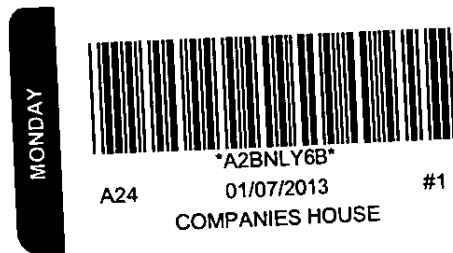


**Company Registration No. 06684578**

**Zest Investment Group Limited**

**Report and Financial Statements**

**30 September 2012**



# **Zest Investment Group Limited**

## **Report and financial statements 2012**

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# **Zest Investment Group Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

E J Coyle

G Sizer

P H Scott (appointed 3 December 2012)

#### **Registered Office**

2<sup>nd</sup> Floor, Tirrem House

16 High Street

Yarm

TS15 9AE

#### **Bankers**

Ulster Bank Limited

11-16 Donegall Square East

Belfast

BT7 5UB

#### **Solicitors**

DLA Piper UK LLP

Princes Exchange

Princes Square

Leeds

LS1 4BY

#### **Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

Newcastle upon Tyne

# **Zest Investment Group Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 September 2012.

### **Activities**

The principal activity of the company during the year has been an investment holding company.

### **Directors**

The directors who served throughout the period were as follows:

E J Coyle

G Sizer

P H Scott (appointed 3 December 2012)

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 8, of the financial statements.

### **Auditor**

Each of the persons who are directors of the company at the date of this report confirms that:

- So far as the director is aware there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of this information

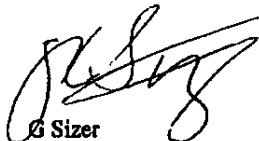
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

### **Special exemptions**

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



G Sizer  
Director

28 June 2013

## **Zest Investment Group Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

## **Independent auditor's report to the members of Zest Investment Group Limited**

We have audited the financial statements of Zest Investment Group Limited for the year ended 30 September 2012 which comprise the profit and loss account, balance sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Responsibilities Statement, 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. 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 30 September 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

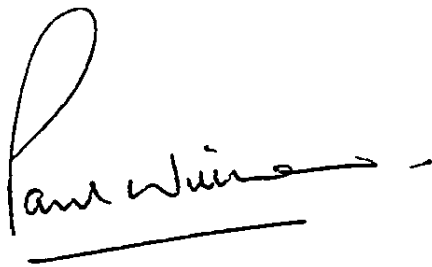
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Zest Investment Group 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

A handwritten signature in black ink, appearing to read "Paul Williamson", with a horizontal line underneath it.

Paul Williamson BSc FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle Upon Tyne, United Kingdom  
28 June 2013

## Zest Investment Group Limited

### Profit and loss account Year ended 30 September 2012

	Notes	2012 £	2011 £
Turnover		-	70,000
Administrative expenses		(144,719)	(121,451)
<b>Operating loss</b>		<b>(144,719)</b>	<b>(51,451)</b>
Interest receivable		7,462	4,511
<b>Loss on ordinary activities before taxation</b>	3	<b>(137,257)</b>	<b>(46,940)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year/period</b>	11	<b>(137,257)</b>	<b>(46,940)</b>

All activities derive from continuing operations

The company has no recognised gains and losses for the current financial year or preceding financial year other than as stated in the profit and loss account and therefore no separate Statement of Total Recognised Gains and Losses has been presented



## Zest Investment Group Limited

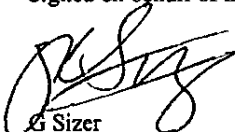
### Balance sheet 30 September 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Investments	5	9	9
Tangible assets	6	2,645	5,288
		<u>2,654</u>	<u>5,297</u>
<b>Current assets</b>			
Debtors	7	6,981,376	5,461,103
Cash at bank and in hand		787,695	859,295
		<u>7,769,071</u>	<u>6,320,398</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,656,533)</u>	<u>(972,646)</u>
<b>Net current assets</b>		<u>5,112,538</u>	<u>5,347,752</u>
<b>Total assets less current liabilities</b>		5,115,192	5,353,049
<b>Creditors: amounts falling due in more than one year</b>	9	<u>(5,384,054)</u>	<u>(5,484,654)</u>
<b>Net liabilities</b>		<u>(268,862)</u>	<u>(131,605)</u>
<b>Capital and reserves</b>			
Called up share capital		300	300
Profit and loss account	10	<u>(269,162)</u>	<u>(131,905)</u>
<b>Shareholders' deficit</b>	11	<u>(268,862)</u>	<u>(131,605)</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of Zest Investment Group Limited, registered number 06684578 were approved by the Board of Directors on 28 June 2013

Signed on behalf of the Board of Directors

  
G Sizer  
Director

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and preceding financial period.

#### **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

#### **Basis of consolidation**

Under the provisions of section 383 of the Companies Act 2006 the company qualifies as a small group and is exempt from preparing consolidated financial statements. The financial statements therefore present information about the company as an individual company and not as a group.

#### **Going concern**

The company's principal activity is described in the directors' report. The financial position of the company is set out on page 7.

The current economic conditions create uncertainty over (a) the property yield and valuation, and (b) the liquidity position of the company.

As highlighted in notes 8 and 9 to the financial statements, the company meets its day-to-day working capital requirements through inter-company borrowings. As disclosed in note 12 the company is also party to an omnibus guarantee in relation to the group's borrowings and therefore it is also necessary to consider the financial position of the group. The group's loan facility is a 12 month term loan due for renewal in October 2013. The directors have held conversations with the bank, and no matters have been drawn to the directors' attention to suggest that renewal may not be forthcoming on acceptable terms.

The group and company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group and company should be able to operate within the level of their current facility, subject to its renewal.

On the basis of their assessment of the group and company's financial position and of the enquiries made of the directors of Zest Investment Group Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Investment**

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost. Depreciation is provided to write off the cost less estimated residual value over their estimated useful lives as follows:

Office equipment                      4 years

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 1. Accounting policies (continued)

#### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### Cash flow statement

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 - Cash Flow Statements. The company qualifies as a small company in companies legislation.

### 2. Employees

The average number of employees (including directors) was

	2012 No.	2011 No.
Directors	2	2

No emoluments were received or are receivable by any director in respect of services during the current or preceding year.

### 3. Loss on ordinary activities before taxation

	2012 £	2011 £
Loss on ordinary activities before taxation is shown after charging/(crediting)		
Depreciation on tangible fixed assets	2,643	2,643
<b>Auditor's remuneration:</b>		
- fees payable to company's auditors for the audit of the company's annual accounts	3,000	3,000

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 4. Tax on loss on ordinary activities

#### (i) Analysis of tax charge on ordinary activities

	2012 £	2011 £
United Kingdom corporation tax on the loss for the period	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

#### (ii) Factors affecting the tax charge for the current period

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 25% (2011 28%)

The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(137,257)</u>	<u>(46,940)</u>
Tax at 25% (2011 27%) thereon	(34,314)	(12,683)
Effects of		
Expenses not deductible for tax purposes	5,977	(81)
Capital allowances for period in excess of depreciation	349	443
Group relief not paid for	27,988	8,099
Non utilisation of tax losses	-	4,222
Current tax charge for the period	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of accelerated capital allowances. The amount of the asset not recognised is £615 (2011 £3,569 in respect of unused losses)

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 5. Fixed asset investments

	<b>£</b>
<b>Cost and net book value</b>	
At 1 October 2011	9
Additions	-
	<hr/>
At 30 September 2012	<u>9</u>

The company owns the entire issued share capital of the following entities

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Holding</b>	<b>%</b>
Zest Investment (Watton) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Bohill) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Newtownards) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Swaffham) Limited	Northern Ireland	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Omagh) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Portadown) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Bridgewater) Limited	England	Dormant	Ordinary shares	100%
Zest Investment Property Group Limited	Northern Ireland	Intermediate Holding company	Ordinary shares	100%
Oxford (2007) Limited*	England	Letting of investment Property	Ordinary shares	100%
Bramley (2007) Limited*	England	Intermediate holding company	Ordinary shares	100%
Bramley Court (Care Homes) Limited*	England	Letting of investment property	Ordinary shares	100%
Zest Care Homes Limited (formerly Newgate Consultants Limited)	England	Operation of care homes	Ordinary shares	100%

\* Oxford (2007) Limited and Bramley (2007) Limited are subsidiaries of Zest Investment Property Group Limited. Bramley Court (Care Homes) Limited is a subsidiary of Bramley (2007) Limited.

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 6. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
At 1 October 2011	10,574
Additions	-
	<hr/>
At 30 September 2012	10,547
	<hr/>
<b>Accumulated depreciation</b>	
At 1 October 2011	5,286
Charge for the year	2,643
	<hr/>
At 30 September 2012	7,929
	<hr/>
<b>Net book value</b>	
At 30 September 2012	2,645
	<hr/> <hr/>
At 30 September 2011	5,288
	<hr/> <hr/>

### 7. Debtors

	2012 £	2011 £
Trade debtors	500	45,500
Amounts due from group undertakings	6,973,061	5,335,929
Amounts due from related parties	-	45,531
Other debtors	7,815	34,143
	<hr/>	<hr/>
	6,981,376	5,461,103
	<hr/> <hr/>	<hr/> <hr/>

### 8. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	34,282	38,388
Amounts owed to group undertakings	1,878,645	899,258
Amounts owed to related parties	743,106	-
Other creditors	500	35,000
	<hr/>	<hr/>
	2,656,533	972,646
	<hr/> <hr/>	<hr/> <hr/>

## Zest Investment Group Limited

### Notes to the accounts Year ended 30 September 2012

#### 9. Creditors: amounts falling after more than one year

	2012 £	2011 £
Amounts owed to shareholders	<u>5,384,054</u>	<u>5,484,654</u>

The amounts owed to shareholders are currently interest free and are not repayable within the next 12 months

#### 10. Profit and loss account

	Profit and loss account £
At 1 October 2011	(131,905)
Loss for the financial period	(137,257)
At 30 September 2012	<u>(269,162)</u>

#### 11. Reconciliation of movements in shareholders' deficit

	2012 £	2011 £
Loss for the financial year	<u>(137,257)</u>	<u>(46,940)</u>
Net decrease to shareholders' funds	(137,257)	(46,940)
Opening shareholders' deficit	<u>(131,605)</u>	<u>(84,665)</u>
Closing shareholders' deficit	<u>(268,862)</u>	<u>(131,605)</u>

#### 12. Commitments

The company is party to an omnibus guarantee in favour of Ulster Bank to secure group borrowings. The total borrowings outstanding at the year end were £28,937,269 (2011 £27,544,711)

The bank loans are secured by a fixed and floating charge over all the assets of the company

# Zest Investment Group Limited

## Notes to the accounts Year ended 30 September 2012

### 13. Related party transactions

The company is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the company. Other than as disclosed below, there have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

Included within amounts owed to shareholders is an amount due to directors of £5,384,054 (2011 £5,484,654). This balance is currently interest free and has no fixed repayment date.

The directors consider Island Construction Limited to be a related party for the purposes of FRS8 "Related Party Disclosures" by virtue of a common director. The amounts due to Island Construction Limited are £743,106 (2011 due from £45,531).

### 14. Controlling party

Zest Investment Group Limited is jointly controlled by the directors who each individually hold 33.33 per cent of the issued share capital of the company.