)
At 26 April 2012	(90.5)
At 25 April 2013	(90.5)
Net book value	
At 25 April 2013	-
At 26 April 2012	-
At 28 April 2011	90.5

The Company's subsidiary undertaking is Forest Bidco Limited, an intermediate holding company incorporated in England and Wales. The Company owns 100% of the ordinary 0.0005p shares of Forest Bidco Limited.

During the prior period, Forest Bidco Limited paid a dividend to the Company of £199.0 million. Following this, and the subsequent reduction in the net assets of Forest Bidco Limited, an impairment review was undertaken which identified an impairment of £90.5 million to the carrying value.

Forest Bidco Limited made a pre-tax profit of £2.2 million for the 52 weeks ended 25 April 2013 (2012 profit of £123.7 million) and its net assets at that date were £nil (26 April 2012: £nil).

8. Trade and other receivables

	2013 £m	2012 £m
Amounts owed by Group undertakings	21.8	20.2

Amounts owed by Group undertakings are due from Center Parcs (Holdings 1) Limited. The balance represents a loan of £20.0 million and the associated unpaid interest. Interest is receivable at a rate of 8% per annum and is not compounded. All amounts owed by Group undertakings are unsecured and repayable on demand.

Amounts owed by Group undertakings are categorised as loans and receivables.

The fair value of trade and other receivables are equal to their book value.

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

9. Share capital

	2013 £m	2012 £m
Allotted and fully paid		
20,000,000 Ordinary shares of £1 each	20.0	20.0

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt

10. Retained earnings

	£m
At 26 April 2012	0.2
Profit for the period	3.8
Distribution	(2.2)
At 25 April 2013	1.8

	£m
At 28 April 2011	23.8
Profit for the period	105.9
Dividends	(129.5)
At 26 April 2012	0.2

During the period, the Company distributed a receivable of £2.2 million, due from Center Parcs (Holdings 1) Limited, to Forest Holdco Limited, the Company's parent undertaking

During the prior period a dividend of 648p per share, totalling £129.5 million, was declared and paid

11. Working capital and non-cash movements

	2013 £m	2012 £m
Decrease in trade and other receivables	-	4.5
Decrease in trade and other payables	-	(74.0)
Impairment of investment	-	90.5
Dividend receivable settled via intercompany account	-	199.0
Dividend payable settled via intercompany account	-	(129.5)
	-	90.5

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

12. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements. All companies, with the exception of Forest Luxco Sarl, are members of the Group headed by Center Parcs (Holdings 1) Limited. Forest Luxco Sarl and Center Parcs (Holdings 1) Limited have the same ultimate parent company.

	Balance at 26 April 2012 £m	Distribution by Forest Bidco Limited £m	Distribution to Forest Holdco Limited £m	Interest receivable £m	Balance at 25 April 2013 £m
Center Parcs (Holdings 1) Limited	20.2	2.2	(2.2)	1.6	21.8

	Balance at 28 April 2011 £m	Movement to 28 February 2012 £m	Group reorganisation £m	Movement post 28 February 2012 £m	Balance at 26 April 2012 £m
Center Parcs (Holdings 1) Limited	-	-	20.0	0.2	20.2
Forest Bidco Limited	(43.4)	199.0	(155.6)	-	-
Center Parcs (Operating Company) Limited	20.7	-	(20.7)	-	-
Center Parcs (Jersey) 1 Limited	1.6	-	(1.6)	-	-
Center Parcs Limited	0.1	-	(0.1)	-	-
Forest Holdco Limited	-	(129.5)	129.5	-	-
Forest Luxco Sarl	(25.7)	(2.8)	28.5	-	-

On 28 February 2012 a deed of declaration was signed under which Center Parcs (Holdings 1) Limited became the counterparty for certain group debts within the Center Parcs group of companies.

The movement to 28 February 2012 on the balance with Forest Bidco Limited represented dividends receivable.

The movement to 28 February 2012 on the balance with Forest Holdco Limited represented dividends payable.

The movement to 28 February 2012 on the balance with Forest Luxco Sarl represented interest payable.

The movement post 28 February 2012 on the balance with Center Parcs (Holdings 1) Limited represented interest receivable on loan notes.

13. Contingent liabilities

The Company, along with all other members of the group headed by Center Parcs (Holdings 1) Limited, is an obligor in securing the Group's external borrowings of £1,020.0 million.

Notes to the financial statements

for the 52 weeks ended 25 April 2013 (continued)

14. Ultimate parent company and controlling parties

The immediate parent company is Forest Holdco Limited, a company registered in England and Wales. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. The largest and smallest group of which the Company is a member and for which group accounts are drawn up is Center Parcs (Holdings 1) Limited.

A copy of the Center Parcs (Holdings 1) Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.