CP Woburn (Operating Company) Limited

Annual report and financial statements

For the 52 weeks ended 20 April 2017

Company registration number: 07656412

Financial statements
52 weeks ended 20 April 2017

Contents

Strategic report
For the 52 weeks ended 20 April 2017

The Directors present their strategic report on the Company for the 52 weeks ended 20 April 2017 (2016: 52 weeks ended 21 April 2016).

Review of the Business
The principal activity of the Company is the operation of Center Parcs Woburn Forest, a short break holiday village in Bedfordshire.

The results of the Company for the period show a profit of £13.7 million (2016: profit of £16.0 million). EBITDA, being earnings before interest, taxation, depreciation and amortisation was £46.5 million (2016: £44.4 million). The Company has performed in line with expectations since the opening of Woburn Village on 6 June 2014.

The results for the 52 weeks ended 20 April 2017 include an exceptional/non-underlying finance expense of £0.5 million in respect of a proposed refinancing of the Company's debt. Taxation on this expense has also been treated as an exceptional/non-underlying item, as has the impact of the change in applicable deferred tax rate from 18% to 17%.

On 11 June 2015 the Company was acquired by Center Parcs (Holdings 3) Limited, a member of the Group headed by Center Parcs (Holdings 1) Limited which owns and operates the four other UK Center Parcs Villages, at Sherwood Forest, Elveden Forest, Longleat Forest and Whinfell Forest.

On the same date, the Center Parcs (Holdings 1) Limited Group (the 'Group') issued £490.0 million of New Class A senior notes, divided into £350.0 million 2.666% notes due to mature in February 2020 and £140.0 million 3.588% notes due to mature in August 2025. The proceeds of these new notes, along with existing cash resources available, were used to settle the Group's Class A1 notes, which were due to mature in February 2017, and fund the acquisition of the equity share capital of CP Woburn (Operating Company) Limited.

On 3 August 2015 the Group, including all subsidiary undertakings, was acquired by a fund managed by Brookfield Property Group, a subsidiary of Brookfield Asset Management Inc., from the Group's previous owner, funds advised by The Blackstone Group. On the same date the Group announced the issue of £560.0 million 7.000% Class B2 secured notes due to mature in August 2020. Part of the proceeds from these new notes were used to settle the Group's Class B secured notes which were due to mature in February 2018.

Woburn Village is set in a forest environment, providing high quality accommodation in fully equipped villas, apartments and lodges which are set amongst trees and streams. The Village offers an extensive range of sports and leisure activities plus numerous restaurants, bars and retail outlets and a superb Aqua Sana spa facility. Woodland, water and a natural, healthy environment are the essential elements.

Center Parcs primarily targets families in the UK, who are open to considering good quality, value for money and convenient short break holidays within the UK. The unique Center Parcs proposition of an easily accessible UK 'escape' in a natural environment with a range of activities to appeal to all ages is very much in line with a number of current socio-economic trends such as concern for the environment, fuel costs, security worries and child wellbeing, and gives 'time-poor' parents an opportunity to spend valuable time with their friends and family.

The United Kingdom domestic holiday market is diverse and competitive and Center Parcs considers its main competitors to be high end self-catering cottage accommodation and leisure hotels/resorts although there are several smaller providers of lodges in rural retreats. However, there are still no direct competitors offering the single-site holiday village/resort to the level of quality and range of activities and facilities of Center Parcs. However, what is clear is that Center Parcs will need to continue to deliver innovation and communicate high quality and standards, reliability and good value for money for the family audience. As consumer expectations continue to rise Center Parcs will need to be in a position to exceed these expectations.

Strategic report
For the 52 weeks ended 20 April 2017 (continued)

Key performance indicators
In addition to the measure of revenue and operating margin, the Directors use the following key performance indicators to set targets and measure performance against those targets.

- Occupancy: the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 97.5% (2016: 97.2%).
- ADR (Average Daily Rate): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of lodge nights sold. ADR for the period was £198.24 (2016: £192.88).
- RevPAL (Rent per available lodge night): the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total available number of lodge nights. RevPAL for the period was £193.30 (2016: £187.46).

Going concern
The Directors have assessed the financial position of the Company at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

Financial risk management
The financing of the Company is managed together with that of all other Group companies. As a result there is no separate analysis of risks associated with the Company and all such risks are applicable to the Center Parcs (Holdings 1) Limited Group.

The Group finances its operations through a mixture of retained earnings and borrowings as required. Historically, the Group has sought to reduce its cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

All tranches of the Group's secured debt are subject to financial covenants. The Directors have assessed future compliance and at this time do not foresee any breach of the financial covenants.

Interest rate risk
Principal sources of borrowings are fixed interest rate loan notes.

Liquidity risk
The Group maintains sufficient levels of cash to enable it to meet its medium-term working capital and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored, and surplus cash is invested in interest bearing accounts.

Currency risk
Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible the Group enters into supply contracts denominated in Sterling. The Group does not operate a hedging facility to manage currency risk as it is not considered to be material.

Credit risk
The Group's cash balances are held on deposit with a number of UK banking institutions. Credit risk in respect of the Company's revenue streams is limited as the vast majority of customers pay in advance.

Strategic report
For the 52 weeks ended 20 April 2017 (continued)

Principal risks and uncertainties

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 strategic report of the Center Parcs (Holdings 1) Limited Annual Report which does not form part of this report.

On behalf of the board

P Inglett
Director
25 May 2017

Directors' report
For the 52 weeks ended 20 April 2017

The Directors present their report and the audited financial statements for the 52 weeks ended 20 April 2017 (2016: 52 weeks ended 21 April 2016).

The registration number of the Company is 07656412.

Future developments

No changes to the nature of the business are anticipated.

Financial risk management objectives

Details of financial risk management objectives can be found under the heading 'Key performance indicators', found in the strategic report, and form part of this report by cross-reference.

Dividends

The Directors have not proposed the payment of a dividend (2016: no dividends proposed or paid).

Directors

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

M P Dalby	
P Inglett	
K O McCrain	
Z B Vaughan	
V Aneja	(resigned 25 November 2016)
N J Adomait	(appointed 25 November 2016)

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

Employees

The Company is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age or religion. CP Woburn (Operating Company) Limited is an inclusive employer and values diversity among its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

The Company has a practice of achieving common awareness of all employees in relation to financial and economic factors that affect the performance of the Company.

Directors' report
For the 52 weeks ended 20 April 2017 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' 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; 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 auditor

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 auditor is unaware; and

(b) he/she has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

A resolution to reappoint Deloitte LLP, who were appointed as auditor during the prior period, will be proposed at the Annual General Meeting.

On behalf of the board

P Inglett
Director
25 May 2017

Independent auditor's report to the members of CP Woburn (Operating Company) Limited

We have audited the financial statements of CP Woburn (Operating Company) Limited for the 52 weeks ended 20 April 2017 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. 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.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities, 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.

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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 20 April 2017 and of its profit for the 52 weeks 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report.

Independent auditor's report to the members of CP Woburn (Operating Company) 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.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

25 May 2017

Income Statement
For the 52 weeks ended 20 April 2017

	Note	**52 weeks ended 20 April 2017 £m**	52 weeks ended 21 April 2016 £m
Revenue		**86.2**	82.0
Cost of sales		**(22.2)**	(21.3)
Gross profit		**64.0**	60.7
Administrative expenses		**(17.5)**	(16.3)
EBITDA		***46.5***	*44.4*
Depreciation and amortisation		**(9.5)**	(8.4)
Total administrative expenses		**(27.0)**	(24.7)
Operating profit	2	**37.0**	36.0
Finance expense			
Before exceptional/non-underlying finance expense		**(28.4)**	(25.6)
Exceptional/non-underlying finance expense		**(0.5)**	-
Total finance expense	4	**(28.9)**	(25.6)
Finance income	4	**4.2**	3.4
Profit before taxation		**12.3**	13.8
Taxation			
Before exceptional/non-underlying taxation		**1.2**	2.2
Exceptional/non-underlying taxation		**0.2**	-
Total taxation	5	**1.4**	2.2
Profit for the period attributable to equity shareholders	14	**13.7**	16.0

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 12 to 29 form part of these financial statements.

Statement of Changes in Equity
For the 52 weeks ended 20 April 2017

	Attributable to owners of the parent			
	Share capital £m	**Share premium £m**	**Retained earnings £m**	**Total £m**
At 21 April 2016	-	1.2	2.9	4.1
Comprehensive income				
Profit for the period	-	-	13.7	13.7
At 20 April 2017	**-**	**1.2**	**16.6**	**17.8**

	Attributable to owners of the parent			
	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 23 April 2015	-	1.2	(13.1)	(11.9)
Comprehensive expense				
Profit for the period	-	-	16.0	16.0
At 21 April 2016	-	1.2	2.9	4.1

The notes on pages 12 to 29 form part of these financial statements.

Balance Sheet
At 20 April 2017

	Note	20 April 2017 £m	21 April 2016 £m
Assets			
Non-current assets			
Intangible assets	6	**0.4**	0.7
Property, plant and equipment	7	**299.1**	295.8
		299.5	296.5
Current assets			
Inventories		**0.7**	0.6
Trade and other receivables	8	**116.8**	52.3
Cash and cash equivalents		**5.8**	41.3
		123.3	94.2
Liabilities			
Current liabilities			
Trade and other payables	9	**(24.5)**	(25.9)
		(24.5)	(25.9)
Net current assets		**98.8**	68.3
Non-current liabilities			
Borrowings	10	**(379.8)**	(358.6)
Deferred tax liability	12	**(0.7)**	(2.1)
		(380.5)	(360.7)
Net assets		**17.8**	4.1
Equity			
Share capital	13	**-**	-
Share premium	14	**1.2**	1.2
Retained earnings	14	**16.6**	2.9
Total equity		**17.8**	4.1

The financial statements on pages 8 to 29 were approved by the board of Directors on 25 May 2017 and were signed on its behalf by:

P Inglett

P Inglett
Director
CP Woburn (Operating Company) Limited
Registered no. 07656412

The notes on pages 12 to 29 form part of these financial statements.

Cash Flow Statement

for the 52 weeks ended 20 April 2017

	Note	**52 weeks ended 20 April 2017 £m**	52 weeks ended 21 April 2016 £m
Operating activities			
Operating profit		**37.0**	36.0
Depreciation and amortisation	2	**9.5**	8.4
Working capital and non-cash movements	15	**(61.0)**	(37.5)
Net cash (out)/inflow from operating activities		**(14.5)**	6.9
Investing activities			
Purchase of property, plant and equipment		**(13.3)**	(7.0)
Net cash outflow from investing activities		**(13.3)**	(7.0)
Financing activities			
Interest paid		**(7.7)**	(6.8)
Repayment of external borrowings		**-**	(158.6)
Proceeds from external borrowings		**-**	190.7
Issue costs and consent fees on secured debt		**-**	(3.1)
Net cash (out)/inflow from financing activities		**(7.7)**	22.2
Net (decrease)/increase in cash and cash equivalents		**(35.5)**	22.1
Cash and cash equivalents at beginning of the period		**41.3**	19.2
Cash and cash equivalents at end of the period		**5.8**	41.3
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash and cash equivalents		**(35.5)**	22.1
Cash inflow from movement in net debt		**-**	(32.1)
Non-cash movements and deferred issue costs		**(0.9)**	2.5
Movement in net debt in the period		**(36.4)**	(7.5)
Net debt at beginning of the period		**(146.9)**	(139.4)
Net debt at end of the period		**(183.3)**	(146.9)

Net debt consists of cash and external borrowings.

The notes on pages 12 to 29 form part of these financial statements.

Notes to the financial statements
for the 52 weeks ended 20 April 2017

1. Accounting policies

General information
The Company is a private company limited by shares, 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 in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments. All accounting policies disclosed have been applied consistently to both periods presented.

The Company's accounting reference date is 22 April.

Going concern
The Directors have assessed the financial position of the Company at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using the evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

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. Estimates are principally used in the following areas:

Property, plant and equipment:	Useful lives of assets and residual values (see accounting policy)
Intangible assets:	Useful lives of assets and residual values (see accounting policy)

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

1. Accounting policies (continued)

Revenue
Revenue relates to accommodation rental income on holidays commenced during the period, together with other related income that primarily arises from on-village leisure, retail and food and beverage spend.

Revenue relating to accommodation is recognised on a straight-line basis over the period of the holiday. Non-rental income is recognised when the related product or service is provided to the guest. All revenue is recorded net of VAT.

Payment for accommodation rental income is received in advance of holidays commencing, and is recorded as 'payments on account' within Trade and other payables until the holiday commences.

A number of trading units on the holiday village are operated by concession partners. Revenue due in respect of such units is recognised on an accruals basis.

All revenue arises in the United Kingdom.

Cost of sales
Cost of sales comprise the cost of goods and services provided to guests. All costs to the point of sale, including direct employee costs, are included within cost of sales.

Operating segments
The Company has a single operating segment, being the Woburn Center Parcs holiday village.

Exceptional/non-underlying items
Exceptional/non-underlying items are defined as those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company. Non-underlying items are those that are not directly related to the ongoing trade of the business or that are unrepresentative of ongoing performance. Examples of exceptional/non-underlying items are the costs of Company restructures, expenses incurred when refinancing the Company's debt and movements in the fair value of embedded derivatives.

Intangible assets
Software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is generally considered to be either four or seven years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

1. Accounting policies (continued)

Property, plant and equipment

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

Installations	6.67%
Fixtures and fittings	14%
Motor vehicles	25%
Computer hardware	25%

Buildings are depreciated to residual value over 50 years. Land is not depreciated. Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Maintenance expenditure

It is the policy of the Company to maintain its land and buildings to a high standard. Where maintenance expenditure increases the benefits that property, plant and equipment is expected to generate, this expenditure is capitalised. All other maintenance costs are charged to the income statement as incurred.

Leases

Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at cost and depreciated over their useful lives. The capital element of future rentals is treated as a liability and the interest element is charged to the income statement over the period of the lease in proportion to the capital outstanding.

Rental payments on operating leases (net of any incentives received from the lessor and including minimum contractual rental increases) are charged to the income statement on a straight-line basis.

Inventories

The basis of valuation of inventories is the lower of cost on a first in first out basis and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory provisions are created where necessary to ensure that inventory is valued at the lower of cost and estimated net realisable value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

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.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

1. Accounting policies (continued)

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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax on properties assumes recovery through sale.

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.

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. Details of the Company's financial risk management objectives are included in the strategic report.

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.

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. Interest on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

1. Accounting policies (continued)

Early termination costs
Costs associated with the early repayment of borrowings are written off to the income statement as incurred.

Derivative financial instruments
The Company does not trade in derivative financial instruments. Derivative financial instruments (interest rate swaps and caps) are used by the Company to manage its exposure to interest rates on long-term floating-rate borrowings. All derivative financial instruments are measured at the balance sheet date at their fair value. The Company does not currently hedge account for any derivatives. As such, any gain or loss on remeasurement is taken to the income statement.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profit or loss, together with realised profits and losses arising during the period on the settlement of overseas assets and liabilities, are included in the trading results. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction.

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.

New standards and interpretations
A number of new standards, amendments and interpretations have been issued by the International Accounting Standards Board with effective dates both prior to and post 20 April 2017.

The adoption of IFRS 16 'Leases' will result in the recognition of a right-to-use asset and a lease liability in respect of the lease on the Woburn site. In addition, the lease charge recorded in the income statement will be bifurcated between the amortisation of the right-to-use asset on a straight-line basis and the interest charge on the lease liability will be recognised using the effective interest rate method. This will result in the overall charge to the income statement being higher in the earlier years of a lease than in the later years. Operating lease charges are currently recognised on a straight-line basis in the income statement. The monetary impact of IFRS 16 is currently being assessed by management.

The Directors do not anticipate that the adoption of any other standards and interpretations that have been issued by the International Accounting Standards Board will have a material impact on the Company's financial statements in the period of initial application, although the assessment is ongoing.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

2. Operating profit

Operating profit is stated after charging the following:

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
Staff costs (note 3)	**18.0**	16.6
Cost of inventories	**6.8**	6.5
Depreciation of property, plant and equipment – owned assets (note 7)	**9.2**	8.1
Amortisation of intangible assets (note 6)	**0.3**	0.3
Operating lease rental – land and buildings	**0.6**	0.6
Repairs and maintenance expenditure on property, plant and equipment	**2.7**	2.2

Auditor's remuneration in respect of the audit of the Company's financial statements of £20,000 (2016: £20,000) was incurred during the period.

3. Employees and Directors

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
Staff costs for the Company during the period:		
Wages and salaries	**17.0**	15.7
Social security costs	**0.8**	0.8
Pension costs	**0.2**	0.1
	18.0	16.6

The monthly average number of people (including executive Directors) employed by the Company during the period was:

	52 weeks ended 20 April 2017 Number	52 weeks ended 21 April 2016 Number
By activity		
Leisure, food and beverage and retail	**773**	696
Administration	**104**	103
Housekeeping, technical and estate services	**678**	633
	1,555	1,432

Employee numbers include only those on contracts of service and hence exclude temporary workers.

The Directors are remunerated for their services to the Group of companies headed by Center Parcs (Holdings 1) Limited rather than individual subsidiary companies. Directors' emoluments are therefore set out in the consolidated financial statements of Center Parcs (Holdings 1) Limited.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

4. Net finance costs

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
Finance expense		
Bank loan interest and commitment fees payable	**-**	(0.8)
Interest payable to related parties	**-**	(5.0)
Interest payable to Group undertakings	**(20.3)**	(13.1)
Interest payable on secured debt (including consent fees)	**(8.0)**	(6.7)
Other interest and similar charges	**(0.1)**	-
Finance costs before exceptional/non-underlying items	**(28.4)**	(25.6)
Exceptional/non-underlying finance costs		
- Accelerated amortisation of deferred issue costs	**(0.5)**	-
	(0.5)	-
Total finance expense	**(28.9)**	(25.6)
Finance income		
Interest receivable from Group undertakings	**4.2**	3.4
Net finance costs	**(24.7)**	(22.2)

5. Taxation

(a) Taxation

The tax credit/(charge) is made up as follows:

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
Current tax:		
- Adjustment in respect of prior periods	**-**	(2.9)
	-	(2.9)
Deferred tax:		
- Origination and reversal of timing differences	**1.7**	1.9
- Adjustment in respect of prior periods	**(0.3)**	3.2
	1.4	2.2

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

5. Taxation (continued)

(b) Factors affecting the tax credit

The tax assessed for the period is lower (2016: lower) than that resulting from applying the standard rate of corporation tax in the UK of 20% (2016: 20%). The difference is reconciled below:

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
Profit before taxation	**12.3**	13.8
Profit before taxation multiplied by the standard rate of corporation tax in the UK	**2.5**	2.8
Adjustment in respect of prior periods	**0.3**	(0.3)
Group relief not paid for	**(4.3)**	(4.5)
Impact of change in corporation tax rate	**0.1**	(0.2)
Tax credit for the period (note 5(a))	**(1.4)**	(2.2)

Change of corporation tax rate

Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the standard rate of corporation tax in the UK to 19% with effect from 1 April 2017.

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to further reduce the standard rate of corporation tax in the UK to 17% with effect from 1 April 2020.

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

6. Intangible assets

	Software £m
Cost	
At 21 April 2016 and 20 April 2017	**1.3**
Amortisation	
At 21 April 2016	0.6
Charge for the period	0.3
At 20 April 2017	**0.9**
Net book amount at 21 April 2016	0.7
Net book amount at 20 April 2017	**0.4**

	Software £m
Cost	
At 23 April 2015 and 21 April 2016	**1.3**
Amortisation	
At 23 April 2015	0.3
Charge for the period	0.3
At 21 April 2016	**0.6**
Net book amount at 23 April 2015	1.0
Net book amount at 21 April 2016	**0.7**

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

7. Property, plant and equipment

	Land and buildings	Installations	Fixtures and fittings	Motor vehicles and hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 21 April 2016	209.7	83.2	13.1	3.9	2.1	312.0
Additions	0.8	2.9	2.2	-	6.6	12.5
Transfers	1.5	0.4	0.1	-	(2.0)	-
At 20 April 2017	212.0	86.5	15.4	3.9	6.7	324.5
Depreciation						
At 21 April 2016	-	10.3	4.0	1.9	-	16.2
Charge	-	5.8	2.4	1.0	-	9.2
At 20 April 2017	-	16.1	6.4	2.9	-	25.4
Net book amount						
At 21 April 2016	209.7	72.9	9.1	2.0	2.1	295.8
At 20 April 2017	**212.0**	**70.4**	**9.0**	**1.0**	**6.7**	**299.1**

	Land and buildings	Installations	Fixtures and fittings	Motor vehicles and hardware	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 23 April 2015	209.7	80.2	12.0	3.9	-	305.8
Additions	-	2.8	1.3	-	2.1	6.2
Transfers	-	0.2	(0.2)	-	-	-
At 21 April 2016	209.7	83.2	13.1	3.9	2.1	312.0
Depreciation						
At 23 April 2015	-	5.5	1.7	0.9	-	8.1
Charge	-	4.8	2.3	1.0	-	8.1
At 21 April 2016	-	10.3	4.0	1.9	-	16.2
Net book amount						
At 23 April 2015	209.7	74.7	10.3	3.0	-	297.7
At 21 April 2016	**209.7**	**72.9**	**9.1**	**2.0**	**2.1**	**295.8**

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

8. Trade and other receivables

	2017 £m	2016 £m
Trade receivables	**1.4**	0.6
Amounts owed by Group undertakings	**114.8**	51.1
Prepayments and accrued income	**0.6**	0.6
	116.8	52.3

Amounts owed to Group undertakings at 21 April 2016 represented the principal and accrued interest on loan notes issued by CP Comet Holdings Limited. Interest was receivable on these loan notes at a compound rate of 10%. The loan notes were redeemed on 15 May 2016. Interest of £0.3 million accrued in the period from 22 April 2016 to 15 May 2016.

On 15 May 2016 the Company also entered into a new loan agreement with CP Comet Holdings Limited. The total value of this loan is £51.4 million. Interest is receivable on this loan at a rate of 8% per annum and is not compounded. Interest of £3.9 million accrued in the period 16 May 2016 to 20 April 2017.

The remaining £59.5 million owed by Group undertakings at 20 April 2017 is due from Center Parcs (Operating Company) Limited. This balance is unsecured, interest-free and repayable on demand.

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

9. Trade and other payables

	2017 £m	2016 £m
Trade payables	**1.3**	1.4
Amounts owed to Group undertakings	**-**	2.1
Other tax and social security	**0.2**	0.2
Other payables	**1.0**	0.6
Accruals	**6.6**	6.9
Payments on account	**15.4**	14.7
	24.5	25.9

Amounts owed to Group undertakings at 21 April 2016 of £2.1 million were due to Center Parcs (Operating Company) Limited. This balance was unsecured, interest-free and repayable on demand.

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

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

10. Borrowings

Non-current	2017 £m	2016 £m
Loans from Group undertakings	**190.7**	170.4
Secured debt	**189.1**	188.2
	379.8	358.6

The loans from Group undertakings are unsecured and repayable on 28 February 2022. Interest is payable at a fixed rate of 8% per annum on loans of £2.4 million and at 12% per annum on the remainder. Interest on all loans from Group undertakings are rolled up into the outstanding balance.

Prior to 11 June 2015, the counterparty to these loans was CP Woburn Holdco Sarl, the Company's previous parent undertaking. On that date the loans were assigned to Center Parcs (Operating Company) Limited, a fellow subsidiary undertaking of the Center Parcs (Holdings 1) Limited Group.

The secured debt is part of an overall £1,490.0 million (2016: £1,490.0 million) facility made available to the Group. The loans detailed below represent the issue proceeds recharged to the Company from CPUK Finance Limited, a related party which issued bonds on the external markets. The terms of the loans from CPUK Finance Limited are identical to the terms of the external borrowings.

Secured debt	2017 £m	2016 £m
Class A3 loan	**101.6**	101.6
Class A4 loan	**40.7**	40.7
Class B2 loan	**48.4**	48.4
Unamortised debt costs	**(1.6)**	(2.5)
	189.1	188.2

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

10. Borrowings (continued)

The maturity of the Company's borrowings is set out below. All amounts are denominated in £ sterling.

	Less than 1 year	2 – 5 years	Greater than 5 years	Deferred fees	Total
	£m	£m	£m	£m	£m
As at 20 April 2017					
Loans from Group undertakings	-	190.7	-	-	190.7
Secured debt	-	150.0	40.7	(1.6)	189.1
	-	**340.7**	**40.7**	**(1.6)**	**379.8**
As at 21 April 2016					
Loans from Group undertakings	-	-	170.4	-	170.4
Bank borrowings	-	150.0	40.7	(2.5)	188.2
	-	150.0	211.1	(2.5)	358.6

The non-discounted minimum future cash flows in respect of financial liabilities are:

	Loan from Group undertakings	Secured debt	Total
As at 20 April 2017	**£m**	**£m**	**£m**
In less than one year	-	7.6	7.6
In two to five years	-	168.8	168.8
In more than five years	330.9	45.4	376.3
	330.9	**221.8**	**552.7**

	Loan from Group undertakings	Secured debt	Total
As at 21 April 2016	£m	£m	£m
In less than one year	-	7.6	7.6
In two to five years	-	174.9	174.9
In more than five years	330.9	46.9	377.8
	330.9	229.4	560.3

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

11. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. All financial assets are categorised as loans and receivables and all financial liabilities are categorised as other financial liabilities. No financial assets or liabilities are carried at fair value through profit and loss as at 20 April 2017 and 21 April 2016.

	2017	2016
Assets	**£m**	£m
Trade receivables	**1.4**	0.6
Cash	**5.8**	41.3
	7.2	41.9

	2017	2016
Liabilities	**£m**	£m
Trade payables	**1.3**	1.4
Accruals	**6.6**	6.9
Other payables	**1.0**	2.7
Borrowings	**379.8**	358.6
	388.7	369.6

Fair value of financial assets and financial liabilities

The fair value of the Company's gross secured debt (before unamortised debt costs) at 20 April 2017 was £200.7 million (2016: £192.7 million). The fair value of other financial assets and liabilities of the Company at the balance sheet date are approximately equal to their book values.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

11. Financial instruments (continued)

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All of the Company's fair value measurements have been categorised as Level 2 (2016: Level 1) and fair values are derived directly from observable prices.

Fixed rate interest

At the balance sheet date, all of the Company's borrowings were at fixed rates of interest.

Financial risk management

The Company's policies with respect to financial risk management are outlined in the Strategic Report on page 2.

12. Deferred taxation

	2017 £m	2016 £m
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	**(0.7)**	(2.1)

The movement on the deferred tax account is shown below:

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
At the beginning of the period	**(2.1)**	(7.2)
Credited to the income statement	**1.4**	5.1
At the end of the period	**(0.7)**	(2.1)

The deferred tax liability is in respect of accelerated capital allowances.

Deferred tax is calculated at a rate of 17% (2016: 18%).

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

13. Share capital

	2017 £m	2016 £m
Allotted and fully paid		
15,026 ordinary shares of £1 per share	-	-

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.

14. Share premium and retained earnings

	Share premium £m	**Retained earnings** £m
At 21 April 2016	1.2	2.9
Profit for the period	-	13.7
At 20 April 2017	**1.2**	**16.6**

	Share premium £m	Retained earnings £m
At 23 April 2015	1.2	(13.1)
Profit for the period	-	16.0
At 21 April 2016	1.2	2.9

15. Working capital and non-cash movements

	52 weeks ended 20 April 2017 £m	52 weeks ended 21 April 2016 £m
(Increase)/decrease in inventories	**(0.1)**	0.1
Increase in trade and other receivables	**(60.3)**	(37.5)
Decrease in trade and other payables	**(0.6)**	(0.1)
	(61.0)	(37.5)

Notes to the financial statements

for the 52 weeks ended 20 April 2017 (continued)

16. Related party transactions

The following movements on accounts with related parties occurred in the periods reported in these financial statements:

	Balance at 21 April 2016 £m	Movement in 52 weeks £m	Balance at 20 April 2017 £m
Center Parcs (Operating Company) Limited			
- Loans	(170.4)	(20.3)	(190.7)
- Trading balances	(2.1)	61.6	59.5
CP Comet Holdings Limited	51.1	4.2	55.3

The movement on the loans balance with Center Parcs (Operating Company) Limited represents interest payable.

The movement on the trading balances with Center Parcs (Operating Company) Limited represents cash advanced of £80.0 million, off-set by the settlement of interest and other liabilities on the Company's behalf of £18.4 million.

The movement on the balance with CP Comet Holdings Limited represents interest receivable.

	Balance at 23 April 2015 £m	Movement in 52 weeks £m	Balance at 21 April 2016 £m
CP Woburn Holdco Sarl	(152.3)	152.3	-
Center Parcs (Operating Company Limited			
- Loans	-	(170.4)	(170.4)
- Trading balances	9.7	(11.8)	(2.1)
CP Comet Holdings Limited	-	51.1	51.1

Prior to 11 June 2015 the Company's immediate parent company was CP Woburn Holdco Sarl. On that date the Company was acquired by Center Parcs (Holdings 3) Limited, a member of the Group headed by Center Parcs (Holdings 1) Limited. Center Parcs (Operating Company) Limited and CP Comet Holdings Limited are both subsidiary undertakings of Center Parcs (Holdings 3) Limited.

The movement on the balance with CP Woburn Holdco Sarl represented interest payable of £5.0m and the assignment of the total loan balance of £157.3 million to Center Parcs (Operating Company) Limited.

The movement on the loans balance with Center Parcs (Operating Company) Limited represented the assignment of a loan of £157.3 million by CP Woburn Holdco Sarl and interest payable on the loan of £13.1 million.

The movement on the trading balances with Center Parcs (Operating Company) Limited represented the partial settlement of the balance due and an adjustment of £2.9 million in respect of group relief following finalisation of the prior year corporation tax returns.

The movement on the balance with CP Comet Holdings Limited represented the assignment of a loan by CP Cayman Limited of £47.7 million and interest receivable of £3.4 million.

Notes to the financial statements
for the 52 weeks ended 20 April 2017 (continued)

17. Operating leases

Commitments under non-cancellable leases are due as follows:

	Land and buildings	
	2017	2016
	£m	£m
Within one year	**0.6**	0.6
In more than one year but less than five years	**2.2**	2.2
In more than five years	**49.1**	49.7
	51.9	52.5

The Company has no other operating leases.

18. Capital commitments and contingent liabilities

At the balance sheet date, the Company had capital expenditure contracted for but not provided of £5.1 million (2016: £1.4 million).

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 £1,490.0 million (2016: £1,490.0 million).

19. Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (Holdings 3) Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Brookfield Asset Management Inc., a company incorporated in Canada.

The largest group in which the results of the Company are consolidated is that headed by Brookfield Asset Management Inc. The consolidated financial statements of Brookfield Asset Management Inc. are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3 (registered office).

The smallest group in which the results of the Company are consolidated is that headed by 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 (registered office).