

Natatomisam Limited

Report and Financial Statements

Year ended

31 December 2014

Company No: 07075541

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Natatomisam Limited and Subsidiaries

Annual report and financial statements
for the year ended 31 December 2014

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Directors

J S Brent
N H Brent

Registered office

Home Park, Plymouth, PL2 3DQ

Company number

07075541

Auditors

Shipleys LLP, 10 Orange Street, London, WC2H 7DQ

Natatomisam Limited and Subsidiaries

Report of the directors for the year ended 31 December 2014

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit and loss account is set out on page 8 and shows the result for the period. The directors have not recommended a dividend.

Review of principal activities, developments and future prospects

The Company is a holding company of a number of trading businesses.

The Group's principal activities during the year comprised:

- the ownership of hotels in the British Isles;
- the design and sale of leisurewear under the 'Saltrock' brand;
- real estate development in the UK; and
- sporting and leisure activities, including professional football.

Principal risks and uncertainties

Financing and interest rates

During the year, the group financed its activities principally by other loans, shareholder equity and deferred consideration. From time to time finance leases are used to fund property improvements and certain equipment purchases.

The group's policy is to manage its cost of borrowing using a combination of interest rate collars and swaps with the objective of reducing the exposure to interest rate risks. The group does not trade in financial instruments and has no other form of derivatives.

Credit Risk

The group's objective is to reduce the risk of financial loss due to a counter party's failure to honour its obligations. Credit is only given to corporate customers, and standard payment terms are quoted on all contracts. With the help of the group's central administration function each division is responsible for implementing the group's credit control procedures including the determination of credit worthy customers, management of exposures and ensuring payment is secured in accordance with the agreed terms.

Liquidity

The group aims to mitigate liquidity risk by managing cash generation by its operations.

Investment is only approved following a detailed and lengthy appraisal process, and an assessment of the financial requirements of the investment. All significant capital expenditure is approved by senior group management, regardless of the method of funding.

Natatomisam Limited and Subsidiaries

Report of the directors
for the year ended 31 December 2014 (*Continued*)

IT

The group's information systems are held on distributed servers. Appropriate replication and back up of these systems, together with hardware maintenance contracts, are maintained in order to reduce the impact of failure.

Competition

Competitive risk exists in all businesses and the group's objective is to be able to identify such risks at an early stage so that appropriate strategy can be implemented to reduce that risk. This is achieved through a regime of regular forecasting and budgeting together with weekly reviews of historic, current and anticipated future performance.

Directors

The directors who held office during the period were:

J S Brent
N H Brent

Employment policies

The group's policy is to consult and discuss with employees through staff meetings matters likely to affect employees' interests.

Information is given on matters that are of concern to employees with the aim of achieving a common awareness on the part of all employees of factors affecting the group's performance.

The group is committed to the principle and the achievement of equal opportunities in employment. Where possible within the scope and demands of its operations the group provides as much suitable employment as possible for disabled people. Depending upon their skills and abilities, disabled employees have the same opportunities for promotion, career developments and training as other employees. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Natatomisam Limited and Subsidiaries

Report of the directors for the year ended 31 December 2014 (*Continued*)

Directors' responsibilities

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 period. 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 group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Auditors


All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Shipleys LLP, having been appointed during the period, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Natatomisam Limited and Subsidiaries

Report of the directors
for the year ended 31 December 2014 (Continued)

By order of the Board



J S Brent
Director
Date:

25th August 2015

Natatomisam Limited and Subsidiaries

Strategic Report for the year ended 31 December 2014

The Company is a holding company of a number of trading businesses.

The Group's principal activities during the period comprised:

- The design and sale of leisurewear under the "Saltrock" brand;
- The ownership of hotels in the British Isles;
- Real estate investment and development in the UK; and
- Sporting and leisure activities, including professional football and arena management.

2014 showed improvement in the group's businesses. On a consolidated basis:

- Turnover increased from £10.9m to £26.4m
- Gross profit increased from £3.6m to £11.8m
- Net profit increased from £355k to £625k
- Total shareholders' funds increased from £3.9m to £5.0m

Saltrock has been performing well, with substantial improvement in trading performance over the prior year. The new store rollout programme is progressing well-stores increased during the year under review from 14 to 24 and since the year end to 39. The new units have generally opened with encouraging performance. Since the year end new logistics and e-commerce systems have been successfully introduced and a new main warehouse opened.

The hotels business-which now has no external bank debt-continues to recover and the outlook looks positive.

The development business suffered as a consequence of a proposed competing development at Bretonside, Plymouth making the consented scheme at Higher Home Park-which included a new grandstand for Plymouth Argyle and a multiplex cinema-unviable. Progress has been made in developing an alternative scheme on this and another site, however. Improved property values have increased the confidence of the Directors in the potential of this business.

Plymouth Argyle continued its trajectory of improvement both on and off the pitch. In the 2014/15 season, PAFC finished 7th in the league table and thus competed-albeit unsuccessfully-in the play-offs for promotion (compared with 10th the year before and 21st in 2012/13). The Club also achieved a material improvement in its financial performance during the 2014 financial year, generating a small surplus EBITDA. PAFC bought the majority of the remaining 'football creditor debt' it inherited on acquisition of the Club, reducing the amount of its indebtedness and extending the maturity of the balance.

The operations of the Plymouth Pavilions arena and ice rink were brought in-house during the year. These facilities were previously operated by Theatre Royal Plymouth. Having previously been heavily subsidised, the Directors were pleased that the facilities generated a small EBITDA profit in 2014 and have continued to trade well.

The Directors are positive about the prospects for 2015.

By order of the Board

J S Brent
Director
Date: 25 August 2015

Natatomisam Limited and Subsidiaries

Report of the independent auditors

Independent auditor's report to the shareholders of Natatomisam Limited

We have audited the financial statements of Natatomisam Limited for the period ended 31 December 2014 which comprise the consolidated profit and loss account, the consolidated balance sheet, balance sheet and the consolidated statement of total recognised gains and losses and the related notes. 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 Sections 495 and 496 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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

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 group's and the parent 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2014 and of the group's profit for the period 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.

Natatomisam Limited and Subsidiaries

Report of the independent auditors

Independent auditor's report to the shareholders of Natatomisam Limited (Continued)

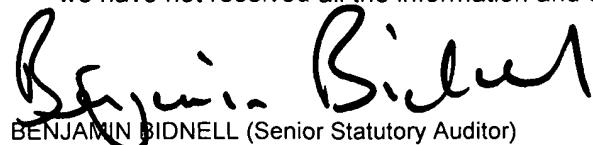
Opinion on other matters prescribed by the Companies Act 2006

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



BENJAMIN BIDNELL (Senior Statutory Auditor)
For and on behalf of SHIPLEYS LLP
Chartered Accountants & Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

27 August 2015

Natatomisam Limited and Subsidiaries

Consolidated profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover: continuing operations	2	26,363,075	10,916,961
Cost of sales		(14,590,753)	(7,282,422)
Gross profit		<u>11,772,322</u>	<u>3,634,539</u>
Operating expenses		(11,596,107)	(5,908,684)
Other operating income		541,633	938,600
Operating Profit / (Loss)	3a	<u>717,848</u>	<u>(1,335,545)</u>
Exceptional items:			
discontinued operations	3b	-	3,403,870
continuing operations		310,640	-
Other income		-	11,166
Interest receivable		22,142	20,776
Interest payable and similar charges	5	(86,403)	(78,119)
Profit/(loss) on ordinary activities before Taxation		<u>964,227</u>	<u>2,022,148</u>
Taxation on profit/(loss) on ordinary activities	7	(51,469)	-
Profit/(loss) on ordinary activities after taxation	8	<u>912,758</u>	<u>2,022,148</u>
Minority interests		(287,869)	(1,666,530)
Profit/(loss) for the financial year		<u><u>624,889</u></u>	<u><u>355,618</u></u>

Natatomisam Limited and Subsidiaries

Statement of total recognised gains and losses

for the year ended 31 December 2014

	2014 £	2013 £
Profit/(loss) for the financial year attributable to the shareholders activities after taxation	624,889	355,618
Unrealised profit on revaluation of fixed assets	2,195,071	841,009
Total recognised gains and losses since the last annual report	2,819,960	1,196,627

The notes on pages 19 to 33 form part of these financial statements.

Natatomisam Limited and Subsidiaries

Consolidated balance sheet at 31 December 2014

Company No: 07075541	Note	2014 £	As restated 2013 £
Fixed assets			
Intangible assets	9	1,509,314	1,649,699
Tangible assets	10	9,355,833	5,267,279
Investments	11	837,594	1,987,594
		<hr/>	<hr/>
		11,702,741	8,904,572
		<hr/>	<hr/>
Current assets			
Tangible assets	10	-	2,300,000
Stocks	13	1,946,631	1,191,731
Debtors	14	3,450,875	1,667,130
Cash at bank and in hand		2,081,941	428,063
		<hr/>	<hr/>
		7,479,447	5,586,924
		<hr/>	<hr/>
Creditors : amounts falling due within one year	15	(9,147,859)	(6,131,394)
		<hr/>	<hr/>
Net current assets (liabilities)		(1,668,412)	(544,470)
		<hr/>	<hr/>
Total assets less current liabilities		10,034,329	8,360,102
		<hr/>	<hr/>
Creditors : amounts falling due after more than one year	16	(4,597,997)	(4,671,959)
		<hr/>	<hr/>
Non-Controlling Interest		(388,985)	173,273
		<hr/>	<hr/>
Net assets		5,047,347	3,861,416
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	100	100
Other reserves	21	9,984,942	10,264,908
Profit and loss account	21	(4,937,695)	(6,403,592)
		<hr/>	<hr/>
Total equity shareholders' funds	22	5,047,347	3,861,416
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 33 form part of these financial statements

Natatomisam Limited and Subsidiaries

Consolidated balance sheet
at 31 December 2014 (*Continued*)

The financial statements were approved by the Board of Directors and authorised for issue on 25th August 2015.



J S Brent

Natatomisam Limited and Subsidiaries

Company balance sheet at 31 December 2014

Company No: 07075541	Note	2014 £	As restated 2013 £
Fixed assets			
Tangible assets	10	-	-
Investments	11	2,602,831	2,489,195
		2,602,831	2,489,195
Current assets			
Tangible assets	10	-	2,300,000
Debtors	14	1,551,658	736,779
Cash at bank and in hand		338,860	17,903
		1,890,518	3,054,682
Creditors : amounts falling due within one year	15	(517,572)	(1,508,505)
Net current (liabilities)/assets		1,372,946	1,546,177
Total assets less current liabilities		3,975,777	4,035,372
Net assets		3,975,777	4,035,372
Capital and reserves			
Called up share capital	20	100	100
Other reserves	21	5,908,900	6,749,909
Profit and loss account	21	(1,933,223)	(2,714,637)
Total equity shareholders' funds	22	3,975,777	4,035,372

The notes on pages 19 to 33 form part of these financial statements.

Natatomisam Limited and Subsidiaries

Company balance sheet
at 31 December 2014 (Continued)

The financial statements were approved by the Board of Directors and authorised for issue on 25th August 2015.


J S Brent
Director

Natatomisam Limited and Subsidiaries

Consolidated cash flow statement for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	1	(1,303,027)	100,307
Returns on investments and Servicing of finance	1	(64,261)	(57,343)
Taxation		-	-
Capital expenditure and Financial investment	1	2,057,955	(701,002)
Acquisitions and disposals	1	(12,636)	(576,741)
Cash inflow/(outflow) before financing		678,031	(1,234,779)
Financing	1	922,974	5,069
Increase/(decrease) in cash	1	<u>1,601,005</u>	<u>(1,229,710)</u>

Natatomisam Limited and Subsidiaries

Consolidated cash flow statement for the year ended 31 December 2014

1. Notes to the consolidated cash flow statement

Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2014 £	2013 £
Operating profit/(loss)	717,848	(1,335,545)
Other income	(341,633)	11,166
Non-cash movements	-	269,680
Amortisation	380,570	479,086
Depreciation	322,661	97,831
(Profit)/loss on disposal of fixed assets	(361,500)	(739,246)
Increase in stocks	(749,870)	(578,479)
(Increase)/decrease in debtors	(1,681,491)	817,799
Increase in creditors	410,388	1,078,015
	(1,303,027)	100,307
Net cash (outflow)/inflow from operating activities	(1,303,027)	100,307

Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	22,142	20,776
Interest paid	(86,403)	(78,119)
	(64,261)	(57,343)
Net cash outflow from returns on investments and servicing of finance	(64,261)	(57,343)

Taxation

	2014 £	2013 £
Taxation paid	-	-
	-	-

Natatomisam Limited and Subsidiaries

Consolidated cash flow statement group cash flow for the year ended 31 December 2014

	2014 £	2013 £
Capital expenditure		
Payments to acquire intangible fixed assets	(92,258)	-
Payments to acquire tangible fixed assets	(511,287)	(1,460,400)
Payments to acquire investments	-	-
Receipts from sales of tangible fixed assets	2,661,500	759,398
Net cash outflow from capital expenditure	<u>2,057,955</u>	<u>(701,002)</u>
	2014 £	2013 £
Acquisitions and disposals		
Issue of convertible loan notes by subsidiary	(113,636)	-
Acquisition of shares in group undertakings	-	-
Cash acquired on disposal of group undertakings	-	(576,741)
Minority interest share capital	101,000	-
Net cash (outflow)/inflow from acquisitions and disposals	<u>(12,636)</u>	<u>(576,741)</u>

Natatomisam Limited and Subsidiaries

Consolidated cash flow statement group cash flow for the year ended 31 December 2014

Notes to the consolidated cash flow statement (*continued*)

Financing

	2014 £	2013 £
Issue of other loans	926,916	39,375
Repayment of other loans	(3,942)	(34,306)
Net cash flow from financing	<u>922,974</u>	<u>5,069</u>

Reconciliation of net cash flow to movement in net debt

	2014 £	2013 £
Increase/(Decrease) in cash in the year	1,601,005	(1,229,710)
Net cash (inflow)/outflow from financing	(922,974)	(5,069)
Non-cash changes	(541,731)	45,357,057
	<u>(1,464,705)</u>	<u>45,351,988</u>
Change in net debt	136,300	44,122,278
Net debt at 1 January 2014	(186,156)	(44,308,434)
Net debt at 31 December 2014	<u>(49,856)</u>	<u>(186,156)</u>

Natatomisam Limited and Subsidiaries

The consolidated cash flow statement explained
for the year ended 31 December 2014

Analysis of Changes in net debt

	At 31 December 2013 £	Cash Flow £	Non-cash Changes £	At 31 December 2014 £
Net cash:				
Cash in hand and at bank	428,063	1,653,877	-	2,081,940
Overdraft	-	(52,872)	-	(52,872)
	<u>428,063</u>	<u>1,601,005</u>	<u>-</u>	<u>2,029,068</u>
Debt:				
Debt due within 1 year	-	(118,915)	-	(118,915)
Debt due after 1 year	(614,219)	(804,059)	(541,731)	(1,960,009)
	<u>(614,219)</u>	<u>(922,974)</u>	<u>(541,731)</u>	<u>(2,078,924)</u>
Net debt	<u>(186,156)</u>	<u>678,031</u>	<u>(541,731)</u>	<u>(49,856)</u>

Non-cash changes of (£541,731) comprises:

Reduction in loan notes held by third parties	£113,636
Other loans on acquisition	(£997,000)
Non-cash changes to other loans	<u>£341,633</u>
Total Non-cash changes	<u>(£541,731)</u>

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, and in accordance with applicable UK accounting standards.

Basis of consolidation

All acquisitions have been accounted for using the acquisition method, with the results of each subsidiary included within the consolidated profit and loss account from the date of acquisition.

All intercompany balances and transactions, including unrealised profits arising from the intergroup transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Purchased goodwill is included at fair value and also amortised over a period of 10 or 20 years.

Player Registrations

The group capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of his contract including any subsequent extensions.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual values, using the following annual rates:

Player Registrations	- Over the life of the contract
Goodwill	- Between 5% and 33% straight line

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

1 Accounting policies (Continued)

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition and interest incurred on specific borrowings. Furniture, fittings and equipment are normally regarded as having been disposed of when fully depreciated, with the exception of items comprising the base cost of assets arising from a hotel acquisition or major extension.

In future, all additions to tangible fixed assets will be stated at cost. Where existing unimpaired tangible fixed assets are stated at valuation, the company has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Depreciation is calculated so as to write off the cost of all other tangible fixed assets, less their estimated residual values, using the following annual rates:

Leasehold properties	- Shorter of lease term and 25 years
Freehold properties	- Over 30 - 150 years straight line
Motor vehicles	- 25% straight line or reducing balance
Fixtures, fittings and equipment	- 10 - 25% straight line
Plant and Machinery	- 20 - 25% straight line

Where assets have a deemed economic life in excess of 50 years, the directors have undertaken an impairment review under the terms of FRS 11. The directors are of the opinion that the current market value of the freehold properties exceeds their book value.

Investments

Investments are held at cost less provision for impairment.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing arrangements, which transfer to the group substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value.

Foreign currency

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange at the end of the financial year and the results of foreign subsidiaries are translated at the average rate of exchange for the year. Differences on exchange arising from the translation of the results of those companies at average rates, are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise, except where foreign currency borrowings have been used to finance equity investments in foreign currencies. Exchange differences arising on the borrowings are dealt with through reserves to the extent that they are covered by exchange differences arising on the net assets represented by the equity investments.

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

1 Accounting policies (Continued)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year from rooms, bars, restaurants and leisure clubs, exclusive of value added tax.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

The group operates defined contribution pension schemes for the benefit of directors and employees. The assets of the scheme are held separately from the company. Pension costs are accounted for on the basis of charging against profits the amount of contributions payable to the pension schemes in respect of the accounting year.

Provisions for liabilities and charges

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provision is not discounted.

Deferred Grants

Grants received in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Signing on Fees

Signing fees are paid to football players in instalments over the period of their contracts and have been charged to the profit and loss account as and when such payments are made.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

1 Accounting policies (Continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's 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 the 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 are gains or losses relating to financial liabilities and 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 directly to equity.

Interest income

Interest income relates to bank interest received and interest received.

2 Turnover, operating profit and net assets

Turnover, operating profit and net assets are all derived from the activities in the United Kingdom, analysed by class of business below -

	Turnover		Operating Profit/ (Loss)		Net Assets / (Liabilities)	
	2014	2013	2014	2013	2014	2013 As restated
	£	£	£	£	£	£
Class of business:						
Hotels	9,488,548	-	1,813	-	726,408	-
Retail	10,656,628	7,244,042	866,839	174,563	158,879	(348,145)
Leisure	6,203,608	3,654,169	(108,044)	(1,473,388)	(3,774,812)	(3,913,201)
Property						
Development	-	-	38,705	(4,644)	5,111,095	4,087,390
Holding company	14,291	18,750	(81,465)	(32,076)	2,825,777	4,035,372
	<u>26,363,075</u>	<u>10,916,961</u>	<u>717,848</u>	<u>(1,335,545)</u>	<u>5,047,347</u>	<u>3,861,416</u>

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

3a Operating loss

Operating loss is stated after charging

	2014 £	2013 £
Directors' remuneration	-	-
Amortisation of intangible assets	380,570	479,086
Depreciation of owned fixed assets	322,661	97,831
Auditors remuneration – audit of parent (see note 6)	10,000	10,000
Rentals under operating leases – land and buildings	3,886,782	135,000
Rental income	-	(14,000)
Profit on disposal of fixed assets	361,500	535,646
	-	-

3b Exceptional items:

	2014 £	2013 £
Discontinued operations:		
Elimination of net liabilities on disposal of hotel group (note 12c.ii.)	-	(6,477,886)
Impairment of investments	-	3,074,016
	-	(3,403,870)
Continuing operations:		
Profit on deemed disposal to minority interests (note 12c.i.)	(310,640)	-
	(310,640)	(3,403,870)

4 Particulars of Employees

The average number of staff employed by the group during the financial year amounted to:

	2014 No	2013 No
Group		
Number of management staff	18	10
Number of other staff	490	290
	508	300

The aggregate payroll costs of the above were:

	2014 £	2013 £
Group		
Wages and salaries	8,400,279	4,070,591
Social security costs	590,985	334,239
Other pension costs	9,535	-
	9,000,799	4,404,830

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

5 Interest payable and similar charges

	2014 £	2013 £
Interest payable on borrowings	86,403	78,119
	86,403	78,119
	86,403	78,119

6 Analysis of auditors' remuneration

	2014 £	2013 £
Fees payable to the company's auditors for the audit of the consolidated financial statements	10,000	10,000
Fees payable to the company's auditors for the audits of subsidiary financial statements	40,500	19,000
Other fees	2,000	1,000
Total fees payable	52,500	30,000
Auditor's remuneration - other fees:		
- Taxation services	2,000	1,000
	2,000	1,000

7 Taxation

	2014 £	2013 £
<i>Current tax</i>		
UK corporation tax	51,469	-
Adjustment in respect of previous period	-	-
	51,469	-
	51,469	-

There are approximately £2,000,000 of tax losses available for relief against future profits.

8 (Loss)/profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss for the financial year was £55,595 (2013: £3,074,151).

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

9 Intangible fixed assets

The Group

	Purchased Goodwill £	Player Registrations £	Total £
Cost or valuation			
At 1 January 2014	2,518,178	449,278	2,967,456
Additions	240,185	-	240,185
Disposals	-	(233,075)	(233,075)
At 31 December 2014	<u>2,758,363</u>	<u>216,203</u>	<u>2,974,566</u>
Accumulated amortisation			
At 1 January 2014	972,199	345,558	1,317,757
Charge in year	345,185	35,385	380,570
Disposals	-	(233,075)	(233,075)
At 31 December 2014	<u>1,317,384</u>	<u>147,868</u>	<u>1,465,252</u>
Net Book Value			
At 31 December 2014	<u>1,440,979</u>	<u>68,335</u>	<u>1,509,314</u>
At 31 December 2013	<u>1,545,979</u>	<u>103,720</u>	<u>1,649,699</u>

10 Tangible fixed assets

The Group	Freehold Land & Buildings £	Leasehold Property £	Investment Property £	Fittings & Equipment £	Fixtures, Motor Vehicles £	Total £
Cost or valuation						
At 1 January 2014	1,371,344	1	3,515,000	604,892	8,100	5,499,337
Additions	-	1,426,778	-	773,766	15,600	2,216,144
Revaluations	-	1,210,071	985,000	-	-	2,195,071
Disposals	-	-	-	-	-	-
At 31 December 2014	<u>1,371,344</u>	<u>2,636,850</u>	<u>4,500,000</u>	<u>1,378,658</u>	<u>23,700</u>	<u>9,910,552</u>
Accumulated depreciation						
At 1 January 2014	-	-	-	228,680	3,378	232,058
Charge in the year	-	123,897	-	196,143	2,621	322,661
At 31 December 2014	<u>-</u>	<u>123,897</u>	<u>-</u>	<u>424,823</u>	<u>5,999</u>	<u>554,719</u>
Net Book Value						
At 31 December 2014	<u>1,371,344</u>	<u>2,512,953</u>	<u>4,500,000</u>	<u>953,835</u>	<u>17,701</u>	<u>9,355,833</u>
At 31 December 2013	<u>1,371,344</u>	<u>1</u>	<u>3,515,000</u>	<u>376,212</u>	<u>4,722</u>	<u>5,267,279</u>

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

10 Tangible fixed assets (continued)

The investment property is held by Five Directions Limited. The directors considered the valuation of the property at the balance sheet date and the market value of the property is considered to be £4,500,000 (2013 - £3,915,000).

11 INVESTMENTS

The Group	Other Investments £
Cost	
At 1 January 2014	1,987,594
Additions	-
Reclassification to equity accounting	(1,150,000)
Impairment	-
	<u> </u>
At 31 December 2014	<u>837,594</u>

Other investments represents a capital interest in Akkeron Group LLP. The company is entitled to 30% of income and 27% of capital.

The Company

	Shares in Subsidiaries £	Loan Stock in Subsidiaries £	Other Investments £	Total £
Cost				
At 1 January 2014	1,601	1,650,000	837,594	2,489,195
Impairment	-	-	-	-
Additions	600	113,636	-	114,236
Reclassifications	1,150,000	(1,150,000)	-	-
Disposals	(600)	-	-	(600)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	<u>1,151,601</u>	<u>613,636</u>	<u>837,594</u>	<u>2,602,831</u>

12a INTERESTS IN GROUP UNDERTAKINGS

The group consolidates its subsidiary undertakings and its principal subsidiaries are:

Subsidiary undertakings	Country of Incorporation	Holding	Principal Activity
Saltrock Surfwear Ltd	England	63%	Retail
Akkeron Leisure Ltd	England	100%	Holding company
93% owner of the following subsidiary:			
Plymouth Argyle Football Club Ltd	England		Leisure services
The Plymouth Pavilions Limited	England	100%	Leisure services
South West Ticketing Services Limited	England	100%	Leisure services
Five Directions Limited	England	100%	Property
Suite Hospitality Limited	England	60%	Hotel operator
100% owner of the following subsidiary:			
Akkeron Hotels Group Limited	England		Dormant
Resurgam (West End) Limited	England	100%	Dormant

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

12b Acquisition

On 3 February 2014 the company purchased the trade and certain assets and liabilities of Akkeron Hotels Limited as part of a group reconstruction. The purchase was satisfied by the agreement to undertake, pay, satisfy and discharge the assumed assets and liabilities.

As a result of the group reconstruction £1,150,000 has been debited to other reserves. This represents the difference between the carrying value of the investment in Akkeron Hotels and the share capital of Suite Hospitality Limited (the new trading subsidiary for the remaining hotels following the group reconstruction).

The following table shows the book value revaluations to fair value of the identifiable assets and liabilities acquired.

	£	Book Value £	Fair Value Adjustment £	Fair Value £
Intangible Fixed Assets		147,927		147,927
Tangible Fixed Assets		1,704,857	1,210,071	2,914,928
Current Assets				
- Debtors	102,254			
- Stock	5,031			
		<u>107,285</u>		<u>107,285</u>
Assets acquired		<u>1,960,069</u>	<u>1,210,071</u>	<u>3,170,140</u>
			Consideration:	
			£	
Satisfied by assumption of liabilities:				
- Trade Creditors			(479,642)	
- Other creditors			(483,427)	
- Other loans			(997,000)	
			<u>(1,960,069)</u>	

12c Disposal of subsidiary undertakings

i.) Deemed disposal following increase in minority shareholder interests.

During the year the minority interests changed as follows:

Plymouth Argyle Football Club Limited – reduction in shareholding from 100% to 93%.

The company issued new shares equivalent to 7% of the equity of the company. This resulted in a profit on the deemed disposal to minority interests of £290,980 due to the reduction in the share of net liabilities.

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

12c Disposal of subsidiary undertakings - continued

ii.) Disposal in the previous financial year

The following table sets out the book values of the identifiable assets and liabilities following the deemed disposal of the hotel group in the previous financial year.

Akkeron Hotels Group Limited

	£
Fixed assets	
Intangible	3,677,380
Tangible	41,081,517
Current assets	
Stock	223,852
Debtors	3,438,994
Cash	576,741
Total assets	48,998,484
Creditors	
Bank Loan	(35,472,310)
Trade Creditors	(2,831,813)
Other Creditors	(2,923,121)
Accruals and Deferred Income	(3,784,109)
Obligations under Leases	(24,877)
Shares Classed as Liabilities	(333,275)
Loan note	(4,856,865)
Convertible debentures	(5,250,000)
Total liabilities	(55,476,370)
Net liabilities	(6,477,886)
Consideration	-
Eliminated on disposal	6,477,886

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

13 Stocks

Group

	31 December 2014 £	31 December 2013 £
--	-----------------------------	-----------------------------

Goods for resale

1,946,631	1,191,731
-----------	-----------

14 Debtors

Group

	31 December 2014 £	31 December 2013 £
--	-----------------------------	-----------------------------

Amounts falling due within one year:

Trade debtors

810,355	116,673
---------	---------

Other debtors

1,754,102	1,259,475
-----------	-----------

Prepayments and accrued income

886,418	290,982
---------	---------

3,450,875	1,667,130
-----------	-----------

Company

	2014 £	2013 £
--	-----------	-----------

Amounts falling due within one year:

Other debtors

40	40
----	----

Amounts due from related undertakings

802,352	722,357
---------	---------

Amounts due from subsidiary undertakings

749,266	-
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Prepayments and accrued income

-	14,382
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1,551,658	736,779
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Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

15 Creditors: amounts falling due within one year

Group

	2014	As restated 2013
	£	£
Bank overdraft	52,872	-
Other loans	118,915	-
Trade creditors	3,942,359	2,781,524
Corporation tax	51,469	-
Other taxation and social security	550,601	407,372
Other creditors	3,618,778	2,791,409
Accruals and deferred income	812,865	151,089
	9,147,859	6,131,394
	9,147,859	6,131,394

Company

	2014	As restated 2013
	£	£
Trade creditors	-	-
Amounts owed to groups undertakings	507,328	471,008
Other taxation and social security	3,247	5,468
Other creditors	3,997	1,029,029
Accruals and deferred income	3,000	3,000
	517,572	1,508,505
	517,572	1,508,505

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

16 Creditors: amounts falling due more than one year

Group

	2014 £	2013 £
Other loans	1,459,426	-
Convertible loan stock	500,583	614,219
Other creditors	2,637,988	4,057,740
	<u>4,597,997</u>	<u>4,671,959</u>

5% convertible loan stock - Saltrock Surfwear Limited

The 5% convertible loan stock was reissued on 19 September 2014.

The principal amount is £750,000. At 31 December 2014 the third party element was £136,364 (At 31 December 2013 -£250,000)

The loan stock is secured over the assets of the company and is due for repayment on 31 March 2020, interest is payable at 5% per annum. Any stockholder may, with the agreement of all other stockholders, convert their stock into ordinary shares on the basis of one ordinary share for every £1 nominal value of stock.

5% convertible loan stock - Plymouth Argyle Football Club Limited

The principal amount of the 5% convertible loan stock is £364,219 (2013- £364,219) all of which is owed to a third party. The repayment date is 21 January 2020.

The stockholder may, by written notice to the company, convert all or any part of the outstanding stock on the basis of £1 principal stock for £1 ordinary shares.

Other loans consists of 2 loans:

Plymouth Argyle Football Club Limited

The company has a secured term loan facility (of up to £800,000) repayable by instalments over 5 years from drawdown. Interest is charged at 4.88% per annum. The term loan facility is secured against the property owned by a fellow group company. At the balance sheet date the company owed £630,841.

Suite Hospitality Limited

At 31 December 2014 £947,400 consisted of forgivable promissory notes due to Choice Hotels International C.V. The balance owing on these reduces until maturity in 2021.

17 Commitments under operating leases

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as set out below:

	2014 £	2013 £
Land and Buildings		
Operating leases which expire:		
Within 1 year	213,360	-
Within 2-5 years	3,417,447	-
After more than 5 years	371,890	135,000
	<u>4,002,697</u>	<u>135,000</u>

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

18 Related party transactions

The company has taken advantage of the exemptions allowed under FRS 8, whereby groups are not required to disclose transactions with 100% owned subsidiaries.

At the year end the group was owed £1,115,538 (2013 - £886,274) by Akkeron Group LLP, an entity in which the group has a 27% interest in the capital of the LLP and Mr J Brent is also a designated member of the LLP.

19 Ultimate controlling parties

The ultimate controlling parties are James and Nicola Brent, who have equal ownership of the company.

20 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

21 Reserves

Group	Other reserve £	Revaluation Reserve £	Share Premium £	Profit and Loss Account £
Brought forward	-	4,356,008	6,696,900	(6,403,592)
Prior period adjustment	-	-	(788,000)	-
<i>Restated brought forward</i>	-	<u>4,356,008</u>	<u>5,908,900</u>	<u>(6,403,592)</u>
Transfer on group reconstruction	(1,150,000)	-	-	-
Revaluation	-	985,000	-	-
Reserve transfer	-	(841,009)	-	841,009
Fair value on acquisition	-	1,210,071	-	-
Less: minority interest share	-	(484,028)	-	-
Profit for the year	-	-	-	624,888
Balance carried forward	<u>(1,150,000)</u>	<u>5,226,042</u>	<u>5,908,900</u>	<u>(4,937,695)</u>
Company		Revaluation Reserve £	Share Premium £	Profit and Loss Account £
Brought forward		841,009	6,696,900	(2,714,637)
Prior period adjustment		-	(788,000)	-
<i>Restated brought forward</i>		<u>841,009</u>	<u>5,908,900</u>	<u>(2,714,637)</u>
Reserve transfer		(841,009)	-	841,009
Loss for the year		-	-	(59,595)
Balance carried forward		<u>-</u>	<u>5,908,900</u>	<u>(1,933,223)</u>

Natatomisam Limited and Subsidiaries

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

22 Reconciliation of movement in shareholders' funds

Group	2014	As restated
	£	2013 £
Opening shareholders' funds	3,861,416	3,987,789
Prior period adjustment	-	(788,000)
<i>Restated opening shareholders' funds</i>	<u>3,861,416</u>	<u>3,199,789</u>
Profit for the year	624,888	355,618
Other movements on reserves	(1,150,000)	-
Movement on revaluation reserve	1,711,043	306,009
	<u> </u>	<u> </u>
At 31 December 2014	<u>5,047,347</u>	<u>3,861,416</u>

Company	2014	As restated
	£	2013 £
Opening shareholders' funds	4,035,372	7,056,514
Prior period adjustment	-	(788,000)
<i>Restated opening shareholders' funds</i>	<u>4,035,372</u>	<u>6,268,514</u>
Movement on revaluation reserve	-	841,009
Loss for year	(59,595)	(3,074,151)
	<u> </u>	<u> </u>
At 31 December 2014	<u>3,975,777</u>	<u>4,035,372</u>

The prior period adjustment related to an overstatement of share premium from a share issue in exchange for assets relating to year ended 31 December 2010. The share premium account has been reduced by £788,000 and other creditors increased by £788,000. There was no impact on the reported profit and loss for the current or previous financial years.

23 Pension and similar obligations

Certain group companies operate defined contribution pension schemes for the benefit of directors and employees. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £nil (2013: £nil).

24 Capital commitments

The group had capital commitments at 31 December 2014 of £nil (31 December 2013: £nil).

Natatomisam Limited and Subsidiaries

**Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)**

