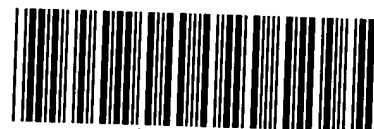


Company Registration No. 07232597 (England and Wales)

NATURAL RETREATS UK LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2014**

FRIDAY



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COMPANIES HOUSE

NATURAL RETREATS UK LIMITED

COMPANY INFORMATION

Directors

T Dennis
E Kearney
MD Spence
A Wild

Company number

07232597

Registered office

1st Floor Whitecroft House
Wilmslow
Cheshire
SK9 5BQ

Auditors

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

NATURAL RETREATS UK LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the period ended 31 December 2014.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

T Dennis
E Kearney
MD Spence
A Wild

Auditors

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



E Kearney
Director
28/9/15.....

NATURAL RETREATS UK LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Company law requires the directors to prepare financial statements for each financial 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 judgements and accounting estimates that are reasonable and prudent;
- 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 NATURAL RETREATS UK LIMITED

We have audited the financial statements on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 more fully explained in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

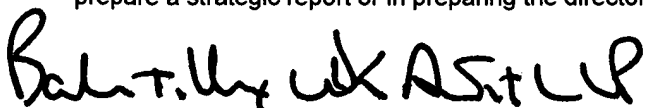
Opinion on other matter prescribed by the Companies Act 2006

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.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Graham Bond FCA (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
11/10/15

NATURAL RETREATS UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2014

| | Notes | Period ended 31 Dec 2014 £ | Year ended 31 Mar 2014 £ |
|--|-------|----------------------------------|--------------------------------|
| Turnover | | 2,473,276 | 2,265,705 |
| Cost of sales | | (935,118) | (781,107) |
| Gross profit | | <u>1,538,158</u> | <u>1,484,598</u> |
| Distribution costs | | (207,266) | (337,395) |
| Administrative expenses | | (1,800,460) | (1,379,169) |
| Operating loss | | <u>(469,568)</u> | <u>(231,966)</u> |
| Interest payable and similar charges | 2 | (450,156) | (447,101) |
| Reversal of interest and similar charges for the period and prior period | 2 | 1,434,191 | - |
| Forgiveness of loan from related party | 2 | 200,000 | - |
| Profit/(loss) on ordinary activities before taxation | 3 | <u>714,467</u> | <u>(679,067)</u> |
| Taxation | 5 | - | - |
| Profit/(loss) for the financial period | 12 | <u><u>714,467</u></u> | <u><u>(679,067)</u></u> |

NATURAL RETREATS UK LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2014**

| | Notes | 31 Dec 2014 | | 31 Mar 2014 | |
|--|-------|------------------|------------------|------------------|--------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 6 | | 129,640 | | 126,694 |
| Investments | 7 | | 372,710 | | - |
| | | | <u>502,350</u> | | <u>126,694</u> |
| Current assets | | | | | |
| Debtors | 8 | 2,418,930 | | 3,555,534 | |
| Cash at bank and in hand | | 427,916 | | 431,003 | |
| | | <u>2,846,846</u> | | <u>3,986,537</u> | |
| Creditors: amounts falling due within one year | 9 | (896,242) | | (1,058,344) | |
| Net current assets | | | <u>1,950,604</u> | | <u>2,928,193</u> |
| Total assets less current liabilities | | | <u>2,452,954</u> | | <u>3,054,887</u> |
| Creditors: amounts falling due after more than one year | 10 | | (230,000) | | (5,644,059) |
| Net assets/(liabilities) | | | <u>2,222,954</u> | | <u>(2,589,172)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 4,097,660 | | 1 |
| Profit and loss account | 12 | | (1,874,706) | | (2,589,173) |
| Shareholders' funds | | | <u>2,222,954</u> | | <u>(2,589,172)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 4 to 13 were approved by the board of directors and authorised for issue on 28/9/15 and are signed on its behalf by:


E Kearney
Director

NATURAL RETREATS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going concern

The directors consider that the going concern basis of preparation is appropriate. The losses continue to be funded by the support of the major shareholder. The major shareholder has provided a written undertaking to the directors to provide sufficient funds to enable the company to meet its liabilities for the foreseeable future.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---------------------|------------------|
| Equipment | 33.33% per annum |
| Fixtures & fittings | 20% per annum |

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

NATURAL RETREATS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 Interest payable and similar charges

| | Period ended 31 Dec 2014 | Year ended 31 Mar 2014 |
|--|-----------------------------|---------------------------|
| | £ | £ |
| Interest payable and similar charges | (450,156) | (447,101) |
| Reversal of interest and similar charges for the period and prior period | 1,434,191 | - |
| Forgiveness of loan from related party | 200,000 | - |
| | <u>1,184,035</u> | <u>(447,101)</u> |

On 11 December 2014 a Deed of Release was completed between the company and D Gorton with all monies owed to D Gorton being repaid in full. D Gorton agreed to waive all interest accrued on the debt to date and to release the company from all obligations under the agreement and the debenture.

3 Profit/(loss) on ordinary activities before taxation

| | Period ended 31 Dec 2014 | Year ended 31 Mar 2014 |
|--|-----------------------------|---------------------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation is stated after charging/ (crediting): | | |
| Depreciation of tangible fixed assets | | |
| - owned | 71,348 | 89,139 |
| Loss/(profit) on disposal of tangible assets | - | (6) |
| Auditor's remuneration for statutory audit | 13,450 | 13,000 |
| | <u>13,450</u> | <u>13,000</u> |

A management charge has been levied by K2 Equity Partners LLP to Natural Retreats UK Limited for an amount of £87,503 (31 March 2014 - £253,020) of which £nil (31 March 2014 - £101,028) has been recharged by Natural Retreats UK Limited to Natural Retreats Ireland Limited. This management fee includes an element in respect of the remuneration of the directors for their services to the company, which it is not possible to identify separately.

NATURAL RETREATS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2014

| 4 Directors' remuneration | Period ended 31 Dec 2014 | Year ended 31 Mar 2014 |
|---------------------------|-----------------------------|---------------------------|
| | £ | £ |
| Directors' remuneration | 200,000 | - |
| | <u>200,000</u> | <u>-</u> |
| | <u><u>200,000</u></u> | <u><u>-</u></u> |

5 Tax on profit/(loss) on ordinary activities

The company has a deferred tax asset of approximately £260,000 (31 March 2014 - £339,000) available for utilisation against future taxable profits.

6 Tangible fixed assets

| | Equipment | Fixtures & fittings | Total |
|-----------------------|----------------------|------------------------|-----------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2014 | 268,008 | 77,179 | 345,187 |
| Additions | 68,007 | 6,287 | 74,294 |
| At 31 December 2014 | <u>336,015</u> | <u>83,466</u> | <u>419,481</u> |
| Depreciation | | | |
| At 1 April 2014 | 181,234 | 37,259 | 218,493 |
| Charge for the period | 59,402 | 11,946 | 71,348 |
| At 31 December 2014 | <u>240,636</u> | <u>49,205</u> | <u>289,841</u> |
| Net book value | | | |
| At 31 December 2014 | <u>95,379</u> | <u>34,261</u> | <u>129,640</u> |
| At 31 March 2014 | <u><u>86,774</u></u> | <u><u>39,920</u></u> | <u><u>126,694</u></u> |

NATURAL RETREATS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2014

7 Fixed asset investments

| | Shares in group undertakings £ |
|-----------------------|---|
| Cost | |
| At 1 April 2014 | - |
| Additions | 372,710 |
| At 31 December 2014 | <u>372,710</u> |
| Net book value | |
| At 31 December 2014 | <u>372,710</u> |
| At 31 March 2014 | <u>-</u> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Class | Shares held % |
|---------------------------------|---|----------|------------------|
| Subsidiary undertakings | | | |
| Harbour Holidays (Rock) Limited | England and Wales | Ordinary | 100.00 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Principal activity | Capital and reserves Period ended 31 Dec 2014 £ | Profit/(loss) for the year Period ended 31 Dec 2014 £ |
|---------------------------------|--|---|---|
| Harbour Holidays (Rock) Limited | Provision of luxury short term self catering holidays | (25,329) | 9,344 |

The financial statements of Harbour Holidays (Rock) Limited have been prepared for the 15 month period 31 December 2014.

| 8 Debtors | 31 Dec 2014 £ | 31 Mar 2014 £ |
|------------------------------------|-------------------------|-------------------------|
| Trade debtors | 255,538 | 170,550 |
| Amounts owed by group undertakings | 1,874,359 | 3,120,181 |
| Other debtors | 289,033 | 264,803 |
| | <u>2,418,930</u> | <u>3,555,534</u> |

NATURAL RETREATS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2014

| 9 | Creditors: amounts falling due within one year | 31 Dec 2014 | 31 Mar 2014 |
|----------|---|--------------------|--------------------|
| | | £ | £ |
| | Trade creditors | 371,468 | 317,493 |
| | Amounts owed to group undertakings | 157,755 | 147,606 |
| | Taxes and social security costs | 120,095 | 69,186 |
| | Other creditors | 246,924 | 524,059 |
| | | <u>896,242</u> | <u>1,058,344</u> |

| 10 | Creditors: amounts falling due after more than one year | 31 Dec 2014 | 31 Mar 2014 |
|-----------|--|--------------------|--------------------|
| | | £ | £ |
| | Other creditors | 230,000 | 5,644,059 |
| | | <u>230,000</u> | <u>5,644,059</u> |

At 31 March 2014 other creditors falling due after more than one year relate to a long term unsecured loan granted by one of the shareholders of the parent company. At 31 December 2014 they related to deferred consideration for the acquisition of Harbour Holidays (Rock) Limited.

| 11 | Share capital | 31 Dec 2014 | 31 Mar 2014 |
|-----------|---|--------------------|--------------------|
| | | £ | £ |
| | Allotted, called up and fully paid | | |
| | 4,097,660 Ordinary shares of £1 each | 4,097,660 | 1 |
| | | <u>4,097,660</u> | <u>1</u> |

On 11 December 2014 a further 4,097,659 ordinary shares of £1 each were issued at par for cash.

| 12 | Profit and loss account | Profit and loss account |
|-----------|--------------------------------|--------------------------------|
| | | £ |
| | Balance at 1 April 2014 | (2,589,173) |
| | Profit for the period | 714,467 |
| | | <u>714,467</u> |
| | Balance at 31 December 2014 | (1,874,706) |
| | | <u>(1,874,706)</u> |

NATURAL RETREATS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2014

13 Commitments under operating leases

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

| | Period ended | Year ended 31 |
|--------------------------------|----------------------|----------------------|
| | 31 Dec 2014 | Mar 2014 |
| | £ | £ |
| Operating leases which expire: | | |
| Within one year | 9,841 | 5,247 |
| Between two and five years | 29,772 | 4,580 |
| | <u>39,613</u> | <u>9,827</u> |
| | <u><u>39,613</u></u> | <u><u>9,827</u></u> |

NATURAL RETREATS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

14 Related party relationships and transactions

The directors MD Spence, EJ Kearney and A Wild have an interest in K2 Equity Partners LLP which provided services to the value of £102,391 (year ended 31 March 2014 - £255,188) to the company during the period. Included in trade creditors is £1,859 (31 March 2014 - £1,873) payable to K2 Equity Partners LLP at 31 December 2014.

K2 Equity Partners LLP has an interest in Natural Assets Investments Limited. During the period the company supplied services amounting to £345,245 (year ended 31 March 2014 - £577,330) to Natural Assets Investments Limited. At 31 December 2014 trade debtors includes £26,845 (31 March 2014 - £37,257) due from Natural Assets Investments Limited.

During the period the company received services amounting to £57,105 (year ended 31 March 2014 - £308) from Natural Assets Investments Limited. At 31 December 2014 trade creditors includes £15,831 (31 March 2014 - £15,429) due to Natural Assets Investments Limited.

Natural Assets Investments Limited has a number of subsidiary undertakings to which services were provided as follows:

- JOG 2 Limited period ended 31 December 2014 - £260 (year ended 31 March 2014 - £2,636)
- JOG Highlands LLP period ended 31 December 2014 £7,211 (year ended 31 March 2014 - £50,700)
- JOG 3 LLP period ended 31 December 2014 - £715 (year ended 31 March 2014 - £838)
- DOL Park Limited period ended 31 December 2014 - £nil (year ended 31 March 2014 - £523)
- Natural Land 1 LLP period ended 31 December 2014 - £1, 179 (year ended 31 March 2014 - £nil)
- Natural Land 3 Limited period ended 31 December 2014 - £122,532 (year ended 31 March 2014 - £146,140)
- Natural Outfitters Limited period ended 31 December 2014 - £3,986 (year ended 31 March 2014 - £83,647)
- North York Moors Limited period ended 31 December 2014 - £1,166 (year ended 31 March 2014 - £21,514)
- NL3 Cottages Management Limited period ended 31 December 2014 - £3,477 (year ended 31 March 2014 - £883)
- Pentire Fistril Beach Limited period ended 31 December 2014 - £142,007 (year ended 31 March 2014 - £106,419)
- Pentire Management Limited period ended 31 December 2014 - £4,667 (period ended 31 March 2014 - £nil)
- NA Lews Castle Limited period ended 31 December 2014 - £165,200 (year ended 31 March 2014 - £nil)
- Trewiddle Village Limited period ended 31 December 2014 - £40,210 (year ended 31 March 2014 - £40,137)
- Yorkshire Dales Limited period ended 31 December 2014 - £131,129 (year ended 31 March 2014 - £86,873)

NATURAL RETREATS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2014

14 Related party relationships and transactions (Continued)

Trade debtors includes balances owing to the company as follows:

- JOG Highlands LLP period ended 31 December 2014 - £7,211 (31 March 2014 - £4,659)
- JOG 2 Limited period ended 31 December 2014 - £47 (31 March 2014 - £nil)
- Natural Land 1 LLP period ended 31 December 2014 - £420 (31 March 2014 - £nil)
- Natural Land 3 Limited period ended 31 December 2014 - £2,815 (31 March 2014 - £19,988)
- NL3 Management Cottages Limited 31 December 2014 £1,560 (31 March 2014 - £1,060)
- Natural Outfitters Limited period ended 31 December 2014 - £3,560 (31 March 2014 - £7,631)
- Pentire Fistril Beach Limited period ended 31 December 2014 - £30,836 (31 March 2014 - £6,371)
- Pentire Management Limited period ended 31 December 2014 - £4,485 (31 March 2014 - £nil)
- Trewiddle Village Limited period ended 31 December 2014 - £21,445 (31 March 2014 - £3,258)
- Yorkshire Dales Limited period ended 31 December 2014 - £10,163 (31 March 2014 - £6,196)

At 31 March 2014 the company owed Natural Assets Investments Limited £200,000 this amount has been written off during the year.

During the period the company received services amounting to £72,405 (year ended 31 March 2014 - £35,902) from Natural Outfitters Limited. At 31 December 2014 trade creditors includes £4,684 (31 March 2014 - £6,671) due to Natural Outfitters Limited.

During the period the company was recharged expenses amounting to £1,159 (year ended 31 March 2014 - £880) by JOG Highlands LLP. Trade creditors includes £1,843 (31 March 2014 - £nil) due to JOG Highlands LLP at 31 December 2014.

Natural Retreats LP has an interest in the former parent company Natural Retreats Management Limited. During the period expenses amounting to £nil (year ended 31 December 2014 - £507) were paid on behalf of Natural Retreats LP. At 31 December 2014 £183,212 (31 March 2014 - £183,212) was owing to the company by Natural Retreats LP.

D Gorton is a shareholder of the former parent company Natural Retreats Management Limited. At 31 December 2014 other creditors includes £nil (31 March 2014 - £5,128,777) owing to D Gorton. Interest amounting to £450,156 (year ended 31 March 2014 - £379,533) was charged on this loan during the period. £1,434,191 of interest previously charged has been credited to the profit and loss account in the period.

15 Control

The immediate parent company and immediate and ultimate controlling party is Natural Retreats Management LLC, a company incorporated in Delaware, USA.