

FH England LLP (formerly Forest Holidays LLP)

**Members' report and financial
statements**

Registered number OC318816

28 February 2013

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Officers and professional advisors

Designated Members

The Members of the LLP who were in office during the year and up to the date of signing the financial statements were -

Forest Holidays Group Limited – appointed 21 September 2012

Forest Holidays Limited – appointed 21 September 2012

The Camping and Caravanning Club Limited – resigned 21 September 2012

The Forestry Commissioners – resigned 21 September 2012

Registered office

Bath Yard
Bath Lane
Moir
DE12 6BA

Bankers

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

Solicitors

Wragge & Co LLP
55 Colmore Row
Birmingham
B3 2AS

Independent auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Members' report

The Members are pleased to present this annual report to the Members of FH England LLP, together with the audited financial statements for the year ended 28 February 2013

On 22 March 2013 it was agreed by the members that as part of the name changes of the holding company the LLP changed its name to FH England LLP from Forest Holidays LLP

Principal activities

The principal activity of FH England LLP is building luxury and spacious cabin sites and as a provider of unique and memorable holiday experiences in stunning locations throughout England and Wales

Business review and future developments

The financial results for the year are set out on page 6

On 21 September 2012 the existing members', the Camping & Caravanning Club Limited and the Forestry Commissioners successfully refinanced the business resulting in a change of control. This change of control resulted in splitting the cabins and camping business going forward. The camping business was sold to Camping in the Forest LLP, a partnership incorporated in Great Britain, resulting in a transfer of all camping assets and trade being compensated by the existing members' agreement to waive their loan notes as appropriate consideration including any write off of Goodwill associated with the transfer of assets.

The partnership, being the balance of the cabins business, was then sold to Forest Holidays Group Limited and Forest Holidays Limited funded by external investment from Lloyds Development Capital (part of the Lloyds Banking Group) and internal investment from the Senior Management Team. New facilities were put in place to support the expansion plans for the cabins business through Lloyds Banking Group.

The operating loss for the year has increased from £262,000 to £508,000.

The gross profit reduction of £665,000 from £3,109,000 to £2,444,000 includes an improvement in the trading of the cabins business from £1,331,000 to £1,726,000. This was largely due to the increased capacity built in 2012, being the new site at Sherwood Forest, adding an additional £476,000 of contribution in the year. There was no build development profit in the year (2012 £205,000) and the camping business saw a reduction in gross profits from £1,573,000 to £718,000 largely due to a reduced trading period being reported for the current year (up to 21 September 2012 compared to a full 12 month basis in the previous year) linked to the change in ownership of the partnership.

Administrative expenses have reduced in the year by £419,000, driven principally by a reduction in the management charge by the Camping & Caravan Club of £538,000.

On the 28 February 2013 it was agreed by the members that all assets and trade of the business was to be transferred to Forest Holidays Limited as part of a simplification of structures going forward.

Designated Members

The designated Members who served during the year are set out on page 1.

Members' report *(continued)*

Members' drawings and capital policy

The profits and losses 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 financial statements of the LLP, such financial statements 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)

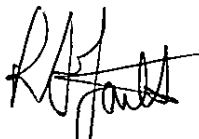
Independent auditors

The auditors PricewaterhouseCoopers LLP resigned during the year and KPMG LLP were appointed. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

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



Designated member for and on behalf of Forest Holidays Group Limited



Designated member for and on behalf of Forest Holidays Limited

31 July 2013

Registered number OC318816

Statement of Members' responsibilities in respect of the financial statements

The Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the Members to prepare financial statements for each financial year. Under that law the Members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the Members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the Members 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditors' report to the Members of FH England LLP (formerly Forest Holidays LLP)

We have audited the financial statements of FH England LLP (formerly Forest Holidays LLP) for the year ended 28 February 2013 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of affairs of the LLP as at 28 February 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Philip Charles (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Dated 31 July 2013

Profit and loss account
for the year ended 28 February 2013

	<i>Note</i>	2013 £000	2012 £000
Turnover			
- Discontinued operation - cabins	2	12,470	9,410
- Discontinued operations - camping	2	2,212	5,251
- Build	2	-	10,580
		<hr/>	<hr/>
		14,682	25,241
Cost of sales			
- Discontinued operation - cabins		(10,744)	(8,079)
- Discontinued operations - camping		(1,494)	(3,678)
- Build		-	(10,375)
		<hr/>	<hr/>
		(12,238)	(22,132)
Gross profit		<hr/>	<hr/>
		2,444	3,109
Administrative expenses		(2,952)	(3,371)
		<hr/>	<hr/>
Operating loss	4	(508)	(262)
Profit or losses on sale of business	5	(2,634)	-
Exceptional net profit on disposal of assets	6	-	1,660
Interest receivable and similar income	7	141	90
Interest payable and similar charges	8	(405)	(1,711)
		<hr/>	<hr/>
Loss for the financial year before members' remuneration and loss share		(3,406)	(223)
		<hr/> <hr/>	<hr/> <hr/>

In both the current and preceding year, the company made no material acquisitions. All trading has been treated as discontinued as all assets/liabilities were sold to the senior member at the balance sheet date.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis.

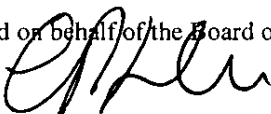
Balance sheet

as at 28 February 2013

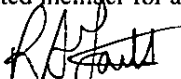
	Note	2013 £000	2012 £000
Fixed assets			
Intangible assets	10	-	4,073
Tangible assets	11	-	22,706
Investments	13	-	4,500
		-	31,279
Current assets			
Stocks	14	-	65
Debtors	15	4,970	4,936
Cash at bank and in hand		-	9
		4,970	5,010
Creditors' amounts falling due within one year	16	-	(20,606)
Net current assets/(liabilities)		4,970	(15,596)
Net assets attributable to members of the LLP		4,970	15,683
Represented by:			
Loans and other debts due to members within one year			
Finance leases		-	941
Loan stock		-	11,339
		-	12,280
Equity			
Members' other interests and reserves classified as equity under FRS 25		4,970	3,403
Total members' interests		4,970	15,683

These financial statements were approved by the Members on 31 July 2013

Signed on behalf of the Board of Members



Designated member for and on behalf of Forest Holidays Group Limited



Designated member for and on behalf of Forest Holidays Limited

Registered number OC318816

Notes

(forming part of these financial statements)

1 Accounting policies

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

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

The financial statements have been prepared on a going concern basis.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP).

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. Turnover relating to construction contracts is recognised under the percentage of completion method, based on the percentage of costs to date compared to the total estimated contract costs, contractual milestones or performance.

Forest Holidays Membership Club

Forest Holidays Membership Club is now a closed scheme. It was set up as an exclusive scheme whereby members paid advanced amounts of money in return for membership points which they can then redeem against holidays over several years. Accrual and matching concepts are applied to this revenue stream, both income and associated costs are recognised in the profit and loss at the point that the service is provided and members utilise their points. Receipts and directly attributable costs are deferred until this point.

Members also pay an annual membership fee and booking fee, these are recognised upon receipt and holiday start date respectively.

Intangible assets - goodwill

Goodwill arising on acquisition is written off on a straight line basis over its useful economic life, which is 20 years. The Goodwill associated with FH England LLP (formerly Forest Holidays LLP) is considered to be in connection with the partnership's role as a camp and cabin site operator with intimate links to the Forestry Commissioners and Camping and Caravanning Club Limited, operating in publicly accessible forest land, the public perception is that it acts as both a guardian of the British Forest and enables public access for all.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Historical purchase cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The rates of depreciation are as follows:

Long-term and short-term leases for land and buildings	Over the duration of the lease, up to a maximum of 75 years
Leasehold improvements and infrastructure	5% per annum
Plant and machinery	20% - 33% per annum
Fixtures and fittings	20% - 33% per annum

Depreciation is provided, to write off cost or valuation, in equal annual instalments over the estimated useful lives of the assets. Assets in the course of construction are not depreciated.

Notes (continued)

1 Accounting policies (continued)

Finance leases

Where the partnership enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred income

Receipts held by FH England LLP (formerly Forest Holidays LLP) for holidays to commence after the balance sheet date are deemed to be deferred income and are held on the balance sheet until the holiday start date is reached or the holiday is cancelled.

Stocks

Stocks are stated at the lower of cost (calculated on a FIFO basis) and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for slow-moving or defective items where appropriate.

Taxation

Income tax payable on the LLP's profits is the sole liability of the individual Members and consequently is not dealt with in these financial statements. The LLP is not taxed as a corporate entity.

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.

2 Turnover

The LLP's turnover is made up as follows

	2013 £000	2012 £000
Cabin site receipts (discontinued operations)	12,470	9,410
Camping site receipts (discontinued operations)	2,212	5,251
Building and development receipts (build)	-	10,580
	<u>14,682</u>	<u>25,241</u>

All turnover is derived from services provided within the United Kingdom. Following the restructuring of the business on 21 September 2012, the camping trade was disposed of and subsequently, on 28 February 2013, the remaining trade was sold to the senior member, Forest Holidays Limited.

Notes (continued)

3 Information regarding employees

	2013 £000	2012 £000
<i>Employee costs during the year</i>		
Wages and salaries	3,351	2,527
Social security costs	220	240
	<u>3,571</u>	<u>2,767</u>
	2013 Number	2012 Number
<i>Average number of persons employed</i>		
Sites	77	69
Administration	31	32
	<u>108</u>	<u>101</u>

4 Operating loss

	2013 £000	2012 £000
<i>Operating loss is after charging/(crediting)</i>		
Depreciation of tangible fixed assets - owned	1,687	1,903
Depreciation of tangible fixed assets - leased	279	204
Profit on disposal of fixed assets	-	(3)
Amortisation of intangible fixed assets	119	287
Recharges to Forest Holidays (Scotland) LLP	(283)	(134)
Operating lease rentals - land and buildings	2,674	1,665
Auditors' remuneration	24	28
Auditors' remuneration audit of financial statements of fellow group companies	3	3
Auditors' remuneration non-audit fees	-	68

Operating leases relate wholly to the lease of land. An operating loss is recharged to Forest Holidays (Scotland) LLP in line with the sales revenue generated from the sites owned by Forest Holidays (Scotland) LLP which FH England LLP (formerly Forest Holidays LLP) manages on its behalf.

5 Profit or losses on sale of business

	2013 £000	2012 £000
Loss on sale of camping business to former member	10,310	-
Profit on sale of cabin business to senior member	(7,676)	-
	<u>2,634</u>	<u>-</u>

Notes (continued)

6 Exceptional net profit on disposal of fixed assets

	2013 £000	2012 £000
Proceeds on sale and leaseback agreement on Sherwood Forest site	-	2,250
Cost of site development previously capitalised	-	(411)
Associated tangible assets disposed of	-	(139)
Legal and professional costs of restructuring business	-	(40)
	<u>-</u>	<u>1,660</u>

7 Interest receivable and similar income

	2013 £000	2012 £000
Loanstock interest	141	90
	<u>141</u>	<u>90</u>

8 Interest payable and similar charges

	2013 £000	2012 £000
Interest on finance lease	126	109
Loanstock interest	-	1,186
Bank loans and overdrafts	279	416
	<u>405</u>	<u>1,711</u>

9 Members' share of losses

	2013 Number	2012 Number
Number of members	2	2
	<u>2</u>	<u>2</u>

The share of membership profits and losses are set out within the original partnership agreement, the sale and purchase agreement for the camping business and the new partnership agreement

Notes (continued)

10 Intangible assets

	Goodwill £000
<i>Cost</i>	
At 1 March 2012	5,748
Impairment on sale of camping business	(5,748)
At 28 February 2013	-
<i>Accumulated amortisation</i>	
At 1 March 2012	1,675
Charge for the year	119
Impairment on sale of camping business	(1,794)
At 28 February 2013	-
<i>Net book value</i>	
At 28 February 2013	-
At 29 February 2012	4,073

11 Tangible fixed assets

	Leasehold land and buildings £000	Assets in the course of construction £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<i>Cost or valuation</i>					
At 1 March 2012	8,334	2,671	17,622	2,030	30,657
Additions	66	7,514	199	370	8,149
Transfers	6	(6)	-	-	-
Disposals	(8,406)	(10,179)	(17,821)	(2,400)	(38,806)
At 28 February 2013	-	-	-	-	-
<i>Accumulated depreciation</i>					
At 1 March 2012	679	-	6,239	1,033	7,951
Charge for the year	279	-	1,325	362	1,966
Disposals	(958)	-	(7,564)	(1,395)	(9,917)
At 28 February 2013	-	-	-	-	-
<i>Net book value</i>					
At 28 February 2013	-	-	-	-	-
At 29 February 2012	7,655	2,671	11,383	997	22,706

The net book value of leased assets is £nil (2012 £7,655,000) The leasehold land and buildings are held on a long-term lease

Notes (continued)

12 Finance leases

Future minimum payments under finance leases are as follows

	2013 £000	2012 £000
Within one year	-	90
In more than one year, but not more than five years	-	360
In more than five years	-	5,776
	<hr/>	<hr/>
Total gross payments	-	6,226
Less finance charges included above	-	(5,285)
	<hr/>	<hr/>
	-	941
	<hr/>	<hr/>

Gross payments represent future interest and capital element

13 Investments

	£000
<i>Cost and book value</i>	
At 1 March 2012	4,500
Disposals	(4,500)
	<hr/>
At 28 February 2013	-
	<hr/>

Investments purchased in previous years consist wholly of loan stock as consideration for the sale and leaseback of the Forest of Dean and Sherwood Forest sites

The investments were sold as part of the sale of camping trade and assets on 21 September 2012

14 Stocks

	2013 £000	2012 £000
Finished goods and goods for resale	-	65
	<hr/>	<hr/>

15 Debtors

	2013 £000	2012 £000
Amounts falling due within one year		
Trade debtors	-	1,433
Amounts due from Camping & Caravanning Club Limited	-	653
Amounts due from Forest Holidays Limited	4,970	-
Other debtors	-	387
Value added tax recoverable	-	162
Prepayments	-	2,301
	<hr/>	<hr/>
	4,970	4,936
	<hr/>	<hr/>

Amounts due from Forest Holidays Limited are unsecured, interest free and repayable on demand

Notes (continued)

16 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Bank loans and overdrafts	-	10,765
Trade creditors	-	2,465
Amounts owed to Forest Holidays (Scotland) LLP	-	1,628
Other taxation and social security	-	86
Other creditors	-	9
Management incentive plan	-	401
Accruals, deposits and advance income	-	5,252
	<hr/>	<hr/>
	-	20,606
	<hr/>	<hr/>

The bank loans and overdraft were fully repaid following the change of ownership on 21 September 2012

17 Total members' interests

	Members' capital £000	Profit and loss account £000	Total £000	Loans and other debts due to members £000	Total members' interests £000
At 1 March 2012	7,546	(4,143)	3,403	12,280	15,683
Loss for the financial year	-	(3,406)	(3,406)	-	(3,406)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Members' interests after distribution of reserves and loss for the year	7,546	(7,549)	(3)	12,280	12,277
Disposal of finance lease to senior member	-	-	-	(941)	(941)
Additional members advance	289	-	289	-	289
Capitalisation of loan notes	4,684	-	4,684	(4,684)	-
Loan note settlement in conjunction with camping assets sale	-	-	-	(6,655)	(6,655)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2013	12,519	(7,549)	4,970	-	4,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

18 Operating lease commitments

	Land and buildings 2013 £000	2012 £000
<i>Expiry date</i>		
After five years	-	1,665
	<hr/>	<hr/>

Notes (continued)

19 Related party

The members' capital is held between Forest Holidays Limited (99%) and Forest Holidays Group Limited (1%), both of which are incorporated in Great Britain. During the period of new ownership from 21 September 2012 to the year end the Limited Liability Partnership had the following transaction with these parties

	2013 £000	2012 £000
<i>Transaction</i>		
Management charge	343	-
	<u> </u>	<u> </u>
<i>Year end balances</i>		
Forest Holidays Limited	4,970	-
	<u> </u>	<u> </u>

Prior to the change of ownership, the Limited Liability Partnership had members' capital held between The Camping & Caravan Club Limited (51%) and The Forestry Commissioners (49%), both of which are incorporated in Great Britain, and had the following transactions with these parties

	2013 £000	2012 £000
<i>Transaction</i>		
Management charge of Camping in the Forest to the Camping & Caravanning Club	373	913
Ground rent to the Forestry Commissioners	216	493
Interest payable to the Scottish Ministers	-	573
Interest payable to the Camping & Caravan Club	-	613
	<u> </u>	<u> </u>
<i>Year end balances</i>		
Loan stock due to the Forestry Commissioners	-	5,910
Finance lease due to the Forestry Commissioners	-	941
Loan stock due to the Camping & Caravan Club Limited	-	5,429
Members' capital – The Camping & Caravanning Club Limited	-	4,059
Members' capital – The Scottish Ministers	-	3,487
	<u> </u>	<u> </u>

On the 21 September 2012 the previous members the Camping & Caravanning Club Limited and The Forestry Commissioners agreed to capitalise certain loan stock balances as part of the change of ownership. At the year end there are no trading balances following the transfer of trade and assets to Forest Holidays Limited on 28 February 2013.

20 Ultimate controlling party and parent company

The ultimate controlling partner within the partnership during the year was changed on 21 September 2012, from the Camping and Caravanning Club to Forest Holidays Group Limited (registration no 08159281) a company incorporated in England and Wales. Forest Holidays Group Limited is the parent undertaking of the smallest and largest group of the undertaking to consolidate the financial statements at 28 February 2013. The consolidated financial statements of Forest Holidays Group Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.