MONEYSTONE PARK

FEASIBILITY STUDY

OCTOBER 2014

PROPOSED LEISURE DEVELOPMENT
AT MONEYSTONE PARK, WHISTON
ON BEHALF OF LAVER LEISURE
(OAKAMOOR) LIMITED

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Key Observations

STRENGTHS & OPPORTUINITIES

+ Attractive site location
+ Good accessibility due to close proximity to M1 and M6
+ Limited comparable supply in the local market
+ Proximity to Alton Towers, Peak District, and many nearby attractions
+ Within two-hour drive of 44% of the UK population and within three-hour drive of 62% of the UK population
+ Build reputation as central England lodge park in secluded location within easy reach of motorway network and numerous attractions
+ Opportunity to involve local community by creating an open-gated park with local engagement – also allowing capture of F&B trade
+ Potential for linkage to Alton Towers either via rail or shuttle bus
+ Possibility of station stop at the Site as part of Moorlands and City Railways developments subject to CV railway extension

The subject of this study is a proposed leisure development at the former Moneystone Quarry in Staffordshire. The project is to be developed within the former quarry taking advantage of the natural resources and beauty of the landscape to create a high quality leisure development to cater for a mix of markets including families, groups, education, special interest groups etc.

The following table outlines our key findings.

Staffordshire

+ The West Midlands has a population of c. 5.6m and Stoke-on-Trent is one of the main drivers of the regional economy.
+ Staffordshire's industry historically came into focus through the industries of pottery production (due to the presence of clay, lead, salt and coal in the area) and shoe making. In recent years, there has been a significant shift in the balance of employment from Manufacturing to Services.
+ Staffordshire attracts over 20m visitors annually, of which just 1.4m (7%) currently stay overnight.
+ Staffordshire Moorlands attracted some 3.55m visitors in 2009, of which just 239,500 stayed overnight. 93% of trips are estimated to be day trips, and the majority of visitors are recorded as repeat visitors. The average length of stay for overnight visitors is 3.42 nights.
+ Alton Towers is the single biggest tourist attraction in Staffordshire, contributing almost £38m of income annually to the local economy and over £73m to the regional economy.

The UK Holiday Centre Market

+ According to research by Mintel, the UK Holiday Centre market is worth almost £1.6bn to the UK economy. In 2012, the market attracted over 7m visitors. Holiday centres currently account for around one in eight domestic overnight leisure trips.
+ Within the lodge park market, we understand occupancy to be in the region of 55%-65% depending on location, quality of site and range of facilities to allow for adaptability during the various seasons and peaks and troughs of demand.
+ The market leader, Center Parcs, records occupancy levels above 90% due to its brand recognition and the sheer scale and range of lodges and facilities at each of its sites. However we understand that this figure may be slightly inflated due to practice of putting lodges 'out of order' during low seasons to reduce available inventory.

The Site

+ We consider the site to be very suitable for a leisure development. It is situated in a central location, within easy reach of the M1 and M6 and within driving distance of much of the UK population.
+ The Site offers a spacious area with natural resources and a diverse landscape including quarry, forestry and lakes, in a quiet and serene location.
+ Numerous attractions are located nearby and assuming the Park itself provides a host of activities, it has the potential to become a recognised leisure development within the UK.

The Proposed Development

+ We support the proposal to develop a leisure development at the Moneystone site. Furthermore, we support the concept that is proposed including the facilities to suit various market sources.
+ While there are many existing lodges and lodge parks in the UK, the proposed development will offer a unique proposition in an area that has limited supply of the nature that is proposed.
+ In the long term, the presence of leisure development at the Site, located close to Alton Towers and many other Staffordshire and Derbyshire attractions, will attract demand that may otherwise not have considered the area for a holiday break.

Introduction and Scope of Work

Introduction and Scope of Work

The subject of this study is a proposed leisure development, which forms part of the Moneystone Quarry Masterplan and the wider Churnet Valley Masterplan. It is proposed as follows:

+ 250 lodges
+ A leisure 'Hub' building
+ Outdoor sports facilities
+ Non motorised watersports facilities
+ Areas of publicly accessible open space and wetland landscape
+ New footpath, cyclepath and bridleway connections
+ Ecological mitigation and enhancement

The leisure scheme is to be developed within the disused 420-acre Quarry which lies south of the town of Whiston in Staffordshire. The site forms one of the key components of the Churnet Valley Masterplan and is considered to offer opportunities for a sympathetic development which promotes the beauty and importance of the area.

Laver Leisure has commissioned the Consultancy division of Christie + Co to conduct an independent Feasibility Study of the proposed leisure development.

Scope of Work

We have undertaken research and analysis into the current and likely future market conditions in the locality and further afield, for leisure development providing a lodge concept. The site and the local market were visited by Mr D. Bond, Mrs C. Bonnejean and Ms M. Bayley, directors of Christie + Co, between 23 and 25 October 2013.

We have considered the potential development of a high quality lodge development within the quarry. Our research and analysis have included the following:

+ Preliminary desk research, site visit and field research in the immediate local area, interviews with management of selected competitive parks and local authorities (tourism, economy and planning) and research into major resort demand generators.
+ Based on our research and experience, we have reviewed, and we comment upon, the facilities that are planned within the proposed development.
+ Analysis of current and potential future demand for tourist accommodation – culminating in projections of future demand and occupancy.
+ Projections of potential performance (seasonality, occupancy, average rates) from opening to assumed stabilised performance.

Situation, Location and Site Analysis

Key Observations

- The West Midlands has a population of 5.6m (2011 census). Stoke-on-Trent is one of the main drivers of the Region's economy.
- The West Midlands has a greater proportion than the UK average of people employed in Manufacturing, Wholesale and Retail trade, Transportation and Storage, Administrative Support Service activities and Education.
- It has a lower than UK average proportion in Information and Communication, Financial and Insurance activities, Real Estate, Professional, Scientific and Technical activities, and Public Administration activities.

Situation, Location and Site Analysis

In the following paragraphs, we discuss the economic environment and characteristics of the local area in which the proposed development will be situated. We then evaluate the location and consider the merits of the site based on various criteria including suitability for resort use, visibility, access, proximity to demand generators, resort market growth potential and barriers to entry.

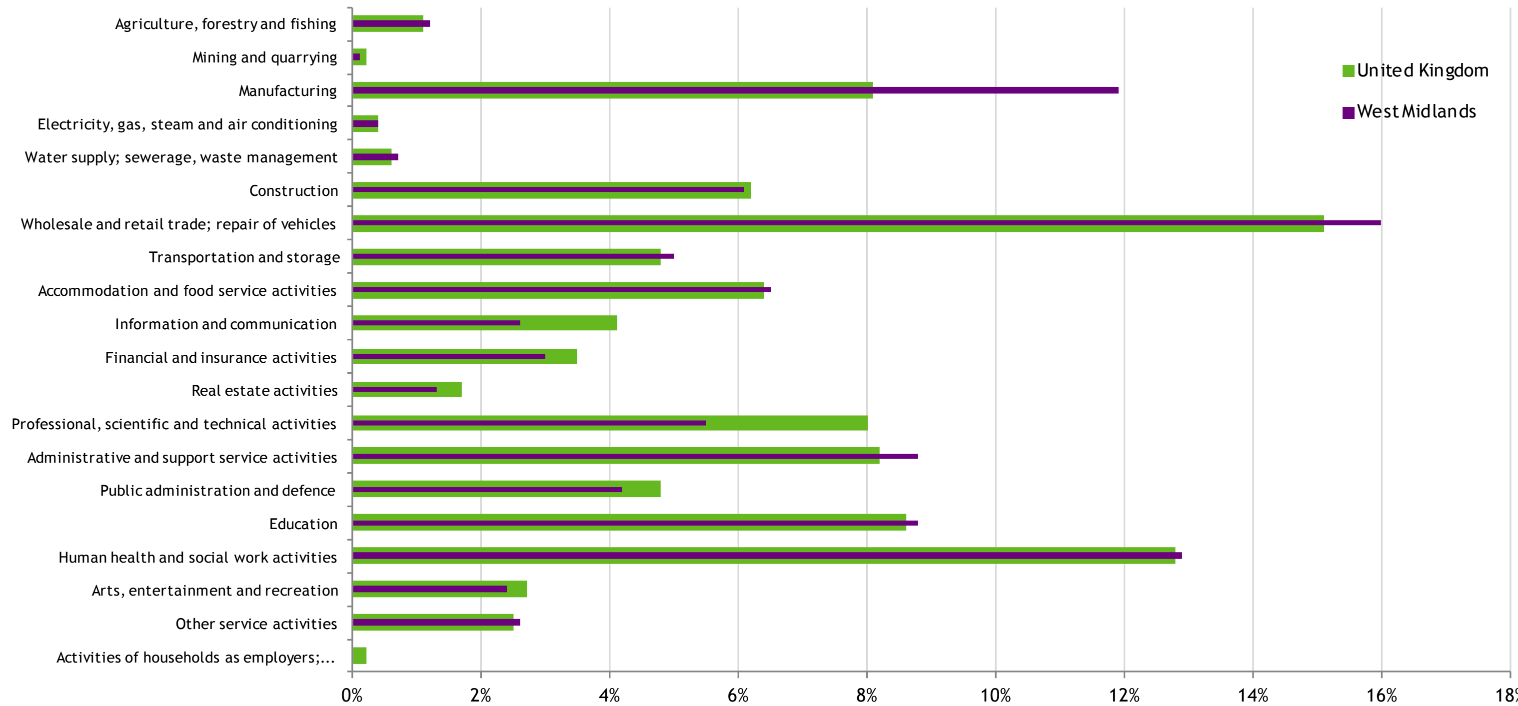
Situation

The following section considers the economic, business and tourism attributes of the area surrounding the site.

The Local area - Industry and Employment

The following table illustrates the employment structure in the West Midlands in 2013, set against the United Kingdom as a whole.

Employment Structure - West Midlands



Source: ONS Workforce Jobs by Industry; Christie + Co Analysis

Key Observations

- From the 18th century onwards, Staffordshire was one of the pioneer industrial counties of Britain.
- The Industrial Revolution in Staffordshire was epitomised by major advances in the pottery and iron industries and coal mining grew correspondingly to keep up with demand from both of these.
- Out of the basic iron and steel manufacturing industry in the old county grew a multi-faceted engineering industry.
- Stoke on Trent's reputation for pottery was established through the enterprise of its 18th and 19th century manufacturers such as Wedgwood, Minton and Spode. At its height the industry involved hundreds of companies and enjoyed a worldwide reputation and healthy export trade.

The Local area - Industry and Employment (Continued)

Staffordshire's industry historically came into focus through the industries of pottery production (due to the presence of clay, lead, salt and coal in the area) and shoe making. In recent years, there has been a significant shift in the balance of employment from manufacturing to services in Staffordshire with the shedding of jobs in sectors such as engineering (and in motor vehicles and mechanical and electrical engineering in particular) and in other manufacturing industries such as ceramics. Manufacturing still remains an important industry sector but no longer dominates the local economy. Major employers in the area are listed in the following table.

Major Employers - Staffordshire 2013

Name	Town	Description	Turnover	Staff
Sumitomo Electric Wiring Systems	Newcastle	Manufacture Of Parts And Accessories For Motor Vehicles And Their Engines	£566,081,000	14,207
Greene King Retailing Ltd	Newcastle	Bars	£563,000,000	10,979
JCB Attachments	Uttoxeter	Agents Involved In The Sale Of Machinery, Industrial Equipment, Ships,Aircraft	£2,001,800,000	7,077
Maple Court Care Home	Stafford	Medical Nursing Home Activities	£138,327,000	5,260
Phones 4U Ltd	Newcastle	Retail Sale Of Mobile Telephones	£746,200,000	3,957
Lindley Catering Ltd	Stoke-on-Trent	Catering	£36,849,000	2,697
Michelin Tyre PLC	Stoke-on-Trent	Manufacture Of Rubber Tyres And Tubes	£962,497,000	2,677
Fedex UK Ltd	Newcastle	Courier Activities Other Than National Post Activities	£190,209,000	1,889
Bet365 Group Ltd	Stoke-on-Trent	Management Activities Of Holding Companies	£501,411,000	1,673
Dee Set Logistics Ltd	Stoke-on-Trent	Other Storage And Warehousing Not Elsewhere Classified	£22,633,000	1,426
Allied Healthcare Group Holdings	Stone	Other Human Health Activities	£173,858,000	1,101
Dechra Pharmaceuticals PLC	Stoke-on-Trent	Other Business Activities Not Elsewhere Classified	£389,237,000	1,005
Westfield Lodge Nursing Home	Stoke-on-Trent	Medical Nursing Home Activities	£33,136,000	970
Goodwin PLC	Stoke-on-Trent	Other Engineering Activities	£92,908,000	881
First Potteries Ltd	Newcastle	Other Scheduled Passenger Land Transport	£34,031,000	828
Alstom Grid UK Ltd	Stafford	Manufacture Of Electronic Valves And Tubes And Other Electronic Components	£297,323,000	800
Seddon Property Services Ltd	Stoke-on-Trent	Painting And Glazing	£91,093,000	795
Steelite International PLC	Stoke-on-Trent	Manufacture Of Ceramic Household And Ornamental Articles	£66,251,000	790
WWRD United Kingdom Ltd	Stoke-on-Trent	Manufacture Of Ceramic Household And Ornamental Articles	£118,723,000	750
The Abbotshurst Group PLC	Uttoxeter	Investigation And Security Activities	£24,815,000	681
Dudson (Holdings) Ltd	Stoke-on-Trent	Manufacture Of Ceramic Household And Ornamental Articles	£28,920,000	604
Bristol Street Motors Ltd	Stoke-on-Trent	Sale Of New Motor Vehicles	£254,434,000	603
Portmeirion Group Ltd	Stoke-on-Trent	Other Retail Sale In Specialised Stores Not Elsewhere Classified	£53,610,000	579
Churchill China PLC	Stoke-on-Trent	Other Manufacturing Not Elsewhere Classified	£42,296,000	540
F Klucznik & Son Ltd	Stoke-on-Trent	Other Building Installation	£42,031,000	540
Wright's Pies (Shelton) Ltd	Stoke-on-Trent	Wholesale Of Other Food Including Fish, Crustaceans And Molluscs	£34,745,000	451
Autonet Insurance Services Ltd	Stoke-on-Trent	Activities Auxiliary To Insurance And Pension Funding	£19,769,000	427
Mitie Lighting Ltd	Stafford	Installation Of Electrical Wiring And Fittings	£31,183,000	398
Ukais Ltd	Stoke-on-Trent	Non-Life Re-Insurance	£23,396,000	396
Leoni Wiring Systems UK Ltd	Newcastle	Manufacture Of Wire Products	£188,462,000	375
Don-Bur (Holdings) Ltd	Stoke-on-Trent	Architectural And Engineering Activities And Related Technical Consultancy	£38,473,000	362

Source: Stoke Sentinal, Christie + Co Analysis

Key Observations

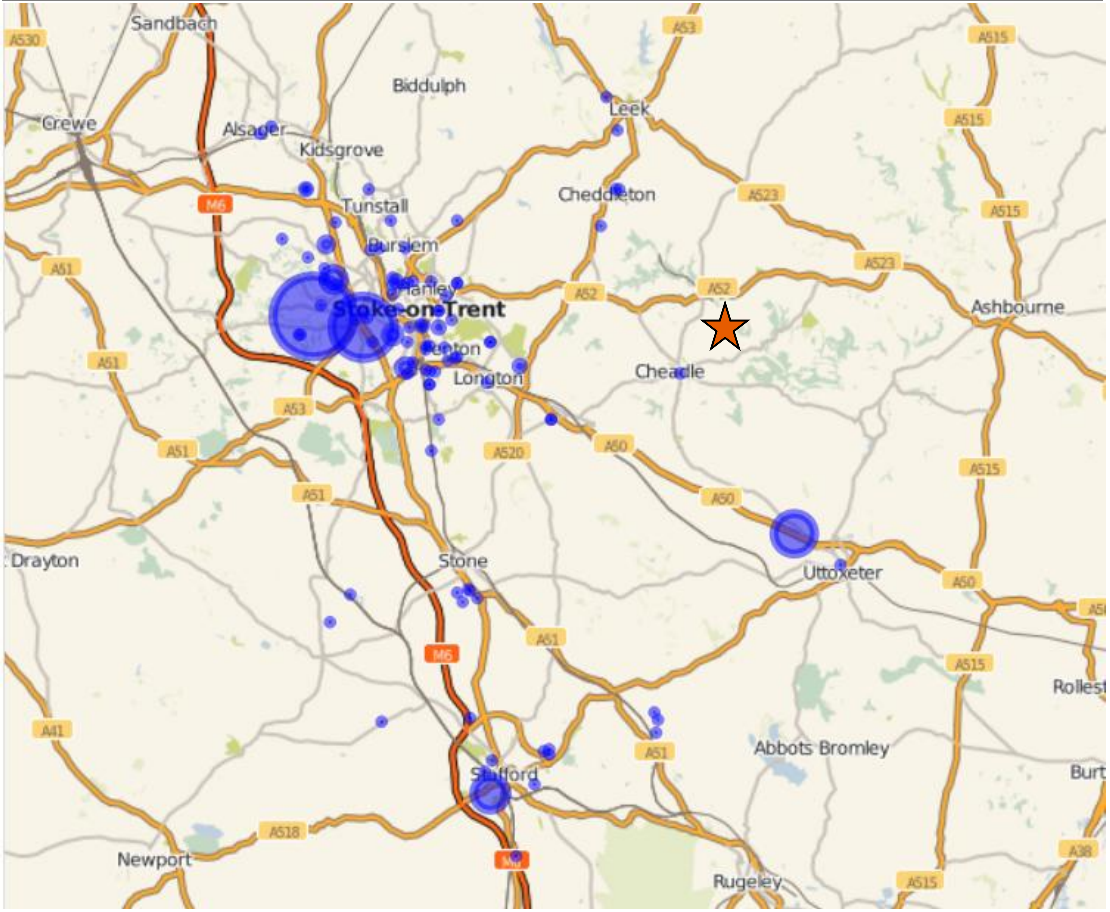
- The key employers in the area are based around Stoke on Trent, with a small number also located in Leek, Cheddleton and Stone.
- One of the biggest employers in the area is JCB located outside Uttoxeter. JCB employs over 7,000 people and generates a turnover of c.£2bn.

The Local area - Industry and Employment

Map of Key Employers by Turnover

The following map shows the location of major employers in Staffordshire with the size of the bubble indicating their annual turnover.

Map of Staffordshire's Major Employers by number of Employees



Source: Stoke Sentinal, Christie + Co Analysis

Key Observations

- 25% of the Peak District is located within Staffordshire Moorlands and as such the local council is making all efforts to reap the benefits of the well known Peak District brand.
- The High Peak Borough Council and Staffordshire Moorlands District Council work together on initiatives as a strategic alliance.
- The site benefits from a location which is within easy reach of the Peak Park.

The Local Area - Staffordshire Moorlands

Staffordshire Moorlands is a local government district in Staffordshire.

Its council, Staffordshire Moorlands District Council, is based in Leek, while the area's three main towns are Leek, Cheadle and Biddulph. It is located between the city of Stoke-on-Trent and the Peak District National Park.

The population of Staffordshire is c. 1.1 million, with just 97,200 in Staffordshire Moorlands according to the 2011 census.

Key Observations

+ Alton Towers is the single biggest tourist attraction in Staffordshire, contributing almost £38m of income annually to the local economy and over £73m to the regional economy.
+ Other attractions in Staffordshire include Manifold and Dovedale, Rudyard Lake, The Churnet Valley Heritage Railway line, The National Trust property Biddulph Grange, Leek and the annual Leek Arts Festival, Cheadle, The Roaches and Tittesworth, The Peak District (25% of which is located in Staffordshire with the remainder in Derbyshire), and outdoor pursuits such as rock climbing (The Roaches), sailing (Rudyard Lake) and cycling (Waterhouses).
+ There is reported to be a lack of quality accommodation in the Staffordshire Moorlands area. As a result, only 6.5% of visitors are reported to stay overnight.
+ It was recently announced that Whitbread is converting the former Talbot Inn in Leek into a 60-bedroom Premier Inn hotel and restaurant, which is due to open in March 2014. This is likely to stimulate more visitation to the area.

Tourism Visitation

The following table presents visitor statistics relating to Staffordshire from 2008 to 2011. At the time of writing this Report, the 2012 figures were not yet available.

Tourism Visitation - Staffordshire

Year	2008	2009	2010	2011	2012
All visits to Staffordshire	18,359,000	20,075,000	20,134,000	20,834,000	n/a
Overnight visits	1,158,000	1,377,000	1,308,000	1,392,000	n/a
% growth	*6.3%*	*6.9%*	*6.5%*	*6.7%*	
% of overnight visits - Domestic	83%	88%	87%	89%	
% of overnight visits - Overseas	17%	12%	13%	11%	
Nights spent by overnight visitors	4,471,000	4,636,000	4,719,000	4,700,000	n/a
Average length of stay (nights)	3.86	3.37	3.61	3.38	
Total Spend by Visitors	£902.4m	£1.008bn	£985.5m	£998m	n/a
Direct jobs related to tourism	17,145	19,008	19,124	17,482	n/a

Source: Christie + Co Research

Staffordshire Moorlands attracted some 3.55m visitors in 2009, of which just 239,500 stayed overnight. 93% of trips are estimated to be day trips, and the majority of visitors are recorded as repeat visitors. The average length of stay for overnight visitors is 3.42 nights.

Market segments include the following as defined by the district:

+ Business tourism
+ Day visitors: Family Fun, Party Fun, Discoverers, Actives and Treat
+ Staying visitors: Family Fun, Party Fun, Countrysiders and Special Interest

The main attractions which provide the basis for economic growth in tourism in the District are the Peak District National Park, Alton Towers, the Churnet Valley, Leek, and the inland water bodies of Rudyard Lake and Tittesworth Reservoir.

Key Observations

- The attractions listed here are known to generate visitation to the area at present.
- However, as mentioned earlier, due to the reported lack of quality accommodation, many visitors do not stay over night in the district.
- Upon launching a leisure development such as the one planned at Moneystone, it is likely that visitors would be attracted to the scheme based upon the demand generators listed adjacent.
- We also envisage that the leisure development will induce part of its demand, as such resorts tend to be destinations in their own right.
- In addition, attractions which are in close proximity to the site including Whiston Hall golf course will enhance its offering for certain markets.

Generators of Demand

The following table provides a list of generators of demand and attractions in the area. It includes an indication of markets which are likely to be attracted while also showing the distance of the attraction from the Site.

Proximity to Demand Generators and Tourist Attractions

Demand Generator	Leisure	Conference	Education	Distance from site (miles)
Local towns Whiston, Froghall, Kingsley Holt, Oakamoor	✓			1
Nearby cities and major towns (Birmingham, Manchester, Stoke-on-Trent, Nottingham, Stafford, Derby etc.)	✓	✓	✓	Varies
Churnet Valley Railway	✓	✓	✓	2.3
Alton Towers	✓			3.6
Peak District Peak Park	✓			5
JCB Factory Tour	✓	✓	✓	7.5
Dovedale	✓			9.5
Waterworld, Stoke-on-Trent	✓			13
Tissington Hall	✓			13.5
Potteries	✓		✓	15
M6 Motorway	✓	✓	✓	16
Trentham Gardens	✓			17
Matlock Bath	✓			23
Cannock Chase	✓			28
Twycross Zoo	✓			37
Drayton Manor	✓			49
Tamworth Snowdome	✓			50
Drayton Manor Theme Park	✓			50
Black Country Museum	✓		✓	54
Birmingham/NEC/Cadbury World	✓	✓	✓	60

Source: Christie + Co Analysis

Key Observations

- The Alton Towers Hotel includes 175 rooms and 8 suites. It opened in April 1996 and is themed to the eccentric fictional character Sir Algernon Alton. The rooms are decorated in a classic English style with pictures of Sir Algernon's inventions including the 'coasting roller' adorning the walls.
- The Splash Landings Hotel includes 216 rooms. It opened in 2003 and has an exotic Caribbean theme. Both the bar and restaurant have windows looking out over the indoor waterpark. The Resort rooms are in a wing to the side of the Resort and some rooms have views over the outdoor sections of the waterpark.
- In our opinion, the ongoing development of Cbeebies Land is likely to attract a new market to Alton Towers which will also broaden to the potential capture markets for the proposed leisure development at Moneystone park.

Generators of Demand (Continued)

Given the location of the site and proximity to many tourist attractions, it is likely that Alton Towers, as well as other attractions, will be of importance to the development on a number of levels:

- Regular visitors to Alton Towers may decide to extend their stay in the locality by staying at the development; and
- Tourists wishing to book a lodge holiday may chose the development due to its proximity to Alton Towers and other local attractions;

About Alton Towers

Alton Towers is a theme park and resort located in Alton. In 2012, it attracted 2.4 million visitors, making it the most visited theme park in the UK and the 9th most visited theme park in Europe. More than 2,400 staff are employed at the park during the summer months, over 1,000 of whom are full time. It is based north of the village of Alton in Staffordshire (approximately 16 miles east of Stoke-on-Trent and just three miles from the Site), in the grounds of Alton Towers, a semi-ruined gothic revival country house. The estate was a former seat of the Earls of Shrewsbury. The park has developed progressively since the 1950s and is currently owned by investment firm Prestbury but leased to Merlin Entertainments who operate it on a 35-year lease.

The park includes the theme park as well as the Alton Towers Resort, the Splash Landings Resort, the Waterpark, the Spa, the Extraordinary Golf and the Conference Centre. It is the flagship attraction of Merlin Entertainments in the UK. Major attractions at Alton Towers include Nemesis, Oblivion, Air, Rita and Th13teen, and in 2013, The Smiler opened, becoming the world's first 14-inversion roller coaster.

The park's maximum daily capacity is set at 28,000 customers. Height restrictions are placed on many rides, where users must meet a minimum requirement. This ranges from 0.9m to 1.4m depending on the ride. Essentially, this system means that Alton Towers is currently geared towards children ages from around 8 and older.

The park is publically open from mid February to mid November each year; however it opens for special events and private groups outside of this period.

Future plans

At the time of writing this Report, plans were underway to create CBeebies Land within the park which will include rides, immersive play areas, live experiences and character experiences. This new addition to the park will be located within a dedicated five-acre site. As one of the most popular preschool channel's in Britain, this feature is likely to attract a new market of young children and families to Alton Towers.

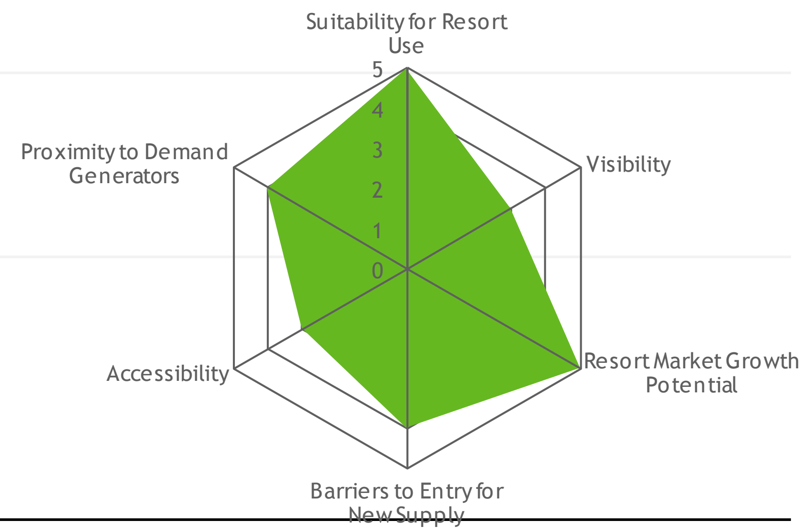
Key Observations

+ We have evaluated the site based on six criteria in order to determine its overall suitability for a leisure development.
+ The score of 77% is considered to be good in the leisure market and represents an opportunity to deliver a high quality successful leisure development.

Site Analysis – Proposed Resort

The following chart ranks the site according to a number of criteria.

Criteria	Score	Comment
Suitability for Resort Use	5	Natural resources on the land are very appropriate for a leisure development – e.g. backdrop of former quarry, forestry, lakes, presence of wildlife, natural pathways, old railway line, river boundary, suitability for solar power. Pedestrian and vehicle access are to be designed taking account of the layout of the former quarry, while the development should take account of the natural beauty of the area.
Visibility	3	The secluded nature of the site is likely to result in low visibility which is of benefit for the development. The proximity to Alton Towers will result in most target markets having a pre-existing knowledge of its broad location.
Resort Market Growth Potential	4	The lodge resort market holds a high reputation in the UK's holiday market and is growing in popularity as many travellers move away from the traditional seaside holiday and as result of the booming staycation trend. The opening of a new Center Parcs in Bedfordshire is like to stimulate the resort lodge market further.
Barriers to Entry for New Resort Supply	4	Barriers to entry appear to be reasonably high as there are likely to be few sites available for a lodge development such as is proposed. High barriers to entry decrease the risk of future competition for existing resorts and can therefore make a development more viable. We understand that the management of Alton Towers historically had aspirations for a lodge park development however these are no longer being pursued on the basis that the proposed development is within close enough proximity that management anticipate it will act as an attractive accommodation proposition for 'spillover' demand from Alton's onsite hotels.
Accessibility	3	The Site is just 16 miles from the M6 and 30 miles from the M1. Once in the immediate area, access is via the A52 and countryside roads.
Proximity to Resort Demand Generators	5	The site is within a three-hour drive of 62% of the UK's population. It is likely to be attractive to many different demand generators including leisure, education, special interest groups, supporters of Alton Towers, the corporate segment etc.
Overall Score out of 30	23	Or 77%



Source: Christie + Co Research and Analysis

Key Observations

+ The site benefits from its very central location, within easy reach of much of the UK's population, and within easy reach of the motorway network (M1 and M6).

Location and Access

Road

The site is connected via the A52 which links to the M6 (16 miles to the west) and to the M1 (30 miles to the east).

Rail

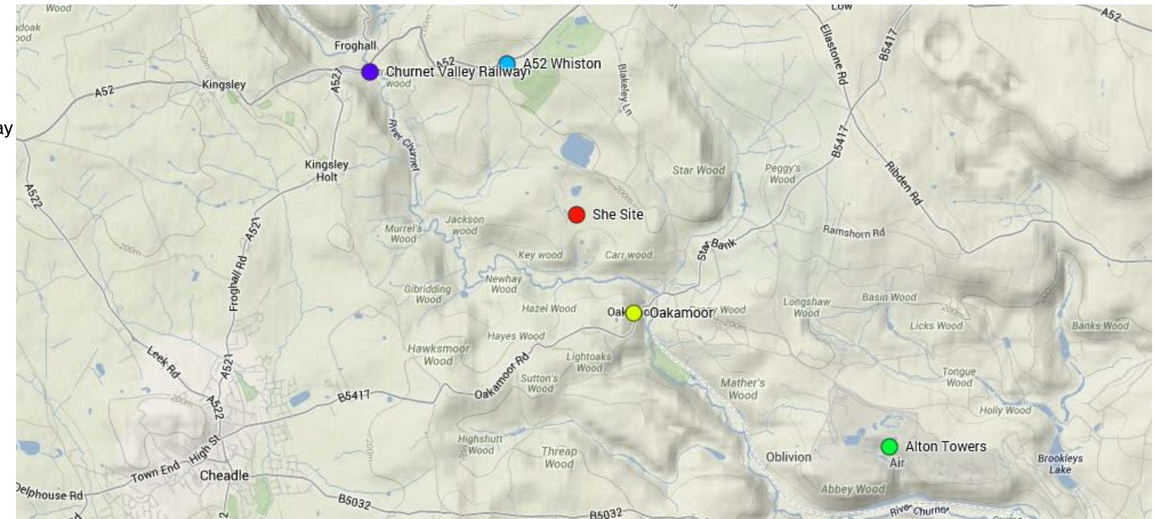
The closest station is at Stoke-on-Trent (15 miles away). Moorlands and City Railways (MCR) was recently established to purchase, renovate and return commercial rail freight to the Stoke on Trent – Cauldon Lowe rail line.

Air

There are three airports within easy reach of the Site – East Midlands (40 miles, 1 hour), Manchester (36 miles, 1 hour 10 mins) and Birmingham (60 miles, 1 hour 20 mins).

Local Area Map

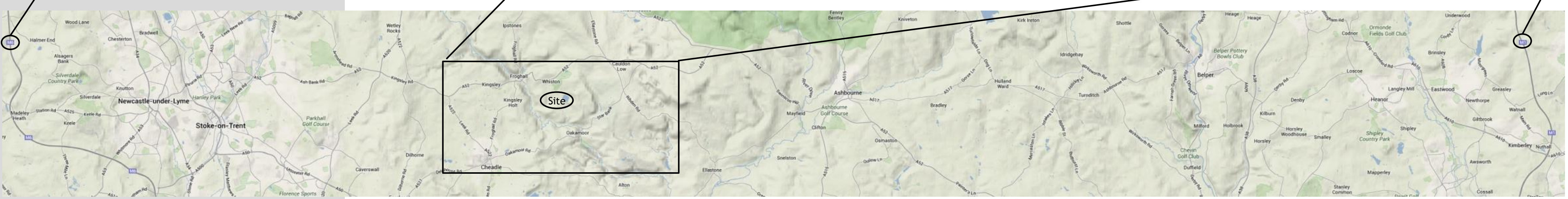
to M6 Motorway



to M1 Motorway

M6 Motorway (16 miles from the Site via the A52)

M1 Motorway (30 miles from the Site via the M52)



Source: Google Maps, Christie + Co Analysis

Key Observations

- The local area is home to a wide range of attractions and activities including the Peak District, which is likely to make a 5 or 7-night stay at the Site attractive to many markets.
- The envisaged open-gated policy of the Park will give it a distinct differentiation from, say, a Center Parcs experience, while also encouraging engagement with the local community and contributing to the local economy.

Attractions within the Locality

Comprehensive Map of Attractions

The map on the right provides a guide of the provision of activities, accommodation and attractions in the area surrounding the site (which is marked with a red star).

KEY

SITE LOCATION

SPORTS & OUTDOORS

- Outdoor
- Outdoor - water based
- Indoor

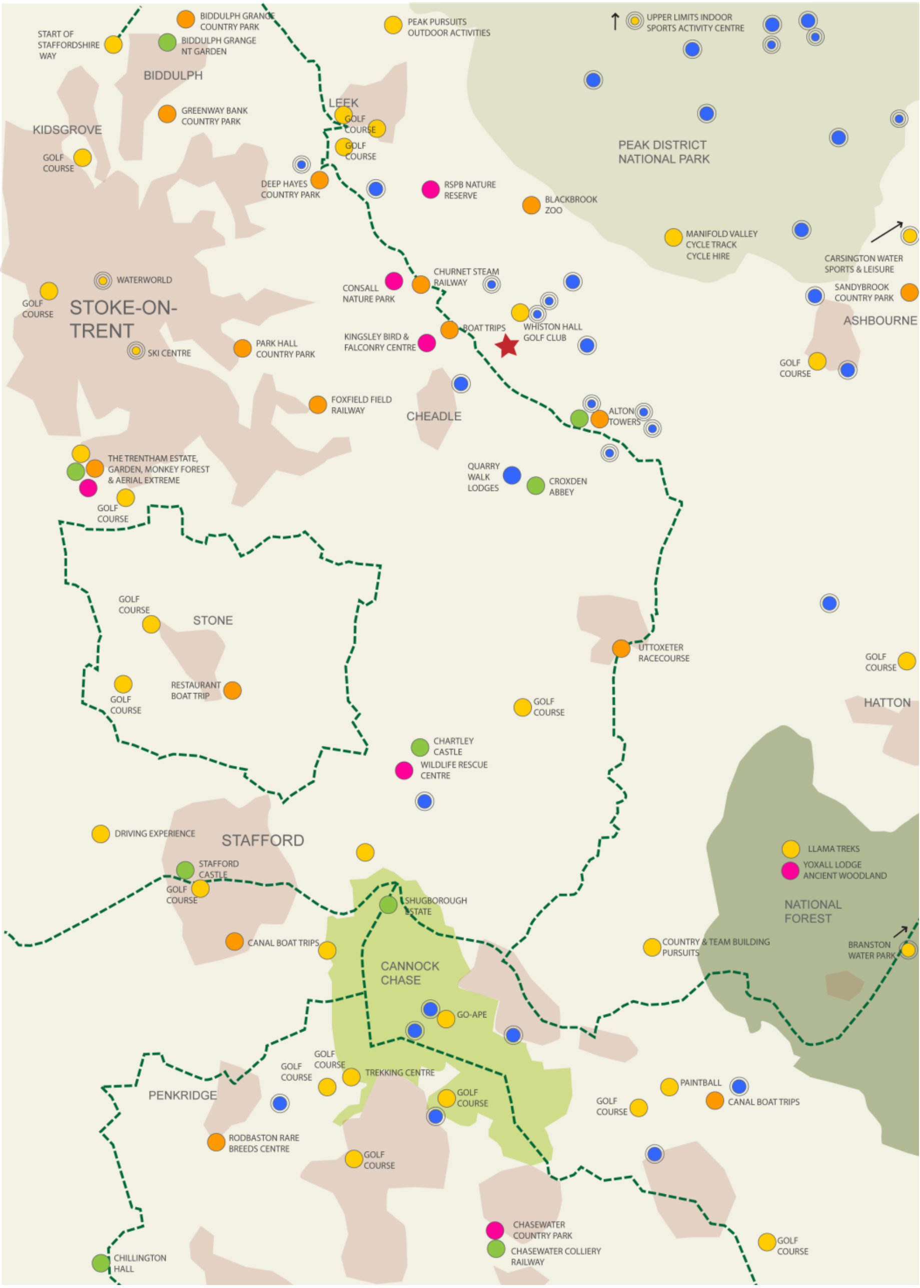
THEME PARKS & VISITOR ATTRACTIONS

GARDENS, HISTORY & HERITAGE

WILDLIFE/NATURAL HERITAGE

ACCOMMODATION

- Lodges
- Camping
- Hotel/B&B/other



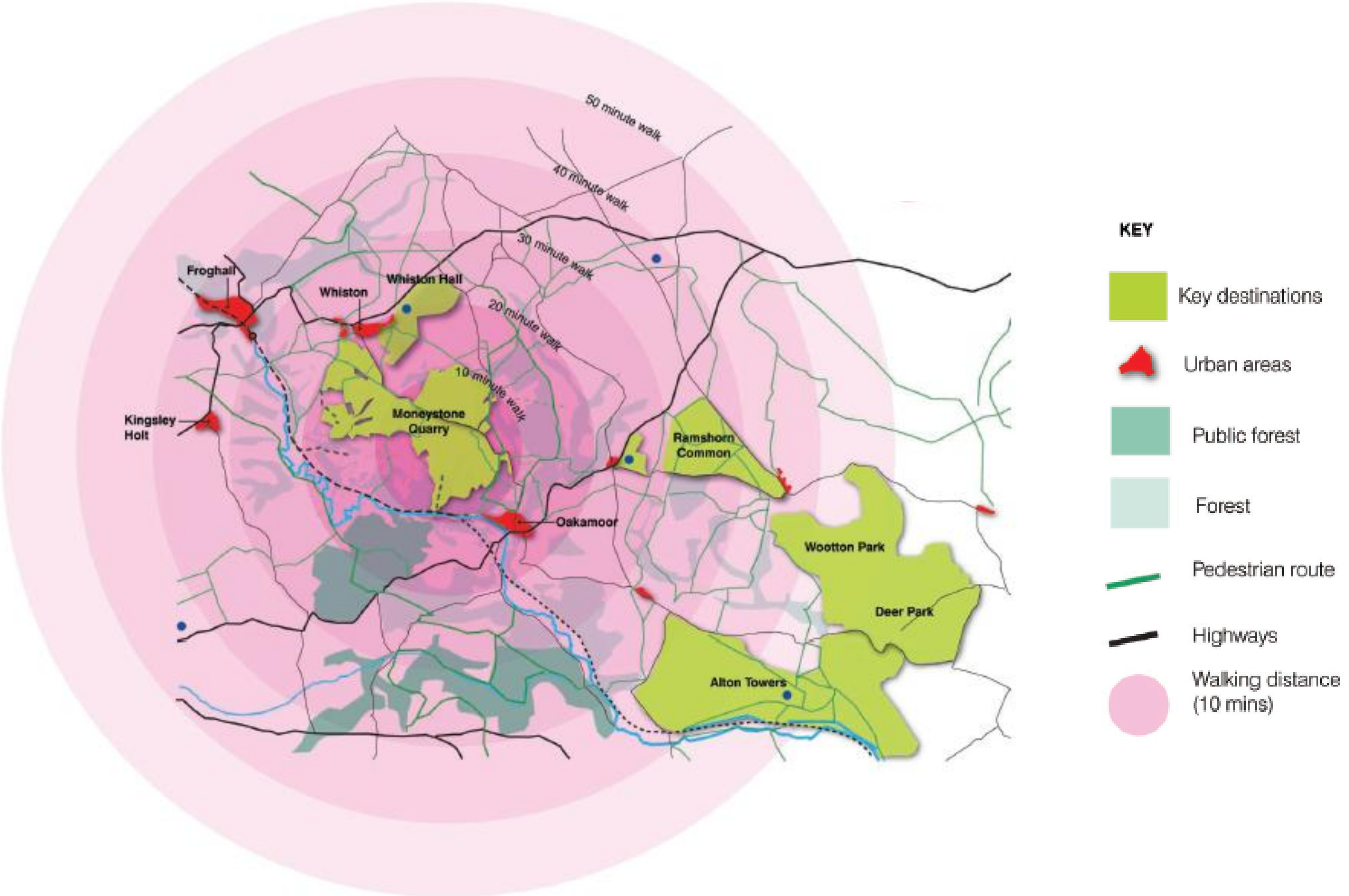
Key Observations

+ In addition to activities located on site, visitors to the Park are likely to enjoy offerings within the local area including:
  - Kingsley Holt
  - Froghall
  - Whiston and Whiston Hall
  - Rhamsorn Common
  - Oakamoor
  - Wootton Park
  - Deer Park
  - Alton Towers

Attractions within the Locality (Continued)

Attractions within Walking Distance of the Site

The following map shows the attractions which are within walking distance of the site. Distances are shown according to walking times; however, most areas will also be accessible by bike.



Key Observations

- In our opinion the proposed leisure development is likely to mainly attract people within a 160 mile (or three-hour drive time) radius of the site.
- We have identified a population of approximately 35.8m within this catchment area, which represents 62% of the total UK population.

Envisaged Catchment Area – The Proposed Leisure Development

Tourist Capture Area – within a three-hour drive-time radius of the site

The following map highlights the area within a three-hour drive time radius (approximately 160 miles) from the site, in order to estimate the catchment market for the proposed leisure development.

Key Observations

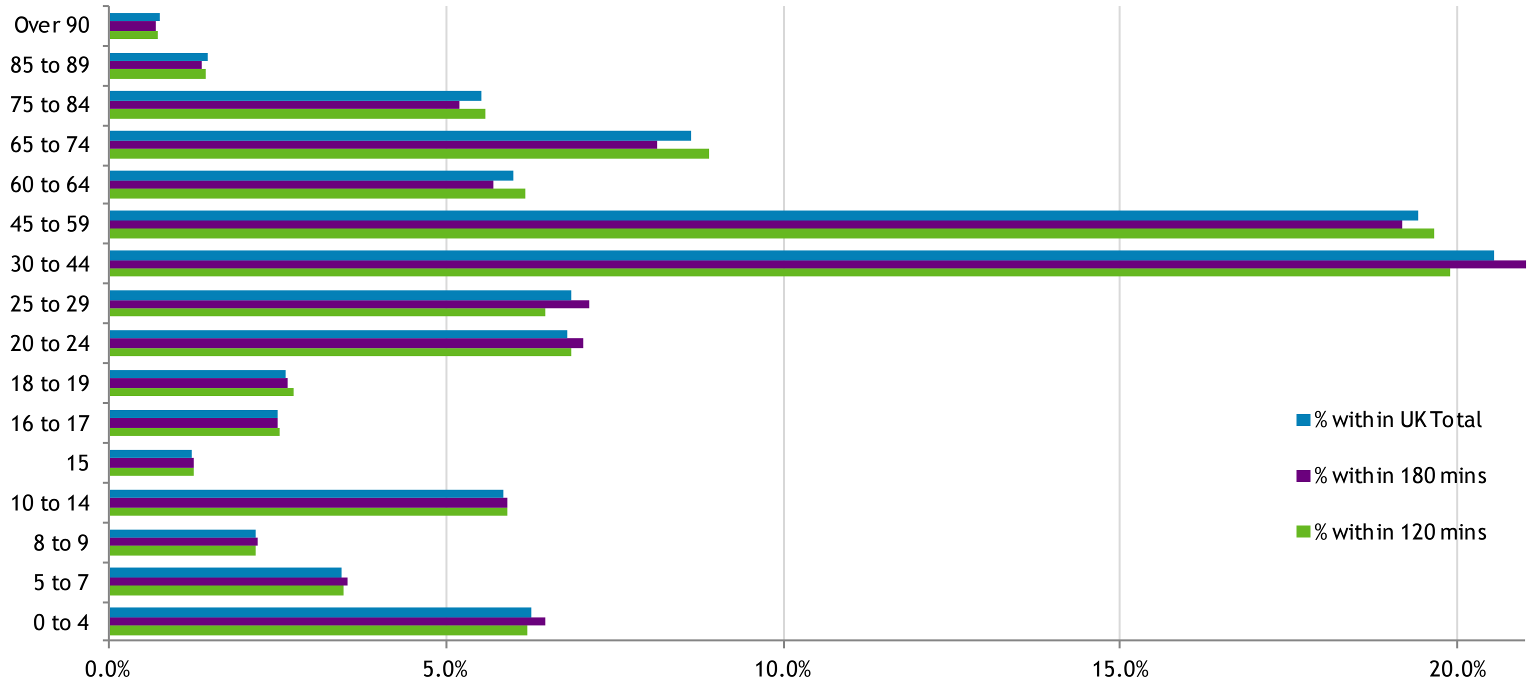
- 44.3% of the UK population is located within 120 minutes of the site, whilst 62% is located within a 180 minute radius.
- The population by age in the areas within 120 minutes and 180 minutes of the site broadly follows the UK average, with the proportion of those aged 0-15 being slightly higher in the envisaged catchment area.
- The age profile of the envisaged catchment area will enable the leisure development to capture the family market from within a two and three-hour drive time of the site.

Envisaged Catchment Area - by Age of Population

Age of population within a three-hour radius of the site

The following chart has been produced by analysing population figures for the area, which makes up the radius of 120 minutes and 180 minutes drive time from the site. Results are set against the UK average.

Age of Population Within a Two-Hour and Three-Hour Drive Radius of the Site (%)



Source: Census 2011, Christie + Co Analysis

Key Observations

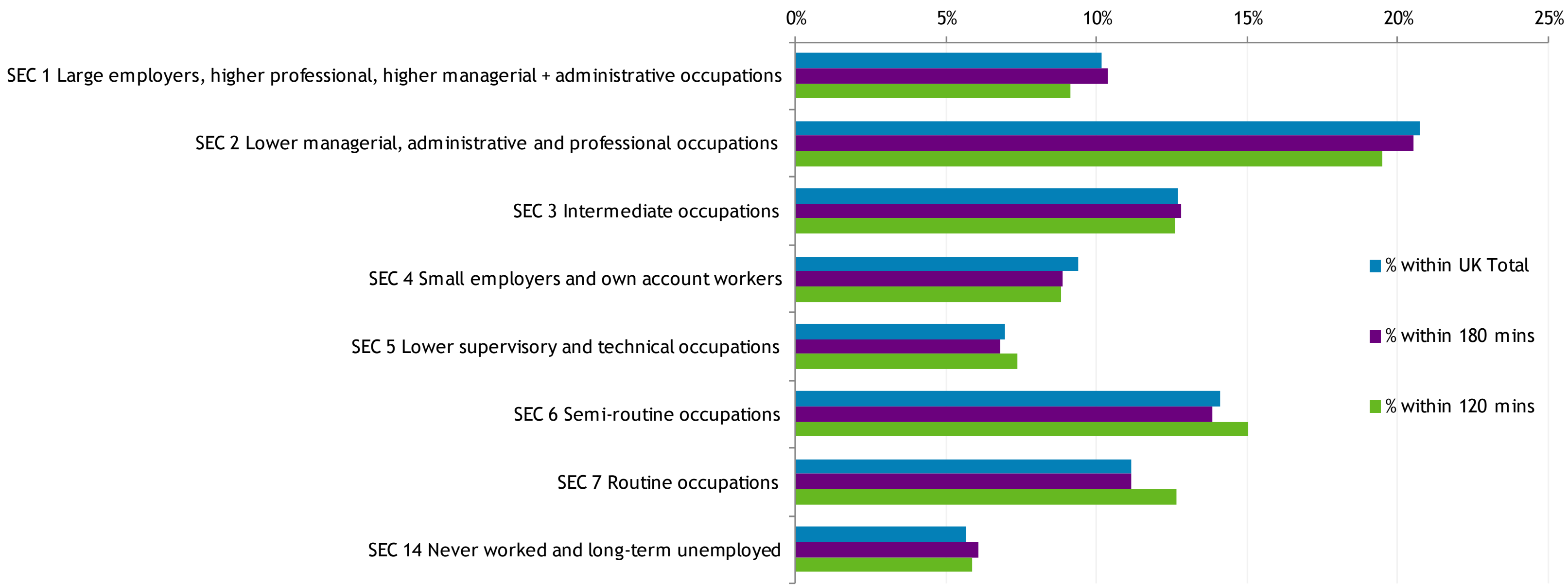
- In order to assess and quantify the target market for the development, we have analysed the demographic social class structure within these areas.
- The target population of guests for the development is likely to be primarily from the SEC1, SEC2, SEC3 and SEC4 socioeconomic categories.
- The adjacent graph shows that the area within a 120-minute drive of the site has below UK average proportions of these grades, however, when the area within a 180-minute drive of the site (which includes London) is analysed, the proportion of SEC1 and SEC3 population exceeds the UK average.
- This should enable the leisure development to capture guests with a propensity to seek a lodge holiday experience within a two- and three-hour drive time from home.

Envisaged Catchment Area - by Social Grade of Population

Social grade of population within a three-hour radius of the Site

The following chart has been produced by analysing population figures for the area which makes up the radius of 120 minutes and 180 minutes drive time from the site. Results are set against the UK average.

Social Grade of Population Within a 120 Minute and 180 Minute Drive Radius of the Site (%)



Source: Census 2011, Christie + Co Analysis

The Proposed Leisure Development

Key Observations

+ The following constraints and opportunities are noted in the Churnet Valley Masterplan:

Constraints

- Remediation from past quarrying activities required
- Redundant on-site quarrying structures
- Areas of high wildlife value - SSSIs and SBI
- Mineral consultation area between Oakamoor and Whiston

Opportunities

- Good local infrastructure
- Reuse of existing quarry features
- Dramatic setting
- Proximity to Alton Towers and many other tourist attractions
- Network of existing off-road paths
- Churnet Valley Railway
- Provision of significant local employment
- Proximity of Crowtrees farms, community of farmers and local producers
- Proximity to golf course at Whiston Hall and proposed Equestrian Centre at Crowtrees

Introduction

The proposed leisure development encompasses the erection of a high quality leisure development comprising holiday lodges; a new central hub building (providing swimming pool, restaurant, bowling alley, spa, gym, informal screen/cinema room, children's soft play area, café, climbing wall and shop); café; visitor centre; administration building; maintenance building; archery centre; water sports centre; equipped play and adventure play areas; multi-sports area; car parking, and managed footpaths and cycleways set in attractive landscaping and ecological enhancements.

The proposed leisure development is divided into five zones, as detailed below. Site Photographs and a plan of the proposed leisure development are included in Appendix I and II.

Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
+ Low impact holiday lodge development, incorporating landscaping and biodiversity areas. + Hub.	+ Low impact holiday lodge development, incorporating landscaping and biodiversity areas. + Development of solar panels.	+ Recreational lake.	+ Limited sensitive development of holiday lodges.	+ Limited sensitive development of holiday lodges.

Key Observations

- The proposed leisure development should have regard to the local surroundings and natural beauty of the area.
- We consider that the facilities as outlined in the illustrative schedule are appropriate for the site.
- We recommend that sufficient space is assigned to public spaces and facilities having regard to the number of guests that will be on site.
- We recommend that a range of F&B options are available including one or two restaurants, possibly a take away concept such as a wood fire pizza hut or rotisserie chicken hut, while produce in the farm shop should also lend itself to providing food suitable for cooking in lodges.
- We understand that a solar farm will be developed on the site, with energy being sold to the National Grid. Discounted energy rates will subsequently be obtainable for the leisure development.

In the following paragraphs, we set out our key commentary and recommendations with regard to the proposed leisure development as currently envisaged and the planned facilities. Our comments are based on our research and understanding of the lodge sector, which is detailed as part of this Report, and our knowledge of other comparable resorts elsewhere. We have not had sight of any detailed architectural drawings, structural surveys or building reports. Furthermore we have not been provided with any cost estimates.

Proposed Facilities and Activities

The following table provides an illustrative outline schedule of the likely facilities for the proposed leisure development. Commentary is provided on the following pages, along with images to demonstrate the proposition and concept.

Illustrative Schedule of Proposed Resort's Facilities And Activities

Name: Proposed Leisure Development – Moneystone Park
Address: Moneystone Quarry, Whiston, Staffordshire
Assumed Opening Date: 1 January 2017

250 Lodges/Cottages	Sleeps			F&B and Shop Facilities (TBC)	Location	Approx Size (m^2)	Seats
1 Bedroom Lodges	2			Restaurant(s)	Hub Zone 1	500	TBC
2 Bedroom Lodges	4			Coffee Shop	Hub Zone 1	70	TBC
3 Bedroom Lodges	6			Brasserie/Bar	Hub Zone 1	TBC	TBC
4 Bedroom Lodges	8			Micro Brewery (TBC)	Hub Zone 1	TBC	TBC
5 Bedroom Lodges	10			Resort Shop (incl. Arts & Crafts Centre)	Hub Zone 1	350	-
6 Bedroom Lodges	12			Visitor Centre	Hub Zone 1	390	-
Recreational Facilities/Activities (TBC)	**Location**			**Recreational Facilities/Activities (TBC)**	**Location**		
Woodland Adventure Activities	Woodlands	-	-	Bicycle Hire Outlet	Close to Hub	-	-
Wildlife Tracks	Woodlands	-	-	Swimming Pools, changing and plant	Hub Zone 1	620	-
Leisure Trails (Cycling, Walking)	Woodlands	-	-	Gym including studio	Hub Zone 1	250	-
Mountain Bike/ Cycle Trails	Woodlands	-	-	Health Spa Area for Adults	Hub Zone 1	160	-
Archery Range	Woodlands	-	-	Children's Indoor Soft Play Area	Hub Zone 1	145	-
Tree tops High Ropes / Climbing Tower	Woodlands	-	-	Indoor Climbing Wall	Hub Zone 1	320	-
Non Motorised Sports on Lake	Lake Zone 3	-	-	Bowling Lane area (4 lanes)	Hub Zone 1	140	-
Fishing	River/Lakes	-	-	Cinema/Screening room (beanbag style)	TBC	80	-
Outdoor Children's Playgrounds	In each Zone	-	-				
Other Facilities	**Location**			**Conference/Education Facilities**	**Location**		**Capacity**
Reception and admin offices	Hub Zone 1	145		Conference Room	Hub Zone 1	TBC	TBC
Laundry	Various locations			Business Centre	Hub Zone 1	TBC	TBC
Public toilets including disabled	Various locations						
Stores, back of house, maintenance	Various locations						
Car Park and Staff Car Park	External	387 spaces					

Source: Client Correspondence, Christie + Co Analysis

Proposed Facilities and Activities (continued)

The following images are intended to show the range of accommodation and facilities that may be on offer within the leisure development

Lodge overlooking lake

Lodge with private hot tub

Restaurant

Studio used for art or activities

Lodges set within quarry

Farmers market

Lodge interior - bedroom

Lodge interior - living room

Lodge with private decking and parking

Key Observations

- We recommend that a variety of facilities to suit all age groups are on offer , while also having regard to activities which can be enjoyed year round, taking account of weather limitations.

Proposed Facilities and Activities (continued)

The following images are intended to show the range of activities proposed at the Resort:

Tree tops high ropes

Pedal boating

Mountain biking

Horse riding

Fishing on the lake

Bike with children’s trailer

Bicycle hire

Children’s playground

Outdoor table tennis

Climbing wall

Indoor pool with slides

Fitness studio

Key Observations

- We recommend that interiors are designed and constructed to a high quality, in order to withstand high volume traffic and usage.

Proposed Facilities and Activities (continued)

The following images are intended to show examples of exteriors and interiors at other comparable Resorts:

Hub building exterior

Hub Building

Lobby lounge

Indoor Bowling

Farm Shop

Pool tables

Indoor Activities

Outdoor Spa Area

Non motorized boats

Family cycling path

Restaurant

Indoor activities plan

Lodge Interior

Cinema

Children's Entertainment

Cycle trail

Commentary on Proposed Layout, Facilities, Activities and Positioning

Following our site inspection and research, which is detailed further within this Report, we make the following recommendations:

We recommend that the proposed leisure development is designed and configured to be open to the local community rather than having gated access and being promoted for guests only. We recommend that all aspects of park including food & beverage outlets, farm shops and walkways are open to members of the local community, passersby and visitors to the area. In addition, park activities should welcome non-residential visitors on a drop-in basis, with a fee charged where appropriate for paid activities.

Access

+ We recommend that access to Alton Towers is accessible from the Park via a shuttle bus. Although the proposed development will be developed in a way that is self sufficient (multitude of facilities and activities on site), it is likely that some visitors will have a desire to visit Alton Towers while in the area.

Breakdown of Lodges and Phasing of Development

+ We have assumed that the lodges will be constructed as stand-alone units, set within various areas throughout the park with views over the lakes and wooded areas where possible.
+ We recommend that the park’s lodges are split into zones so that certain zones can be targeted at young families (close to the hub building) and the more secluded zone (by the front lake) be targeted at couples, mature visitors and any corporate guests.
+ We recommend that a mix of lodge type is available in each zone, with more larger lodges within family-geared areas and more one-bed lodges in couple-focused areas etc.

Breakdown of Lodges and Phasing of Development (continued)

We recommend that the development is phased so that it can begin to trade before full completion. The following table provides an indication of the elements which should be completed in the initial phase and those that could be completed at a later phase, or delayed depending on timing or seasonal constraints.

Proposed Resort Facilities And Activities

Type	Location	Zone	Indoor/Outdoor	Facility	Initial Phase	Later Phase	Delayed Phase
Lodges	Various	Zone 1+2+4+5	Indoor	Family lodges close to hub building	✓		
Lodges	Various	Zone 1+2+4+5	Indoor	Secluded lodges close to front lake		✓	
Lodges	Various	Zone 1+2+4+5	Indoor	Forest lodges located beyond 'tunnel'			✓
F&B	Hub	Zone 1	Indoor	Restaurant	✓		
F&B	Hub	Zone 1	Indoor	Cafe bar	✓		
F&B	Hub	Zone 1	Indoor	Brasserie/bar	✓		
F&B	Hub	Zone 1	Indoor	Micro brewery (TBC)		✓	
Free Activities	Lake	Lake zone 3	Outdoor	Lake and recreational landscaped area	✓		
Free Activities	Hub	Zone 1	Indoor	Swimming pool	✓		
Free Activities	Various	Various	Outdoor	Outdoor table tennis	✓		
Free Activities	Woodlands	Various	Outdoor	Wildlife tracks	✓		
Free Activities	Various	Various	Outdoor	Leisure trails (cycling, walking)	✓		
Free Activities	Woodlands	Various	Outdoor	Mountain bike trails		✓	
Free Activities	Hub	Zone 1	Outdoor	Gym	✓		
Free Activities	Hub	Zone 1	Indoor	Children's play area	✓		
Free Activities	Woodlands	Various	Outdoor	Children's playground	✓		
Paid Activities	Lake	Lake zone 3	Outdoor	Non motorised sports on lake	✓		
Paid Activities	Woodlands	TBC	Outdoor	Tree tops high ropes		✓	
Paid Activities	River/Lakes	Lake zone 3	Outdoor	Fishing	✓		
Paid Activities	Woodlands	TBC	Outdoor	Archery range		✓	
Paid Activities	Hub	Zone 1	Indoor	Climbing wall		✓	
Corporate	Hub	Zone 1	Indoor	Conference room	✓		
Event	Hub	Zone 1	Indoor	Pre event space	✓		
Event	Hub	Zone 1	Indoor	All purpose hall		✓	
Conference/Education	Hub	Zone 1	Indoor	Studio	✓		
Conference/Education	Hub	Zone 1	Indoor	Children's education area	✓		
Administrative	Hub	Zone 1	Indoor	Office reception	✓		
Convenience	Hub	Zone 1	Indoor	Business centre	✓		
Convenience	Hub	Zone 1	Indoor	Laundry	✓		
Convenience	Hub	Zone 1	Indoor	Resort Shop	✓		
Convenience	Close to Hub	Zone 1	Outdoor	Cycle hire outlet	✓		
Convenience	Various	TBC	Outdoor	Car Park	✓		
Administrative	Various	TBC	Outdoor	Staff Car Park	✓		

Source: Christie + Co

Key Observations

- We understand that due to planning restrictions, motorised activities will not be permitted outdoors, on the lake or elsewhere. In our opinion, this is unlikely to deter guests from the leisure development, particularly based on the proximity to Alton Towers, where plenty of motorised activities are on offer.

Positioning

- We understand that the leisure development will target markets including A,B, C1 demographic segments.

Facilities

- We recommend that all aspects of the development have regard to seasonality and are designed to attract demand in the winter months as well as during peak summer and school holiday weeks and months. The creation of a year-round development is likely to deliver improved economic, social and environmental benefits for the area including, but not limited to, employment.
- With regards to outdoor facilities, we are of the opinion that the development should encompass as much as possible of the existing infrastructure – e.g. lakes, trails, tracks, the river, while making a feature of the existing quarry walls. In order to appeal to a vast audience, we would recommend an array of outdoor facilities such as walking paths, cycling routes, horse/pony riding, children's playgrounds, tree tops high ropes course, zip line, forest activities such as Frisbee/disk golf, boat hire on the lakes (non-motorised), pedal boating, fishing, miniature golf, quad biking, Segway, table tennis, archery, outdoor chess etc.
- While all outdoor activities should be developed in a sensitive manner taking into account the tranquillity and character of the Churnet Valley, we recommend that a hub building is developed to act as the heart of the leisure development. In our opinion, this should include educational areas, a children's indoor play area, pool/snooker tables, swimming pool with slides, squash, fitness studio, climbing wall, shops (including a farm shop), restaurant(s), brasserie, micro brewery and other elements deemed to be of use in creating a resort that provides economic, social and environmental benefits to the area. We recommend that offices and staff areas are located within this building along with an all purpose hall that could be used for events, local community meetings, parties etc.
- Due to the Resort's close proximity to JCB, Stoke-on-Trent, and within a two-hour drive of a large proportion of the UK population, it is anticipated that opportunities will exist to accommodate conference and meeting demand, including corporate away-days, team building etc.
- With regards to parking, we recommend that at least one space is provided per lodge, while additional staff parking and visitor parking should also be provided. Parking facilities should comply with planning requirements.

Key Observations

+ We are supportive of the lodge park concept as planned, and consider it will provide a unique offering in a very central location.

Conclusion – The Proposed Leisure Development

+ Overall, we are supportive of the development of a high quality leisure development at the site. We expect that the proposed leisure development will complement the existing accommodation facilities and tourist attractions in the immediate locality and will compete successfully with other lodging developments around the UK which are of a similar scale and offer comparable facilities.

The UK Holiday Centre Market

In this section we discuss the main drivers of domestic tourism, the history of the holiday centre market and current trends in the sector, focusing specifically on the lodge sector.

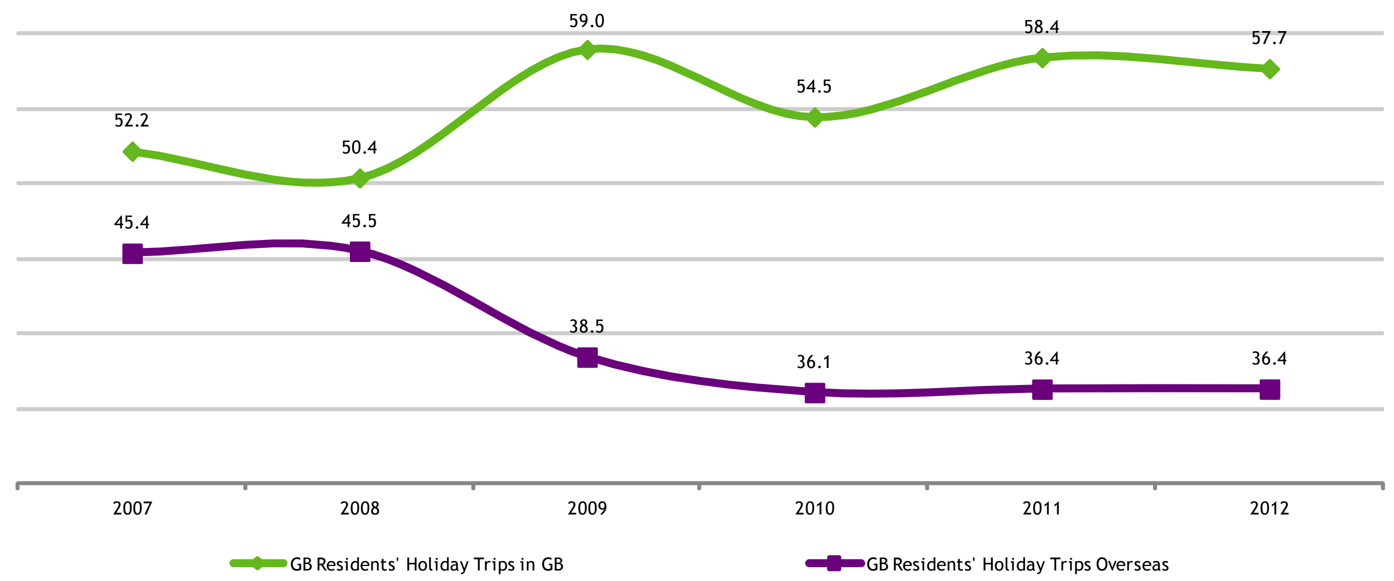
Great Britain Tourism Statistics

The UK holiday centre market relies heavily on GB domestic visitation.

In recent years, there has been a noticeable downward shift in the number of overseas holidays taken by GB Residents and a corresponding rise in domestic holiday trips.

+ In 2012, Britons took 19.9% fewer overseas trips than in 2007. The CAGR over the six-year period is -4.34%.
+ In 2012, Britons took 10.5% more trips in the UK than in 2007. The CAGR over the six-year period is +2.02%.

GB Residents' Holiday Trips in GB and Holiday Trips Overseas (m)



Source: Mintel Report June 2013

Key Observations

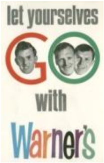
+ The holiday centre market began in Britain in the early 1930's but its evolution stalled for a time during WWII.

Holiday Centres/Villages

Evolution of the Sector

The following timeline shows the evolution of the holiday centre market in the UK.

1931 – Harry Warner opened his first holiday camp site on Hayling Island



1936 – Billy Butlin opened his first Butlin's resort

1939 – By 1939 there were around 200 Holiday Camps in the UK, at different seaside locations, however many were later damaged by troops occupation during WWII.

1946 – Pontins founded by Fred Pontin.

1964 – Leisure Caravan Parks purchased Alberta caravan park in Whitstable, Kent. Meanwhile, Warner had expanded to 14 camps across Britain

1966 – Butlin opened his 10th camp

1970 – The evolution of package holidays to European destinations began

1975 – Leisure Caravan Parks acquired by Rank

1987 – Center Parcs opened as the first "villa in the forest" concept in the UK, at Sherwood Forest

1999 – Parkdean Holidays established

2000 – Bourne Leisure acquired the Rank Group's holiday business including Haven caravan sites, three Butlins holiday camps, Oasis Holiday Village and Warner Leisure Hotels.

2001 – Bourne Leisure sold seven parks to Premier Dawn, nine parks to Cinque Ports, twelve Haven sites to Park Resorts Ltd for and one holiday village in Cumbria to Center Parcs

2006 – Forest Holidays established to create centres of exclusive holiday accommodation in Forest Commission estates in the UK

2014 – Center Parcs 5th UK site to open in Bedfordshire

Key Observations

- Lodge developments have a very broad appeal among families right across the occupational and income spectrum.
- Lodge developments received a boost from the ‘staycation’ year in 2009 and the steep fall in overseas holidays, which saw a return to the market of many lapsed customers. Although those levels of demand were not quite sustained in 2010, some growth was witnessed in the past two years, up 3% in 2011, followed by a further 2% rise in 2012.
- The market is also being helped by the rising popularity of UK short breaks.
- Britons are taking 4% fewer overnight leisure trips compared to pre-recession levels. The overall change masks bigger shifts in holiday-taking which have seen a 20% decline in holidays abroad and an 11% rise in domestic breaks.

Holiday Centres/Villages (continued)

Types of Sites

According to a market report prepared by Mintel in June 2013, the Holiday Centre market is worth almost £1.6bn. In 2012, the market attracted over 7 million visitors. Holiday centres currently account for around one in eight domestic overnight leisure trips.

The term ‘Holiday centre’ is generally used for the traditional brands such as Butlins and Pontins, which were originally based on a 1950s ‘holiday camp’ formula but have developed over the years. They are characterised by permanent accommodation (rather than mobile homes), in blocks, detached buildings or (more recently) resorts. The holiday packages they sell may include meals or be on a self-catering basis, and they invariably include some entertainment and leisure facilities in the holiday price.

Forest villages are also holiday centres, but they are very different from the Butlins/Pontins model. Their siting is aimed at rural quiet, not seaside bustle. In practice, there are currently four in the UK, all owned and defined by their originator, Center Parcs.

Holiday parks based on caravan or lodge accommodation are the most numerous overall, but for the purpose of this Report, only parks that can be described as leisure developments with a full range of on-site facilities including swimming pools, food service, some indoor entertainment, children’s clubs etc. are discussed.

Note: Data from the Mintel Report provided in this document relates mainly to ‘traditional’ holiday parks, however such data is of relevance to the overall holiday centre market including the lodge park concept.

Key Observations

- The 'new' type of holiday park that has emerged in the last 20 years is the holiday lodge park – offering timber holiday lodges for outright or timeshare purchase and/or rental. Such parks have developed primarily in inland locations, often in woodland or waterside settings and/or associated with other developments and activities such as marinas, golf courses (golf lodges), fishing lakes (fishing lodges), water sports or alongside hotels.
- Timber holiday lodges initially started to develop in response to market demand for higher quality accommodation and to address environmental concerns about the visual impact of static caravans. In the 1980s there was a view that holiday lodges would eventually replace static caravans on holiday parks. While timber holiday lodges fit well in a woodland or waterside setting they are not as well suited to coastal locations and do not usually sit well alongside caravan holiday homes.

Holiday Centres/Villages (continued)

Current Developments of the Sector

There have been few opportunities for large-scale supply growth over the past decade. A fifth Center Parcs forest village is planned to open in Spring 2014 which is understood to provide the largest impetus to growth in the domestic holiday centre market since the initial 'staycation' boom in 2009. Located in Bedfordshire, this park is likely to primarily target the London market.

UK-based Boutique Caravans recently completed construction on their first low-energy 'Edge' home on a new exclusive holiday park in Rock, Cornwall, England. The Edge lodge is factory built and delivered in two complete sections. It features large south-facing triple-glazed windows, solar photovoltaics, rainwater recycling, and a Nilan heat recovery system for ultimate efficiency, energy saving and sustainability.

Holiday Lodge

Low Energy 'Edge' Eco Lodge

Key Observations

- Children older than nine are reported to seek more activity during holidays. Parks that offer activities such as mountain climbing, kayaking or biking are likely to appeal to older children.
- Research by Mintel states that "the Forest Village concept is seen as offering good opportunities for both rest and relaxation, and something more energetic/outdoors, and is therefore well placed to cater for the robust appetite among British consumers for an annual diet of high contrast, fast/slow tempo short breaks.

Key Demand Markets for Lodge/Forest Holiday Parks

Unlike traditional holiday parks, lodge/forest holiday parks appeal to a wide variety of markets as follows:

- Young families opting to holiday in Britain (typically while children are young);
- Young couples / groups wishing to spend time in the countryside and undertake activities such as walking, cycling, kayaking, fishing etc.;
- Empty nesters (age 55 and beyond);
- Grandparents holidaying with young families;
- Special interest groups – Research shows that there is an opportunity to attract more visitors to holiday parks through offering interest/activities as well as accommodation and use of on-site facilities. Lodge/forest parks offer a suitable environment for activity breaks such as dance, language, art, yoga, meditation etc.; and,
- Families / groups wishing to explore the British countryside and heritage.

Operators in the Lodge Sector include: CenterParcs, forestholidays Caravan & Camping, Pinelodge Holidays, forest lodges, Autograph Lodge Holidays

Key Observations

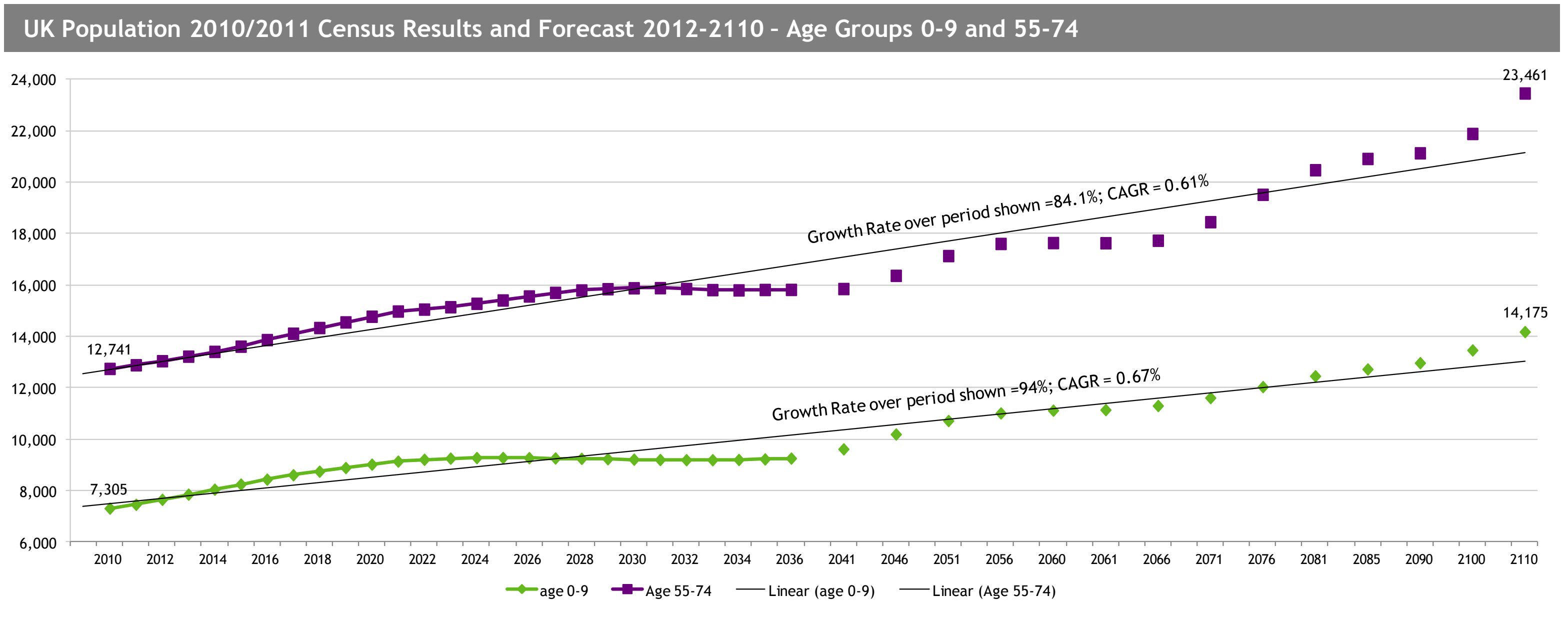
- The family lifestage adult population is projected to drop by 6.1% in numbers between 2012 and 2017.
- However, the number of children aged between 5 and 9 (a key market for holiday centres) is projected to see double-digit growth over the coming five years, surpassing four million by 2017.

Key Demand Markets for Lodge/Forest Holiday Parks (continued)

Population Forecasts

Based on the key markets that are attracted to lodging developments, the following graph looks at the future population of two distinct age categories which are of critical importance to the sector.

The chart below shows that the number of children aged 0-9 (a key market for holiday centres) is projected to see substantial growth over the coming years, surpassing nine million by 2020. Similarly the active elderly population (age 55-74) is forecast to grow over the coming years, reaching 14.7 million by 2020.

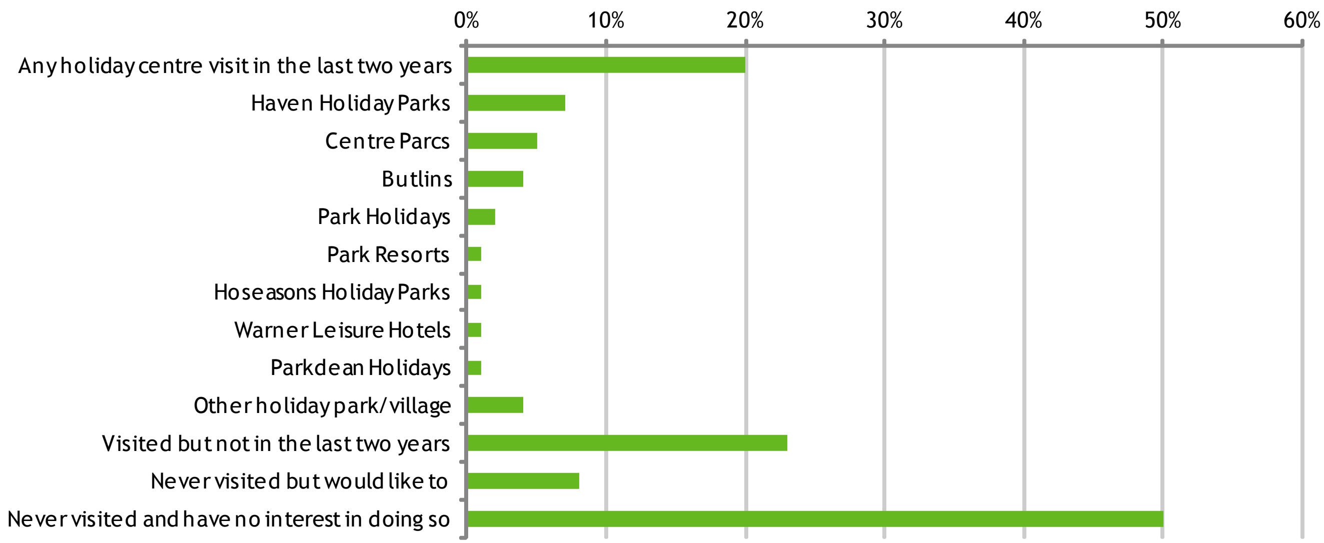


Source: Office of National Statistics UK, Christie + Co Analysis

Visitation Trends

The following chart shows the results of a Mintel study which asked 2,000 adults if they had visited a holiday centre in the last two years. It shows that one in five UK adults had visited a holiday centre during the two years ending April 2013. The three most visited brands were Haven, attracting 7% of UK adults, Center Parcs receiving 5%, and Butlins attracting 4%. One in three UK adults with children have been to a centre/holiday park in the two-year period, rising to 39% of all those with children aged between 5 and 9.

Holiday Centres Visited In The Past Two Years, April 2013



Source: Mintel Report June 2013, Christie + Co Analysis

Key Observations

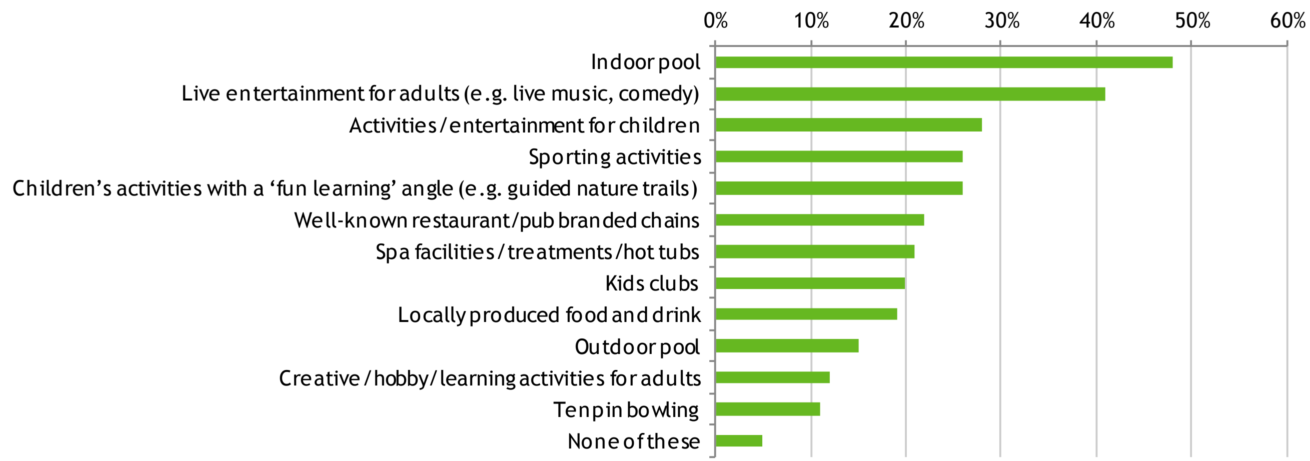
+ Data from Mintel suggests that: "As with accommodation, there is plenty of scope for segmentation in holiday centre food and drink offerings. In general the more affluent and educated visitors are, the more they value an element of localism. Smaller lodge parks are likely to benefit especially from cultivating strong links with local farmers, growers and brewers".

Facilities

The following chart shows the results of a Mintel study which asked 1,000 adults about their preferred facilities when visiting a holiday centre.

An indoor pool proved to be the most preferred facility followed by live entertainment for adults and water-park facilities.

Preferred Facilities When Visiting A Holiday Centre, April 2013



Source: Mintel Report June 2013, Christie + Co Analysis

Key Observations

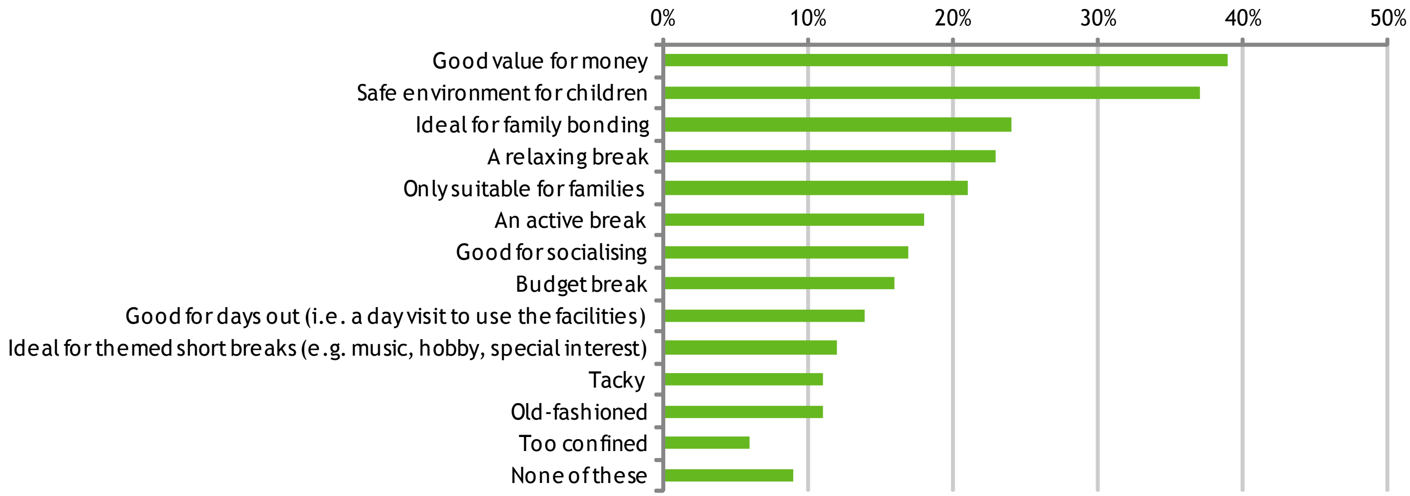
- Research from Mintel refers to the well-established popularity of creative/learning holidays among single travellers.
- It states "there are many tour operators offering small group holidays abroad themed around a shared interest / activity such as dance, language learning, art and singing (as well as adventure activities such as walking / trekking) which attract a high proportion of single people (particularly female). Holiday centres can, likewise, develop new markets and find ways to boost out of season occupancy with 'soft learning' breaks aimed at solo travellers, who are particularly likely to be attracted by accommodation that comes free of the single-person resort supplements that often discourage singles from holidaying in the UK and overseas."

Market Attraction

Research from Mintel shows that the Holiday Centre concept is generally seen as being good value for money, offering a safe environment for children in a setting that is ideal for family bonding with the opportunity to create a relaxing and/or active break.

There is a perception amongst some adults that they are only suitable for families and a selective audience sees them as being tacky or old-fashioned.

Preferred Facilities When Visiting A Holiday Centre, April 2013



Source: Mintel Report June 2013, Christie + Co Analysis

Sources of Revenue

Holiday parks have evolved considerably over the last fifteen years and revenue is broadly made up as follows:

Holiday sales

Sites which own a proportion of their lodge fleet hire these out for holiday stays. Most operators offer 3/4/7 night stays (weekend/midweek/week), with pricing tiered across low, mid and high seasons.

Lodge sales

Many holidaymakers opt to acquire their own lodge from a park operator and lease the pitch on which it is kept. The low cost of finance and past ability to readily release equity in their primary residence meant that holiday homes were within reach for many.

Retail sales and rentals

The final main source of revenue for lodge parks is from retail sales and rentals. This can come from a variety of additional sources such as a convenience store, bar and restaurant, amusement centre, bottled gas sales and any other retail / leisure related income, as well as bike rental. Some catering and retail services are operated by third parties and thus generate rental income for the park.

Activities

In addition, lodge parks such as Center Parcs offer a number of activities for which they charge a fee. Such activities can include water sports, children's arts and crafts, crèches and kids clubs, indoor sports, exercise and fitness, nature activities, spa treatments etc.

Key Observations

+ A holiday park in Devon with a particular focus on sustainability has taken the following initiatives which are being followed by many other businesses today with many more to follow:
  - They use low energy bulbs
  - All outside lights are on timers/sensors
  - TVs and other equipment are not left on standby
  - Heating is thermostatically controlled
  - Airblade hand dryers use limited energy
  - Boilers are serviced and refrigerators defrosted regularly
  - Green Tariff electricity generated from renewable energy sources is used
  - Swimming pools are heated by solar energy
  - All holiday homes have dual flush or flow reduction and sensors in urinals
  - Guests are reminded to turn taps off
  - Plants are watered with rainwater
  - Recycled items include glass, paper, cardboard and plastic
  - Old bedding is donated to the local animal rescue and garden waste is reused by chipping it for mulch
  - Communication is primarily by email and web to reduce paper usage
  - Free WiFi access offered instead of newspapers
  - They aim to buy locally where possible and stock local produce in the shop (including farm fresh free range eggs, locally made jams, pickles, chutneys and vinegars)
  - The landscape and environment are designed to attract wildlife, grow hundreds of native species and rejuvenate areas of growth

The Future of the Sector

Visitors are likely to have greater expectations with regards to the extent of children's facilities and other offerings on site.

Developments that offer active outdoors holidays with a 'soft green' message are likely to appeal to the ever demanding consumer, while indoor weather-proof facilities are of importance to combat the British weather and ensure year-round demand.

Extensive Children's playground

Solar Panelling

Environmental Awareness

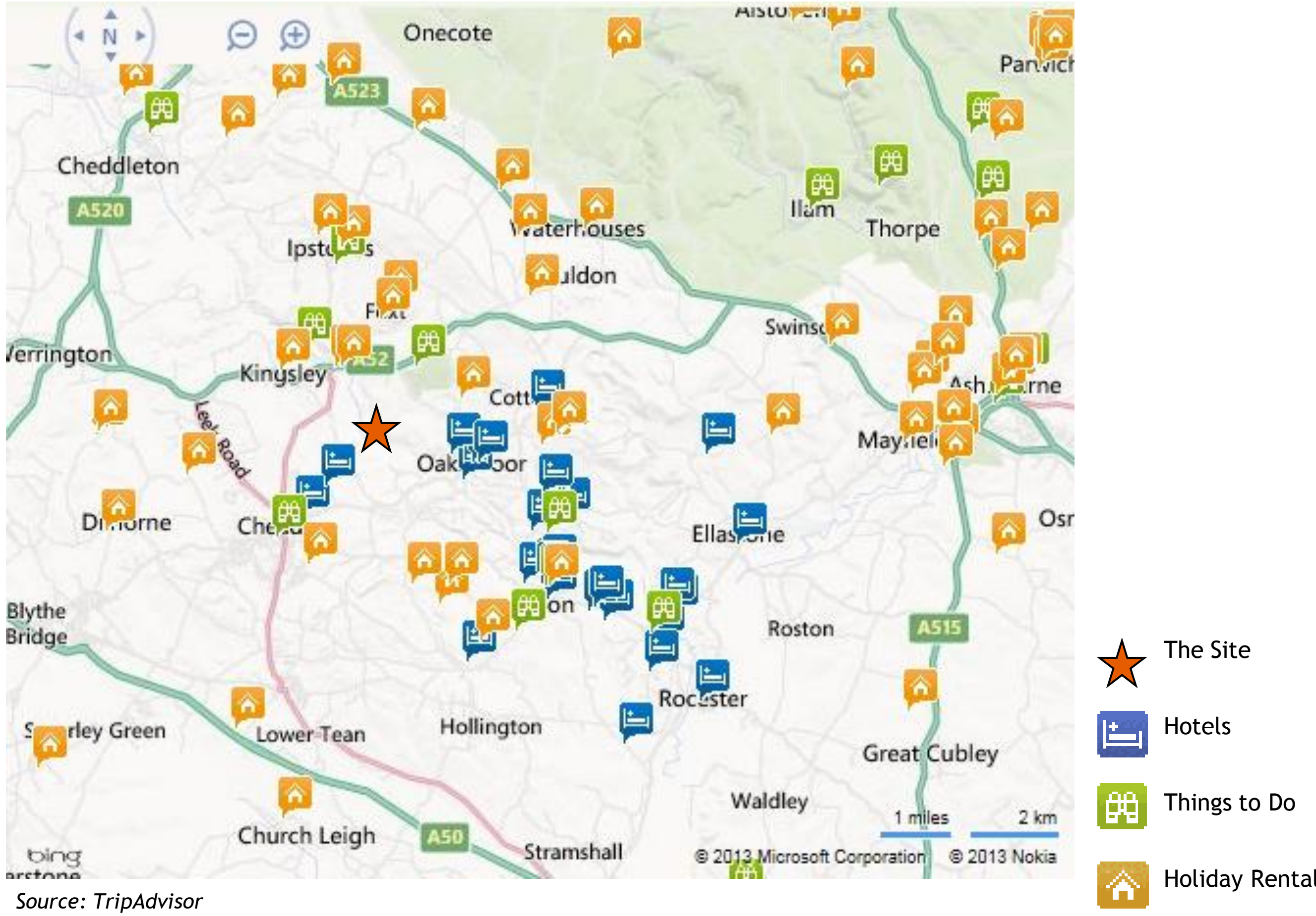
Competitive Resort Market Analysis

In this section, we discuss the local holiday accommodation around the site. Based on the unique nature of the proposed development, it is likely to compete with resorts across the UK, including, for example Scotland, however, it is worthwhile analysing supply in the locality to understand the base of accommodation provision. We expect the proposed development to compliment and diversify the existing accommodation supply and create opportunities for attracting new clientele.

Local Accommodation Market including Hotels and Holiday Rentals

The following map provides an indication of the amount and type of supply in the locality. This includes hotels, which are mainly located around Alton Towers, and a high number of holiday rentals, including camping/caravan/lodge holiday parks, located towards the Peak District.

Hotels, Attractions and Holiday Rentals in the Locality



Source: TripAdvisor

Key Observations

- We do not consider that the proposed leisure development will compete with existing accommodation supply in the locality. In our opinion, it is likely that it will induce new demand to the area due to its unique provision and compliment the existing accommodation supply.

Accommodation Provision in Staffordshire Moorlands

According to research by Team, there are over 300 accommodation operators in Staffordshire Moorlands accounting for nearly 5,500 bed spaces. Of these, 142 establishments (47% of total establishments) are unregistered, accounting for approximately 620 bedspaces (11% of total bed spaces).

In terms of accommodation supply:

- The majority (66%) of establishments are self-catering. 23% incorporate small serviced establishments with less than 15 bed spaces. Larger (30 rooms+) serviced establishments are limited to just five in the district as are branded, chain run establishments.
- A significant proportion of establishments are located in the Peak District (47%), with a number located just outside the Park (under the Leek area in the table below).
- The area immediately around Alton Towers accounts for 16% of the establishments but 50% of bed spaces. The two hotels in Alton Towers alone account for 31% of the district's bed spaces.
- Outside the Peak Park and Alton Towers area, there are no major concentrations of accommodation – the area around Leek has just over 40 establishments – many of these in close proximity (but not actually in) the Peak District National Park. In particular there is currently a lack of hotel provision in Leek and Cheadle town centres.

Tourism Visitation – Staffordshire Moorlands

Number of establishments	Alton Towers Area	Biddulph	Cheadle Area	Churnet Valley	Leek	Leek Area	Peak Park	Total
Serviced Under 15	17		6	12	8	9	16	68
Serviced - 15+	9		4	2	2	2	2	21
Hotel	2							2
Self catering	18	3	10	17	3	27	120	198
Caravan	2		2	1		6	5	16
Total	**48**	**3**	**22**	**32**	**13**	**44**	**143**	**305**
Number of Bedspaces								
Serviced Under 15	116		42	69	75	50	87	439
Serviced - 15+	169		104	45	35	50	69	472
Hotel	1,672							1,672
Self catering	201	12	68	128	11	120	677	1,217
Caravan	552		101	112		380	529	1,674
Total	**2,710**	**12**	**315**	**354**	**121**	**600**	**1,362**	**5,474**

Notes:

1. Alton Towers area – this includes not only the Alton Towers resort but also the area immediately surrounding it including Alton, Farley, Oakamoor, Hollington, and Wootton.

2. Leek area includes villages like Bottomhouse, Winkhill, Bradnop and Cauldon that sit on the edge of the National Park.

3. This table contains both registered and unregistered accommodation operators. Data is more limited on unregistered stock and assumptions have been made in relation to the more limited on unregistered stock and assumptions have been made in relation to the number of bedspaces. A self catering unit has been assumed to have 4 bedspaces, and a small serviced establishment 6 bedspaces

Source: TEAM Tourism, based on Accommodation Audit (November 2010)

Key Observations

- Most of the parks in the locality cater to holiday makers seeking a caravan or camping experience. The majority provide a mix of static caravans as well as pitches for caravans and camping.
- A small number of parks provide lodge accommodation. However the on-site facilities and activities are limited compared to say, a Center Parcs, or what is envisaged at Moneystone Park and thus not really comparable.

Camping/Caravan Parks

The following table and map show the caravan and camping parks, which are located within a 20-mile radius of the site. This is provided for illustrative purposes only, to show the range and quantum of supply in the local area. Parks of interest are discussed on the following pages.

Camping/Caravan Sites within 20-mile Radius of the Site

Derbyshire
Ashbourne - Blackbrook Lodge
Ashbourne - Callow Top Holiday Park
Ashbourne - Carsington Fields Caravan Park
Ashbourne - Common End Farm
Ashbourne - Foufinside Farm
Ashbourne - Ilam Park Caravan Site
Ashbourne - Poplars Farm
Ashbourne - Rivendale Touring Caravan/Leisure
Ashbourne - Shields Lane Farm
Ashbourne - Washbrook Farm
Ashbourne - Yew Tree Farm
Bakewell - Dale Farm Caravan/Camping
Bakewell - Greenhills Holiday Park
Birchover - Barn Farm
Buxton - Beech Croft Farm
Buxton - Hobson Farm
Buxton - Low End Farm
Buxton - Pomeroy Caravan/Camping
Buxton - Sterndale Green Farm
Buxton - The Waterloo Inn
Carsington - Meadow Fleck Farm
Carsington - The Pudding Room
Carsington - Uppertown Farm
Hartington - Pilsbury Lodge Farm
Longnor - Dowall Hall Farm
Longnor - Hope Cottage Farm
Longnor - Wallbrook Lane
Matlock - Ballidon Moor Farm
Matlock - Lickpenny Caravan Park
Matlock - Middle Hills Farm
Matlock - New Harboro Farm
Matlock - Packhorse Farm Bungalow
Matlock - Sandyford Farm
Matlock - Toc H Alison House Trust
Matlock - Wakebridge Farm
Newhaven - Newhaven Caravan/Camping Park
Sudbury (Derby) - Broomhill Farm
Uttoxeter - Lees Hall Farm
Wirksworth - Brassington Lane
Wirksworth - Middleton Top Campsite
Wirksworth - Packhorse Caravan Park
Youlgreave - Dukes Piece Site
Youlgreave - Hopping Farm Caravan park

Cheshire
Macclesfield - Jarman Farm
Macclesfield - Torgate Farm
Macclesfield - Wolf Lowe Farm

Staffordshire
Abbots Bromley - Little Dunstal Farm
Alton, The Star, Stoke-on-Trent
Bradnop - Beaver Hall Equestrian Centre
Burton-upon-Trent - Cross Farm
Butterton - Heathy Roods Farm
Cannock - Springslade Lodge
Cannock Chase, Rugeley
Cheadle - Hales Hall Caravan/Camping Park
Hilderstone - Bird Fishery
Ipstones - Brook Cottage
Leek - Glencote Caravan Park
Leek - Leek Edge Farm -
Leek - Rowley Gate Farm
Leek (Onecote) - Onecote Grange
Leek (Onecote) - White Lea Farm
Leek (Meerbrook) - Lapwing Hall Farm
Rugeley - Forest View
Rugeley - Land off Bishton Ln (Carney Pools)
Rugeley - The Green Man
Stafford - Dunston Heath Farm
Stafford - Wadden Lane
Stoke on Trent - Baileys Barn
Uttoxeter - Forestside Farm
Uttoxeter - Lower Micklin Touring Park
Uttoxeter - Overton Farm

Camping/Caravanning Club Site
Camping in the forest Site
Certificated Site
Listed Site

Source: Camping/Caravanning Club

Key Observations

- Most of the supply in the local area comprises holiday camps with a mix of caravan, touring and some lodge pitches.
- Considering the extent and positioning of the proposed development, we consider that the proposed development will be complement the lodge/holiday parks in the locality.

Competitive market - Lodge/Holiday Village Parks in the locality

The following table provides a list of holiday parks with lodges in the locality and in the wider UK market. This list is not exhaustive and is intended only to give a flavour of the general market provision.

Competitive Market

Park	Feature	Location	Postcode	Rooms/Pitches
LOCAL AREA				
Kingfisher Caravan Park	Located where two canals meet	Alrewas, Staffordshire	DE13 7DN	Caravan park
Pinelodge Sandybrook Country Park	In grounds of 19th Century Manor House	Buxton Road, Ashbourne	DE6 2AQ	60+ lodges (no camping)
Pinelodge Darwin Forest Country Park	Voted in VisitEngland's top three holiday parks	Darley Moor, Two Dales, Matlock	DE4 5LN	100+ lodges (no camping)
Ashbourne Heights	Part of the North Dales Group	Park Fenny Bentley, Ashbourne	DE6 1LE	3 lodges
Rivendale Holiday Lodges	Set within quarry feature; on site restaurant	Ashbourne	DE6 1QU	Caravan/camping park and 2 lodges
Longer Wood	Holiday park for adults	Near Buxton	SK17 0NG	47 touring pitches and sheltered camping
Lime Tree Park	On the edge of Buxton market town	Buxton	SK17 9RP	Caravan and camping park and 2 lodges
Quarry Walk by Autograph Lodges	Close to Alton Towers	Near Alton Towers	ST10 1RQ	6 lodges and touring/camping
Birchenfields Farm	Family run farm and cottages	Dilhorne on edge of Peak District	ST10 2PX	Self catering cottages
Ramshorn Estate - Lodges	40 acres natural woodland	Oakamoor	ST10 3BZ	8 lodges
Alton, The Star Camping/Caravanning	Holiday park close to Alton Towers	Cotton, Stoke-on-Trent	ST10 3DW	195 pitches
Silver Trees Caravan Park	Small wildlife park for adults only	Rugeley, Staffordshire	WS15 2TX	Static caravans and holiday homes
Rudyard Lodges	Small lodge park set on a lake	Werrington, Stoke-on-Trent	ST9 0JS	3 lodges
WIDE AREA				
Bluestone National Park Resort	Set in 500 acres of Pembrokeshire countryside	Pembrokshire	SA67 8DE	242 lodges
Center Parcs Longleat Forest	Set in Longleat Estate with Longleat Forest	Wiltshire	BA12 7PU	600-800 lodges
Center Parcs Sherwood Forest	Set in 400 acres with woodland and lakeside areas	Nottinghamshire	NG22 9DN	600-800 lodges
Center Parcs Winfell Forest	On the edge of the Lake District	Cumbria	CA10 2DW	600-800 lodges
Center Parcs Elveden Forest	Set in a rural Suffolk setting	Suffolk	IP27 0YZ	600-800 lodges
Cheddar Woods	State-of-the-art park nestled in Mendip Hills	Somerset	BS27 3DB	105 lodges
Forest Holidays Sherwood Forest	Surrounded by 3,300 acres of woodland	Nottinghamshire	NG21 9JH	65 luxury forest cabins
Forest Holidays Forest of Dean	Set in Wye Valley stretching to the River Severn	Gloucestershire	GL16 7NN	76 luxury forest cabins
Forest Holidays Keldy	Pony trecking, Go-Ape Tree Top adventure on offer	North Yorkshire	YO18 8HW	59 luxury forest cabins
Forest Holidays Cropton	In heart of Cropton Forest, near North Yorkshire Moors	North Yorkshire	YO18 8ES	47 luxury forest cabins
Forest Lodges Deerpark	Lodges set around a quiet millpond	Cornwall	PL14 4QY	45 luxury forest cabins
Forest Lodges Blackwood Forest	Hidden deep in a 270 hectare beech forest	Hampshire	SO21 3BG	60 luxury forest cabins

Source: Christie + Co Research & Analysis

Key Observations

- As shown on the map, the supply of large scale lodge parks is limited in the area surrounding the site. The closest parks to the site include:
  - Centre Parcs' oldest site (opened in 1987) at Sherwood Forest
  - Forest Holidays Sherwood Forest (c. 65 lodges)
  - Pinelodges Sandybrook Country Park (c.60+ lodges)
  - Pinelodges Darwin Country Park (100+ lodges)

Lodge/Holiday Village Parks in the wider area

The following map shows the location of lodge parks which are of a scale similar to that which is proposed at Moneystone while also having a comparable proposition – lodge park rather than caravan park with some lodges. Parks shown here have a dedicated lodge provision, extensive family activities and complimentary facilities. The site is marked with a red star.

- A CP Sherwood Forest
- B CP Elveden Forest
- C CP Longleat Forest
- D CP Whinfell Forest
- E Bluestone
- F FH Sherwood Forest
- G FH Forest of Dean
- H FH Keldy
- I FH Cropton
- J FH Deerpark
- K FH Blackwood Forest
- L Parkdean Warwell Holiday Park
- M Cheddar Woods
- N PL Sandybrook Country Park
- O PL Darwin Forest Country Park

Key Observations

- In our analysis we have assumed that all lodge resorts in the UK will be to varying degrees competitive with the proposed development.
- Although this particular development is located quite a distance from the site, the new Woburn Forest Center Parcs is likely to have an impact on the sector as a whole, by introducing hundreds of new lodges into the market.

Proposed New Supply

Given the unique nature of the development and markets which it will attract, new supply around the UK needs to be considered, rather than focusing solely on developments within the immediate locality. In addition to the proposed development, we are aware of four other projects (Center Parcs and two Forest Holidays) which are confirmed and under construction, and a number of others which are at a pre-development stage. In addition, many caravan and camping parks are adding a selection of lodges to their existing fleet in replacement of, or in addition to statics. The following table lists some of the developments of which we are aware but this list is not exhaustive.

Proposed Resort Supply

Project	Location	Likely Positioning	No. of Units	Anticipated Opening Date	Comment
The Proposed Development	Staffordshire	Lodge park	250 lodges	2017	
Center Parcs	Woburn Forest, Bedfordshire	Lodge park	625 + 75 room hotel	Spring 2014	
Thorpe Forest	Norfolk	Lodge park	TBC	May-14	
Delamere Forest	Cheshire	Lodge park	TBC	Jul-14	
Land & Lakes' Development	Anglesea	Lodge park	500 lodges	TBC	Approved planning following initial rejection
Former Derbyshire colliery/ Birchall properties	South of Sheffield on A61	Holiday resort	250 holiday homes, 600 holiday flats	Early 2016	Canyoning, rock climbing, woodland and 18-hole golf, swimming etc.

Source: Christie + Co Research and Analysis

Resort Demand and Market Performance

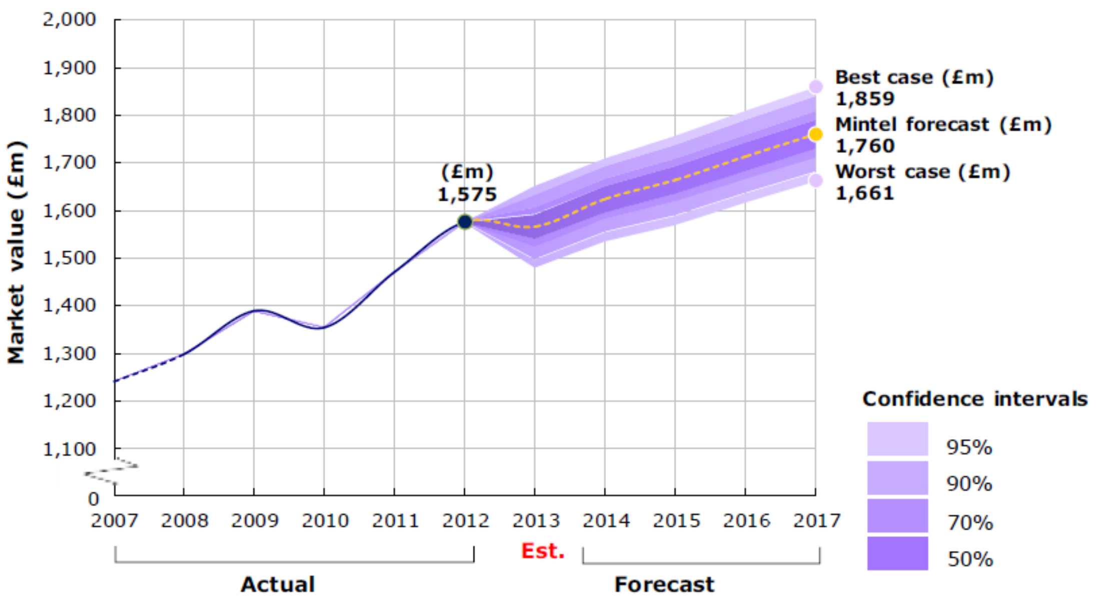
Here we comment on typical resort demand and performance. We provide some context for this by providing benchmark performance trends for the UK provincial Lodge resort market. Given the bespoke nature of the proposed development, it is likely to capture demand from around the UK (which currently chooses a variety of holiday options) while also inducing new demand.

UK Holiday Park Performance

The general UK Holiday Centre market is relevant because it can convey trends bearing similarity to all individual lodge resorts in the UK, albeit demand patterns and pricing vary at each location (e.g. coastal versus inland). The following chart shows the historical value of the UK Holiday Centre market along with future forecasts prepared by Mintel.

Based on our research, we understand annual occupancy levels in the lodge market to be in the region of 55-65% depending on the location and quality of the site. Center Parcs villages achieve the impressive occupancy levels in excess of 90% due to their strong brand awareness and unique product offering. However we understand that this figure may be slightly inflated due to practice of putting lodges 'out of order' during low seasons to reduce available inventory. The net average daily rate across the UK Centre Parcs portfolio is c. £140, while additional spend per lodge (on F&B, activities etc.) is c. £100.

UK Holiday Centre Market Value 2007 - 2012 and Forecast 2013 - 2017



Source: Mintel, Christie + Co Analysis

Conclusions

Conclusions:

The purpose of the report was to determine the viability for the proposed leisure development at the site of the former Moneystone Quarry in Staffordshire and after conducting an extensive research and analysis, we conclude as follow:

+ We consider the site to be very suitable for a leisure development. It is situated in a central location, within easy reach of the M1 and M6 and within driving distance of much of the UK population.
+ The site offers a spacious area with natural resources and a diverse landscape including quarry, forestry and lakes, in a quiet and serene location.
+ Limited lodging supply in the area and the close proximity to Alton Towers, Peak District and other nearby attractions will enable the proposed development to offer a unique proposition in the area and attract demand that may otherwise not have considered the area for a holiday break.
+ We expect that the proposed facilities, including 250 lodges and a central hub with bowling, spa and swimming pool, are likely to drive the leisure demand throughout the year and cater for a mix of markets including families, groups , education, etc.
+ We expect that the proposed leisure development will complement the existing accommodation facilities and tourist attractions in the immediate locality and will compete successfully with other lodging developments around the UK which are of a similar scale and offer comparable facilities.
+ We do not consider that the proposed leisure development will compete with existing accommodation supply in the locality. In our opinion, it is likely that it will induce new demand to the area due to its unique provision and compliment the existing accommodation supply.
+ The proposed lodge development will have a positive impact on the local economy through the creation of local employment opportunities and the retention of visitors to the area by increasing overnight stays which will increase local spending.

Appendices

Appendix I - Site Photographs





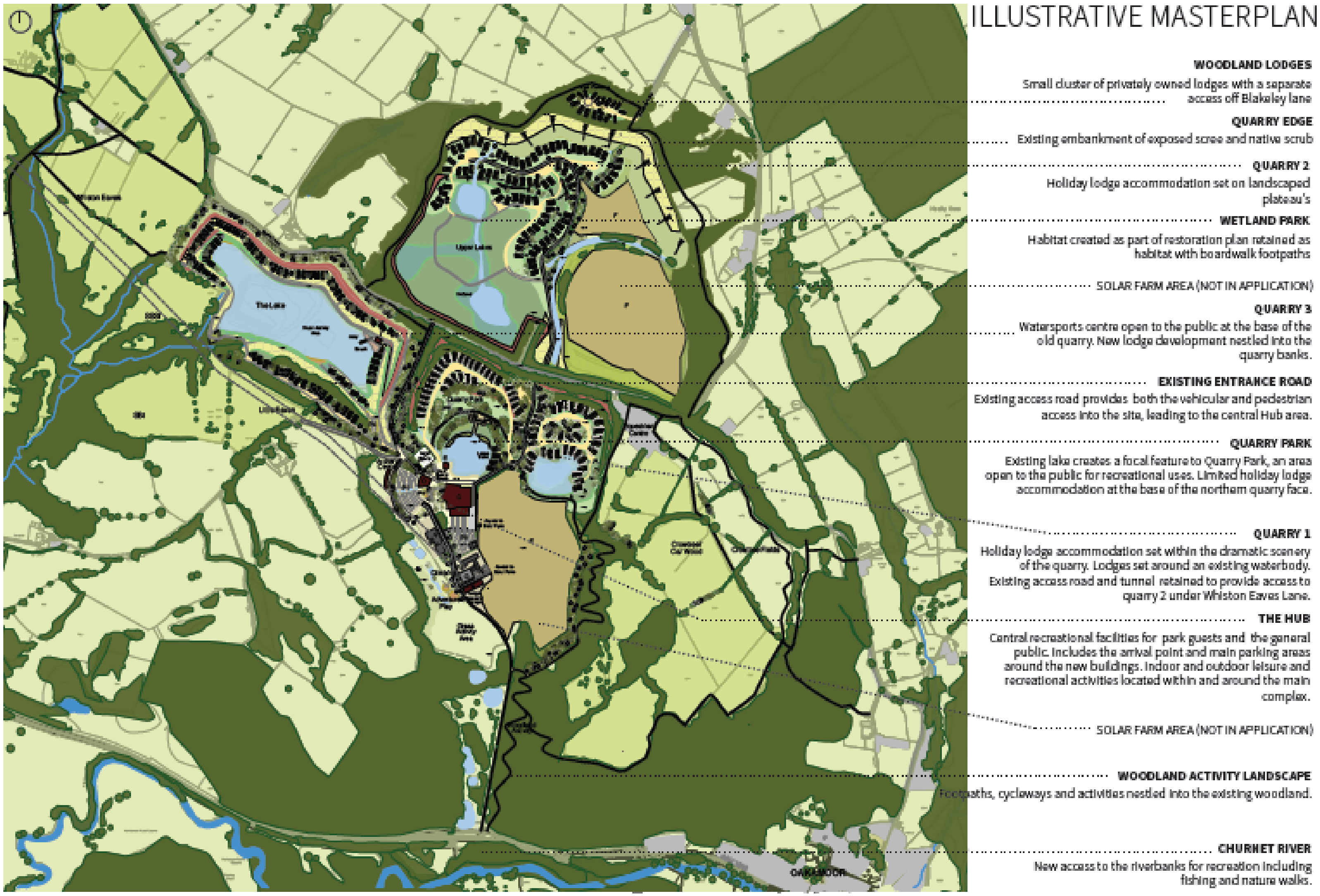







Appendix II - The Proposed Leisure Development Plan

The following image shows the proposed plan for the development.



Appendix III – Potential Cycle Routes

Potential Cycle Routes

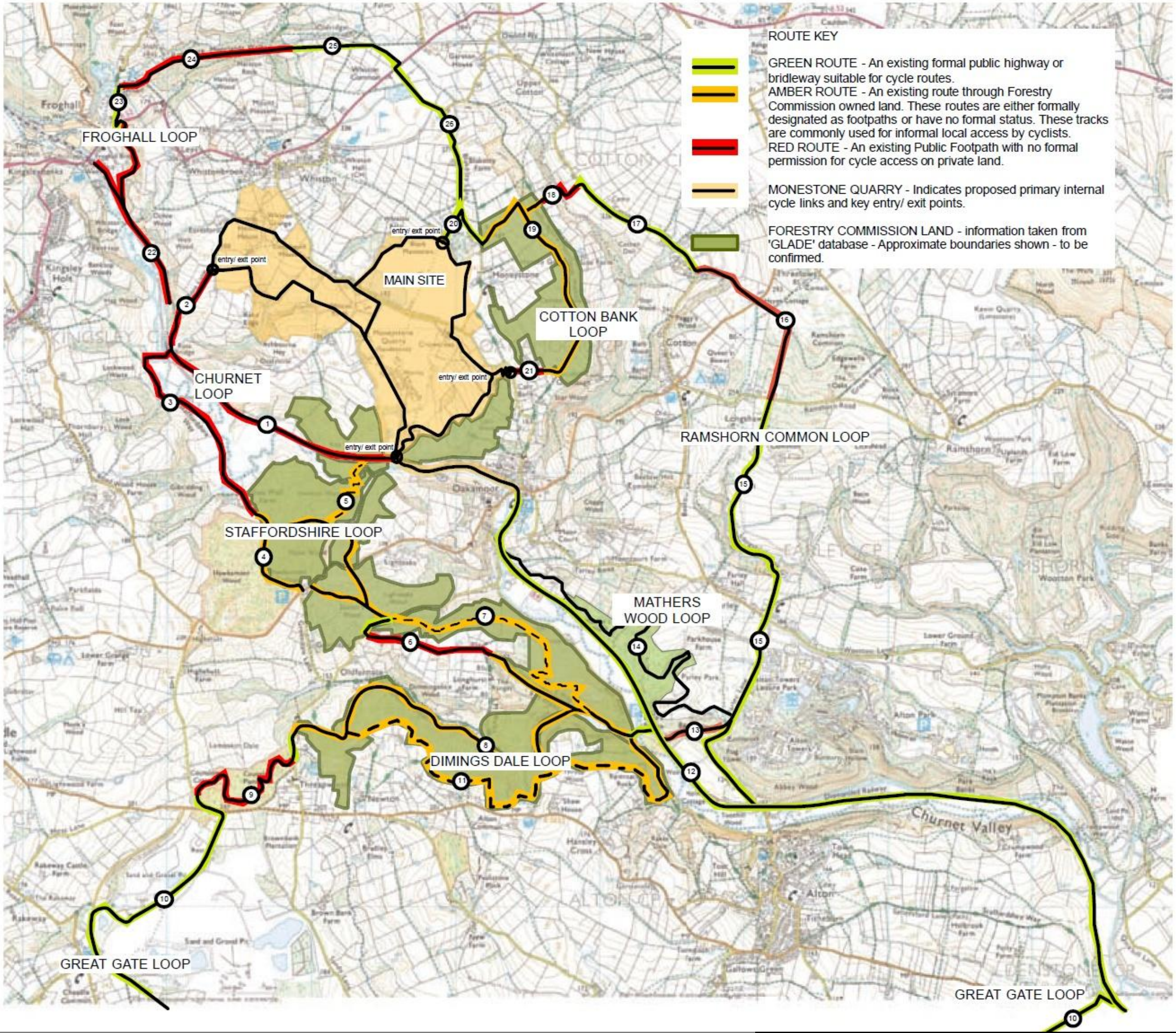
Overview of all routes

Initial Phase
8km of internal routes & Churnet Rail Route
2.5km on Churnett Loop
2.5km on Cotton Bank Loop

Second Phase
7km on Staffordshire Loop
6km on Ramshorn Common Loop

Further Phases
7km on Dimingsdale Loop
6km on Froghall Loop
3km Mathers Wood Loop
10km+ on Great Gate Loop

The Following pages explain each of these routes in more detail.



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