

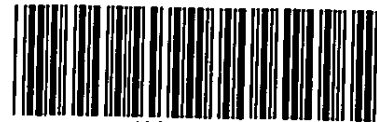
Natural Retreats UK Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2013

TUESDAY



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24/12/2013

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COMPANIES HOUSE

Natural Retreats UK Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T Dennis
E Kearney
MD Spence
A Wild

REGISTERED OFFICE

1st Floor Whitecroft House
Wilmslow
Cheshire
SK9 5BQ

AUDITOR

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

Natural Retreats UK Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Natural Retreats UK Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of luxury short term self-catering holidays, mainly to individuals

DIRECTORS

The directors who served the company during the year were as follows

T Dennis
E Kearney
MD Spence
A Wild

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

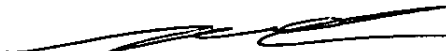
AUDITOR

Baker Tilly UK Audit LLP was appointed during the year and has indicated its willingness to continue in office

SMALL COMPANY PROVISIONS

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

On behalf of the board



A Wild

Director

17/12/13

Natural Retreats UK Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 MEMBER OF NATURAL RETREATS UK LIMITED

We have audited the financial statements on pages 5 to 11. 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 member, 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 member 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 member 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 3, 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/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on the 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 March 2013 and of its loss for the year 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 year 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 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

20/12/13

Natural Retreats UK Limited
 PROFIT AND LOSS ACCOUNT
 for the year ended 31 March 2013

| | <i>Notes</i> | 2013 £ | Restated 2012 £ |
|---|--------------|------------------|-----------------------|
| TURNOVER | | 2,635,671 | 2,377,240 |
| Cost of sales | | <u>483,098</u> | <u>358,522</u> |
| Gross profit | | 2,152,573 | 2,018,718 |
| Distribution costs | | 461,593 | 355,386 |
| Administrative expenses | | <u>2,007,925</u> | <u>1,737,567</u> |
| OPERATING LOSS | 1 | (316,945) | (74,235) |
| Interest payable and similar charges | | 275,172 | 207,081 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(592,117)</u> | <u>(281,316)</u> |
| Taxation | | - | - |
| LOSS FOR THE FINANCIAL YEAR | 10 | <u>(592,117)</u> | <u>(281,316)</u> |

Natural Retreats UK Limited

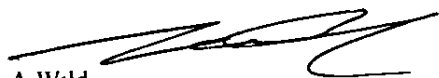
BALANCE SHEET

As at 31 March 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 2 | 184,522 | 237,836 |
| Investments | 3 | 74 | — |
| | | <u>184,596</u> | <u>237,836</u> |
| CURRENT ASSETS | | | |
| Debtors | 4 | 1,920,023 | 1,068,727 |
| Cash at bank and in hand | | 425,131 | 377,289 |
| | | <u>2,345,154</u> | <u>1,446,016</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 5 | 1,005,449 | 742,593 |
| NET CURRENT ASSETS | | | |
| | | <u>1,339,705</u> | <u>703,423</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 1,524,301 | 941,259 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 6 | 3,434,406 | 2,259,247 |
| | | <u>(1,910,105)</u> | <u>(1,317,988)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 1 | 1 |
| Profit and loss account | 10 | (1,910,106) | (1,317,989) |
| DEFICIT | | | |
| | | <u>(1,910,105)</u> | <u>(1,317,988)</u> |

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

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 17/12/13 and are signed on their behalf by



A Wild
Director

Natural Retreats UK Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been 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 including a further £1m advanced during the year. 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.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

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.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

INVESTMENTS

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

Natural Retreats UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1 OPERATING LOSS

Operating loss is stated after charging

| | 2013 | 2012 |
|--|--------------|---------------|
| | £ | £ |
| Depreciation of owned fixed assets | 86,682 | 37,533 |
| Auditor's fees | 12,500 | 12,500 |
| Net loss on foreign currency translation | <u>6,531</u> | <u>40,218</u> |

A management charge has been levied by K2 Entity Partners LLP to Natural Retreats UK Limited for an amount of £420,141 of which £168,056 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.

2 TANGIBLE FIXED ASSETS

| | Fixtures & Fittings £ | Equipment £ | Total £ |
|-----------------------|-----------------------------|----------------|----------------|
| Cost | | | |
| At 1 April 2012 | 71,972 | 209,747 | 281,719 |
| Additions | 3,712 | 29,656 | 33,368 |
| At 31 March 2013 | <u>75,684</u> | <u>239,403</u> | <u>315,087</u> |
| Depreciation | | | |
| At 1 April 2012 | 5,972 | 37,911 | 43,883 |
| Charge for the year | 15,908 | 70,774 | 86,682 |
| At 31 March 2013 | <u>21,880</u> | <u>108,685</u> | <u>130,565</u> |
| Net book value | | | |
| At 31 March 2013 | <u>53,804</u> | <u>130,718</u> | <u>184,522</u> |
| At 31 March 2012 | <u>66,000</u> | <u>171,836</u> | <u>237,836</u> |

3 INVESTMENTS

| | Investment £ |
|-----------------------|-----------------|
| Cost | |
| Additions | 74 |
| At 31 March 2013 | <u>74</u> |
| Net book value | |
| At 31 March 2013 | <u>74</u> |
| At 31 March 2012 | <u>-</u> |

Natural Retreats UK Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2013

4 DEBTORS

| | 2013 | 2012 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 128,026 | 36,479 |
| Amounts owed by group undertakings | 1,699,799 | 1,001,693 |
| Other debtors | 92,198 | 30,555 |
| | <u>1,920,023</u> | <u>1,068,727</u> |

5 CREDITORS Amounts falling due within one year

| | 2013 | 2012 |
|--|------------------|----------------|
| | £ | £ |
| Trade creditors | 275,183 | 315,197 |
| Amounts owed to group undertakings | 112,372 | - |
| Other taxation and social security costs | 47,210 | 83,565 |
| Other creditors | 570,684 | 343,831 |
| | <u>1,005,449</u> | <u>742,593</u> |

6 CREDITORS Amounts falling due after more than one year

| | 2013 | 2012 |
|-----------------|------------------|------------------|
| | £ | £ |
| Other creditors | <u>3,434,406</u> | <u>2,259,247</u> |

Other creditors relates to a long term unsecured loan granted by one of the shareholders of the parent company

7 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the company had aggregate annual commitments under non-cancellable operating leases as set out below

| | 2013 | 2012 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Operating leases which expire | | |
| Within 1 year | 5,031 | - |
| Within 2 to 5 years | 15,353 | 11,578 |
| After more than 5 years | - | 32,284 |
| | <u>20,384</u> | <u>43,862</u> |

Natural Retreats UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

8 RELATED PARTY TRANSACTIONS

The company has taken the exemption available in FRS 8 Related party disclosures from disclosing transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group

The directors MD Spence, EJ Kearney and A Wild have an interest in K2 Equity Partners LLP which provided services to the value of £543,155 (2012 - £398,598) to the company during the year Included in trade creditors is £23,665 (2012 - £1,617) payable to K2 Equity Partners LLP at 31 March 2013

K2 Equity Partners LLP has an interest in Natural Assets Investments Limited During the year the company supplied services amounting to £402,567 (2012 - £409,704) to Natural Assets Investments Limited At 31 March 2013 trade debtors includes £17,426 (2012 - £nil) due from Natural Assets Investments Limited

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

| | 2013 £ | 2012 £ |
|-------------------------------|-----------|-----------|
| JOG 2 Limited | 160,014 | - |
| JOG Highlands LLP | 64,785 | 175,170 |
| Mingems Limited | 12,986 | - |
| Natural Land 1 LP | 49,662 | 76,520 |
| Natural Land 3 Limited | 116,574 | 66,533 |
| Natural Outfitters Limited | 25,729 | - |
| North York Moors Limited | 135,364 | 142,948 |
| Pentire Fistril Beach Limited | 136,125 | 165,280 |
| Snowdonia Land Limited | 15,600 | 41,998 |
| Trewhiddle Village Limited | 140,561 | 3,692 |
| Yorkshire Dales Limited | 63,387 | 44,099 |

Trade debtors includes balances owing to the company as follows

| | 2013 £ | 2012 £ |
|-------------------------------|-----------|-----------|
| JOG Highlands LLP | 159 | - |
| Mingems Limited | 122 | - |
| Pentire Fistril Beach Limited | 1,949 | - |
| Trewhiddle Village Limited | 3,258 | - |
| Yorkshire Dales Limited | 818 | - |

During the year the company received services amounting to £10,525 (2012 - £2,025) from Natural Assets Investments Limited At 31 March 2013 trade creditors includes £15,060 (2012 - £2,430) due to Natural Assets Investments Limited

During the year the company received a loan of £210,836 from Natural Assets Investments Limited At 31 March 2013 other creditors includes £210,836 (2012 - Nil) due to Natural Assets Investments Limited

Natural Retreats LP has an interest in the parent company Natural Retreats Management Limited During the period expenses amounting to £88,009 was paid on behalf of Natural Retreats LP At 31 March 2013 £183,212 (2012 - £85,160) was owing to the company by Natural Retreats LP

D Gorton is a shareholder of the parent company Natural Retreats Management Limited At 31 March other creditors includes £3,434,406 (2012- £2,259,747) owing to D Gorton Interest amounting to £275,172 (2012- £201,031) was accrued on this loan during the year

Natural Retreats UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

9 SHARE CAPITAL

| | 2013 | 2012 |
|------------------------------------|----------|----------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 Ordinary shares of £1 each | <u>1</u> | <u>1</u> |

10 PROFIT AND LOSS ACCOUNT

| | 2013 | 2012 |
|------------------------------|--------------------|--------------------|
| | £ | £ |
| At the beginning of the year | (1,317,989) | (1,036,673) |
| Loss for the financial year | <u>(592,117)</u> | <u>(281,316)</u> |
| At the end of the year | <u>(1,910,106)</u> | <u>(1,317,989)</u> |

11 PRIOR PERIOD ADJUSTMENT

The classification of costs between cost of sales, distribution costs and administrative expenses has been restated in the prior year as the revised allocations are deemed to be more consistent with the activities of the entity. Costs amounting to £504,367 have been reallocated between cost of sales, distribution costs and administrative expenses with the result that the cost of sales decreased from £862,889 to £358,522, administrative expenses increased from £1,588,586 to £1,737,567 and distribution costs increased from £Nil to £355,386 in 2012.

The restatement of the prior year profit and loss account has had no impact on the loss reported for the prior year.

12 CONTINGENT LIABILITY

The company has a guarantee of £100,000 in favour of Elavon Financial Services Limited dated 1 November 2010.

13 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Natural Retreats Management Limited.

In the opinion of the directors there is no ultimate controlling party.