

Limited Liability Partnership Registration No. OC318816

Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

Report and Financial Statements

28 February 2007

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COMPANIES HOUSE

Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

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Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

OFFICERS AND PROFESSIONAL ADVISORS

DESIGNATED MEMBERS

The Camping and Caravanning Club Limited
The Forestry Commissioners

REGISTERED OFFICE

Greenfields House
Westwood Way
Coventry
CV4 8JH

BANKERS

Lloyds TSB plc
114-116 Colmore Row
Birmingham
West Midlands
B3 3BD

SOLICITORS

Pinsent Masons
3 Colmore Circus
Birmingham
B4 6BH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Birmingham, UK

Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

MEMBERS' REPORT

The members are pleased to present their first report to the members of Forest Holidays LLP and the audited financial statements for the period ended 28 February 2007

PRINCIPAL ACTIVITY

The principal activity of Forest Holidays LLP is as a provider of unique and memorable holiday experiences in stunning locations throughout England, Scotland and Wales

BUSINESS REVIEW

The financial results for the period are set out on page 6. The members regard the results, which were ahead of expectations, as a solid start for Forest Holidays LLP.

The future prospects of the business are good with plans for new lodge and cabin site developments, further campsite portfolio developments and further development of the Forest Experience cards and activities.

INCORPORATION AND ESTABLISHMENT

Forest Holidays (England) LLP was incorporated on 30 March 2006. On 7 April 2006 the limited liability partnership changed its name to Forest Holidays LLP. On 8 May 2006, the Limited Liability Partnership Agreement was signed between The Camping & Caravanning Club Limited, the Forestry Commissioners and Forest Holidays LLP following which date trade commenced.

DESIGNATED MEMBERS

The designated members who served during the period are set out on page 1.

MEMBERS' DRAWINGS AND CAPITAL POLICY

The profits of the Limited Liability Partnership ("LLP") shall be divided among the Members in line with their proportions of membership.

Unless otherwise agreed between all of the Members, no Drawings shall be made by the Members.

If, on the finalisation of the annual accounts of the LLP, such accounts show that the Drawings (if any) made by any Member are in excess of its share of profits for the relevant accounting year then such Member shall repay the excess forthwith, together with interest on the excess (or such part thereof as shall be outstanding).

EMPLOYEE INVOLVEMENT

The LLP encourages employees to discuss with the Board any matters about which they are concerned in factors affecting the LLP. The LLP continues to involve staff in decision making processes and communicates regularly with them during the period. In addition the LLP's Board takes into account employee's interests when making decisions and employees are informed of the LLP's performance on a regular basis.

The LLP welcomes suggestions from employees aimed at improving the LLP's performance.

MEMBERS' REPORT

EMPLOYMENT OF DISABLED PERSONS

The LLP aims to be an equal opportunities employer and undertakes to apply objective criteria to assess merit and ability. It aims to ensure that no job applicant, employee or worker receives less favourable treatment on the grounds of race, colour, national or ethnic origins, sex, sexual orientation or perceived sexuality, marital status, disability, membership or non-membership of trade union, "spent convictions" of ex-offenders, class, age, politics, religion or belief.

Selection criteria and procedure will be reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

All employees will be given equal opportunity and, where appropriate and possible, special training to enable them to progress within Forest Holidays. Forest Holidays is committed to a programme of action to make this policy effective in order to minimise the possibility of discrimination, and to stop it immediately, whenever it arises.

AUDITORS


In the case of each of the persons who are Members of the LLP at the date when this report is approved:

- so far as each of the Members is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the limited liability partnership's auditors are unaware, and
- each of the Members has taken all the steps that they ought to have taken as a Member to make themselves aware of any relevant audit information (as defined) and to establish that the limited liability partnership's auditors are aware of that information.

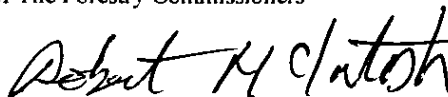
Deloitte & Touche LLP were appointed first auditors on 12 January 2007. A resolution to re-appoint Deloitte & Touche LLP as the limited liability partnership's auditor will be proposed at the next Members' Meeting.

Approved by the Board of Members
and signed on behalf of the Board

Designated member for and on behalf of The Camping and Caravanning Club Ltd



Designated member for and on behalf of The Forestry Commissioners



Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Annual Report and the financial statements. The members have chosen to prepare the accounts for the limited liability partnership in accordance with UK Generally Accepted Accounting Practice ("UK GAAP")

The Limited Liability Partnerships (LLP) Regulations 2001 made under the Limited Liability Partnerships Act 2000 requires the members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the limited liability partnership as at the end of the financial period and of the profit or loss of the limited liability partnership for that period which comply with UK GAAP and the LLP Regulations 2001. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the LLP Regulations 2001. They are also responsible for the system of internal control, for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOREST HOLIDAYS LLP (formerly FOREST HOLIDAYS (ENGLAND) LLP)

We have audited the financial statements of Forest Holidays LLP (formerly Forest Holidays (England) LLP) for the period ended 28 February 2007, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with section 235 of the Companies Act 1985 as amended by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the members of the limited liability partnership as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As described in the statement of members' responsibilities, the members of the Limited Liability Partnership are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Limited Liability Partnership Act 2000. We also report if, in our opinion, the members' report is not consistent with the financial statements, if the limited liability partnership 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 members' remuneration and other transactions is not disclosed.

We read the members' report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 judgements made by the members in the preparations of the financial statements and of whether the accounting policies are appropriate to the limited liability partnership'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the limited liability partnership's affairs as at 28 February 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Limited Liability Partnership Act 2000, and
- the information given in the members' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham, UK

10 July 2007

Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

PROFIT AND LOSS ACCOUNT
Period ended 28 February 2007

	Note	11 months ended 28 February 2007 £'000
TURNOVER	2	4,805
Cost of sales		(2,288)
GROSS PROFIT		<u>2,517</u>
Administrative expenses		(2,126)
OPERATING PROFIT	4	391
Interest Receivable and similar Income	5	187
Interest Payable and Similar Charges	6	(488)
PROFIT FOR FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u><u>90</u></u>
PROFIT FOR THE FINANCIAL PERIOD AVAILABLE FOR DISTRIBUTION AMONG MEMBERS	11	<u><u>90</u></u>

All results relate to continuing activities

There have been no recognised gains and losses other than the profit for the financial period. Accordingly, no statement of total recognised gains and losses is given.

Forest Holidays LLP
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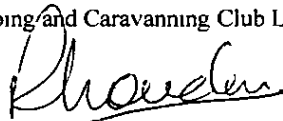
BALANCE SHEET
28 February 2007

	Note	28 February 2007 £'000
FIXED ASSETS		
Tangible assets	8	15,027
		<u>15,027</u>
CURRENT ASSETS		
Debtors	9	506
Cash at bank and in hand		3,287
		<u>3,793</u>
CREDITORS: Amounts falling due within one year	10	<u>(2,933)</u>
NET CURRENT ASSETS		<u>860</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>15,887</u>
REPRESENTED BY		
Loans and other debts due to members		
Finance leases		4,245
Loan stock		4,006
	11	<u>8,251</u>
Equity		
Members' other interests	11	<u>7,636</u>
TOTAL MEMBERS' INTERESTS	11	<u>15,887</u>

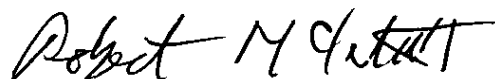
These financial statements were approved by the Members on [DATE]

Signed on behalf of the Board of Members

Designated member for and on behalf of The Camping and Caravanning Club Limited



Designated member for and on behalf of The Forestry Commissioners



Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

CASH FLOW STATEMENT
Period ended 28 February 2007

	Note	Period ended 28 February 2007 £'000
Net cash inflow from operating activities	12	2,204
Returns on investments and servicing of finance	13	(171)
Capital expenditure and financial investment	13	(2,496)
		<hr/>
Cash outflow before use of liquid resources and financing		(463)
Financing	13	3,750
		<hr/>
Increase in cash in the period being movement in net debt		<u>3,287</u>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current period.

Basis of accounting

The financial statements are prepared under the historic cost convention in accordance with applicable United Kingdom law and accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'.

Turnover

Turnover is generated by camping site receipts and cabin site receipts which is recognised at the point the service is provided with all deposits deferred until this point. Seasonal rentals are spread over the period to which these relate.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are as follows:

Freehold land	Nil
Freehold buildings	5% - 12.5% per annum
Long-term and short-term leases for land and buildings	Over the duration of the lease, up to a maximum of 75 years
Plant and machinery, fixtures and fittings	20% per annum
Computer software	33% per annum

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the income and expenditure account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Taxation

The LLP shall pay to the Tax Reserve an amount assessed by the accountants of the Tax paying Members as being the anticipated liability of each Member for Tax arising from their entitlement to share in the profits of the LLP (or, in the case of a Member who is not a Tax payer, their notional liability to Tax) in respect of any year, which amount shall be paid to the Members no later than one month before the date upon which the Tax is payable (or would have been payable, in the case of a notional Tax liability) by that Member to HM Revenue & Customs.

Forest Holidays LLP
(formerly Forest Holidays (England) LLP)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

2. TURNOVER

The LLP's turnover is made up as follows

**11 months
ended
28
February
2007
£'000**

Camping site receipts	3,651
Cabin site receipts	1,154
	<hr/> 4.805 <hr/>

3 INFORMATION REGARDING EMPLOYEES

**11 months
ended
28
February
2007
£'000**

Employee costs during the period:

Wages and salaries	412
Social security costs	41
	<hr/> 453 <hr/>

Average number of persons employed

Number

Sites	13
Administration	9
	<hr/> 22 <hr/>

Forest Holidays LLP
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

4 OPERATING PROFIT

	11 months ending 28 February 2007 £'000
Operating profit is after charging:	
Depreciation of tangible fixed assets – owned	132
Depreciation of tangible fixed assets – leased	142
Profit recharge to Forest Holidays (Scotland) LLP	143
Auditors Remuneration	10
Auditors Remuneration – non audit fees	4
Hire of equipment	29
	<u> </u>

Operating profit and interest received is recharged to Forest Holidays (Scotland) LLP in line with the sales revenue generated from the sites owned by Forest Holidays (Scotland) LLP which Forest Holidays LLP manages on its behalf

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	11 months ending 28 February 2007 £'000
Bank interest	187
	<u> </u>

Forest Holidays LLP
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

6. INTEREST PAYABLE AND SIMILAR CHARGES

	11 months ending 28 February 2007 £'000
Interest recharged	2
Interest on finance lease	330
Loanstock interest	156
	<u>488</u>

7 MEMBERS' SHARE OF PROFITS

Profits are shared among the members in accordance with agreed profit sharing agreements

	2007
Number of members	<u>2</u>
	£'000
Average profit per member	<u>45</u>

Profit attributable to the member with the largest entitlement to profit was £46,000

8 TANGIBLE FIXED ASSETS

	Land and buildings £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost					
Introduced by members (see note 11)	12,805	-	-	-	12,805
Additions	<u>-</u>	<u>812</u>	<u>1,371</u>	<u>313</u>	<u>2,496</u>
At 28 February 2007	<u>12,805</u>	<u>812</u>	<u>1,371</u>	<u>313</u>	<u>15,301</u>
Accumulated depreciation					
Charge for the period and at 28 February 2007	<u>(142)</u>	<u>-</u>	<u>(66)</u>	<u>(66)</u>	<u>(274)</u>
Net book value					
At 28 February 2007	<u>12,663</u>	<u>812</u>	<u>1,305</u>	<u>247</u>	<u>15,027</u>

Forest Holidays LLP
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

9. DEBTORS

	2007
	£'000
Due within one year:	
Other debtors	58
VAT recoverable	310
Prepayments and accrued income	138
	<hr/>
	506
	<hr/>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007
	£'000
Trade creditors	833
Deposits and advance income	782
Other creditors	404
Amounts due to Forest Holidays (Scotland) LLP	914
	<hr/>
	2 933
	<hr/>

Amounts due to Forest Holidays (Scotland) LLP represent the initial cash injected into Forest Holidays (Scotland) LLP by The Camping and Caravanning Club Limited which has been transferred to Forest Holidays LLP less rental payments paid in respect of finance leases on behalf of Forest Holidays (Scotland) LLP by Forest Holidays LLP plus the amount due to Forest Holidays (Scotland) LLP in respect of the operating profit and interest receivable in the period

Forest Holidays LLP
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

11. TOTAL MEMBERS' INTERESTS

	Equity			Loans and other debts due to members	Total members' interests
	Members' capital £'000	Other reserves £'000	Total £'000	£'000	£'000
Profit for the financial period	-	90	90	-	90
Members' interests after profit for the period	-	90	90	-	90
Capital introduced	7,546	-	7,546	-	7,546
Loanstock	-	-	-	3,850	3,850
Finance Lease	-	-	-	4,247	4,247
Interest paid in the period	-	-	-	(2)	(2)
Interest accrued in the period	-	-	-	156	156
At 28 February 2007	7,546	90	7,636	8,251	15,887

The capital introduced by the Forestry Commissioners was in consideration for the fixed assets transferred into the LLP as shown below

	2007 £'000
Members' capital	3,696
Loanstock	3,850
Finance lease	4,247
Add costs of deal and loan finance allocated against finance lease	1,012
	<u>12,805</u>
	Note 8

Save to the extent that the Members have agreed to retain any profits of the LLP as reserves, each Member's share of the profits of the LLP (adjusted to take account of the Drawings (if any) made by any Member) shall be credited to the Members' Current Accounts as soon as the annual accounts for the relevant accounting year of the LLP are approved by the Members

Gearing ('Gearing ') means the amount of the Senior Debt from time to time, divided by the aggregate of (i) the total Members' interests as shown in the balance sheet of the LLP (being comprised of the Members' capital and any loans and other amounts due to the Members by the LLP (which shall include, for the avoidance of doubt, all sub-debt interest and capital then due to the Members by the LLP)), and (ii) the total members' interests as shown in the balance sheet of Forest Holidays (Scotland) LLP which figure shall be expressed as a percentage

Where Gearing is greater than 50%, one third of the Available Profits shall be distributed to the Members by way of profits. Where Gearing is less than 50%, one half of the Available Profits shall be distributed to the Members by way of profits

The Members shall not be required to contribute to the losses of the LLP, which shall be borne by the LLP

In the event of the LLP being wound up, if a surplus sum remains at the conclusion of the winding up after payment of all money due to the creditors of the LLP and all expenses of the winding up, the liquidator shall pay that surplus sum to the Members - firstly, in repaying to each Member a sum equal to the credit on such

Forest Holidays LLP
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

Member's Current Account (or rateably, according to the amounts outstanding and due to each Member, if the available funds shall not be sufficient to make such payments in full) and thereafter any surplus shall be divided among the Members in proportion to their Members' interests

12. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2007
	£'000
Operating profit	391
Depreciation charges	274
Increase in debtors	(480)
Increase in creditors	2,019
	<hr/>
Net cash inflow from operating activities	2,204
	<hr/>

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007
	£'000
Returns on investments and servicing of finance	
Interest received	187
Interest element of finance lease rental payments	(358)
	<hr/>
Net cash outflow for returns on investments and servicing of finance	(171)
	<hr/>
Capital expenditure and financial investment	
Payments to acquire tangible fixed assets	(2,496)
	<hr/>
Net cash outflow for capital expenditure and financial investment	(2,496)
	<hr/>
Transactions with members	
Member's capital introduced	3,850
Member contribution to Forest Holidays (Scotland)	
LLP transferred to Forest Holidays LLP	914
Capital element of finance lease rental payments	(2)
Costs of deal and loan finance set against finance lease	(1,012)
	<hr/>
Net cash inflow from financing	3,750
	<hr/>

14 ANALYSIS OF NET FUNDING

At		At
30 March	Cash	28
2006	Flow	February
£'000	£'000	2007
		£'000

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NOTES TO THE FINANCIAL STATEMENTS
Period ended 28 February 2007

Cash in hand and at bank

<u>0</u>	<u>3,287</u>	<u>3,287</u>
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NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 February 2007

15. RELATED PARTY TRANSACTIONS

The partnership's members' capital is held between The Camping and Caravanning Club Limited (51%) and the Forestry Commissioners (49%), both of which are incorporated in Great Britain. During the period the partnership had the following transactions with these parties

	2007
	£'000
Transactions	
Interest payable to the Forestry Commissioners	486
Period-end balances	
Loanstock due to the Forestry Commissioners	4,006
Finance lease due to the Forestry Commissioners	4,245
Members' capital – The Camping and Caravanning Club	3,896
Members' capital – the Forestry Commissioners	3,740

16. CONTROLLING PARTY

The controlling party is The Camping and Caravanning Club

17. CAPITAL COMMITMENTS

At the year end the LLP did not have any material capital commitments that were contracted for but not provided for in the financial statements or authorised but not contracted for

18. CONTINGENT LIABILITIES

There are no contingent liabilities to report as at 28 February 2007