

Natural Retreats UK Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2014



Company Registration No. 07232597

Natural Retreats UK Limited

FINANCIAL STATEMENTS

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Natural Retreats UK Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T Dennis
E Kearney
MD Spence
A Wild

REGISTERED OFFICE

Ist 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 2014.

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 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

15/12/2014

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 www.frc.org.uk/auditscopeukprivate.

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 2014 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 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

19/12/14

Natural Retreats UK Limited
 PROFIT AND LOSS ACCOUNT
 for the year ended 31 March 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER		2,265,705	2,635,671
Cost of sales		<u>781,107</u>	<u>483,098</u>
Gross profit		1,484,598	2,152,573
Distribution costs		337,395	461,593
Administrative expenses		<u>1,379,169</u>	<u>2,007,925</u>
OPERATING LOSS	1	<u>(231,966)</u>	<u>(316,945)</u>
Interest payable and similar charges		447,101	275,172
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(679,067)</u>	<u>(592,117)</u>
Taxation		-	-
LOSS FOR THE FINANCIAL YEAR	10	<u><u>(679,067)</u></u>	<u><u>(592,117)</u></u>

Natural Retreats UK Limited
BALANCE SHEET
31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	2	126,694	184,522
Investments	3	—	74
		<u>126,694</u>	<u>184,596</u>
CURRENT ASSETS			
Debtors	4	3,555,534	1,920,023
Cash at bank and in hand		431,003	425,131
		<u>3,986,537</u>	<u>2,345,154</u>
CREDITORS			
Amounts falling due within one year	5	1,058,344	1,005,449
NET CURRENT ASSETS			
		<u>2,928,193</u>	<u>1,339,705</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>3,054,887</u>	<u>1,524,301</u>
CREDITORS			
Amounts falling due after more than one year	6	5,644,059	3,434,406
		<u>(2,589,172)</u>	<u>(1,910,105)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	(2,589,173)	(1,910,106)
DEFICIT			
		<u>(2,589,172)</u>	<u>(1,910,105)</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 15/02/2014... 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 after the year end. 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.

Natural Retreats UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

1 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of owned fixed assets	89,139	86,682
Profit on disposal of fixed assets	(6)	-
Auditor's fees	13,000	12,500
Net (profit)/loss on foreign currency translation	<u>(3,534)</u>	<u>6,531</u>

A management charge has been levied by K2 Equity Partners LLP to Natural Retreats UK Limited for an amount of £253,020 (2013 - £420,141) of which £101,208 (2013 - £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 2013	75,684	239,403	315,087
Additions	1,495	30,110	31,605
Disposals	-	(1,505)	(1,505)
At 31 March 2014	<u>77,179</u>	<u>268,008</u>	<u>345,187</u>
Depreciation			
At 1 April 2013	21,880	108,685	130,565
Charge for the year	15,379	73,760	89,139
On disposals	-	(1,211)	(1,211)
At 31 March 2014	<u>37,259</u>	<u>181,234</u>	<u>218,493</u>
Net book value			
At 31 March 2014	<u>39,920</u>	<u>86,774</u>	<u>126,694</u>
At 31 March 2013	<u>53,804</u>	<u>130,718</u>	<u>184,522</u>

3 INVESTMENTS

	Investment £
Cost	
At 1 April 2013	74
Disposals	(74)
At 31 March 2014	<u>-</u>
Net book value	
At 31 March 2014	<u>-</u>
At 31 March 2013	<u>74</u>

Natural Retreats UK Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2014

4 DEBTORS

	2014	2013
	£	£
Trade debtors	170,550	128,026
Amounts owed by group undertakings	3,120,181	1,699,799
Other debtors	264,803	92,198
	<u>3,555,534</u>	<u>1,920,023</u>

5 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	317,493	275,183
Amounts owed to group undertakings	147,606	112,372
Other taxation and social security costs	69,186	47,210
Other creditors	524,059	570,684
	<u>1,058,344</u>	<u>1,005,449</u>

6 CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Other creditors	<u>5,644,059</u>	<u>3,434,406</u>

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.

7 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	5,247	5,031
Within 2 to 5 years	4,580	15,353
	<u>9,827</u>	<u>20,384</u>

Natural Retreats UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

8 RELATED PARTY 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 £255,188 (2013 - £543,155) to the company during the year. Included in trade creditors is £1,873 (2013 - £23,665) payable to K2 Equity Partners LLP at 31 March 2014.

K2 Equity Partners LLP has an interest in Natural Assets Investments Limited. During the year the company supplied services amounting to £577,330 (2013 - £402,567) to Natural Assets Investments Limited. At 31 March 2014 trade debtors includes £37,257 (2013 - £17,426) due from Natural Assets Investments Limited.

During the year the company received services amounting to £308 (2013 - £10,525) from Natural Assets Investments Limited. At 31 March 2014 trade creditors includes £15,429 (2013 - £15,060) due to Natural Assets Investments Limited.

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

	2014	2013
	£	£
JOG 2 Limited	2,636	160,014
JOG Highlands LLP	50,700	64,785
JOG 3 LLP	838	-
DOL Park Limited	523	-
Minigems Limited	-	12,986
Natural Land 1 LP	-	49,662
Natural Land 3 Limited	146,140	116,574
Natural Outfitters Limited	83,647	25,729
North York Moors Limited	21,514	135,364
Pentire Fistril Beach Limited	106,419	136,125
Snowdonia Land Limited	-	15,600
Trewhiddle Village Limited	40,137	140,561
Yorkshire Dales Limited	86,873	63,387

Trade debtors includes balances owing to the company as follows:

	2014	2013
	£	£
JOG Highlands LLP	4,659	159
Minigems Limited	-	122
Pentire Fistril Beach Limited	6,371	1,949
Trewhiddle Village Limited	7,410	3,258
Yorkshire Dales Limited	6,196	818
Natural Land 3 Limited	19,988	-
Natural Outfitters Limited	7,631	-

During the year the company received services amounting to £35,902 (2013 - £4,398) from Natural Outfitters Limited. At 31 March 2014 trade creditors includes £6,671 (2013 - £nil) due to Natural Outfitters Limited.

During the year the company was recharged expenses amounting to £880 by JOG Highlands LLP (2013 - £nil).

Natural Retreats LP has an interest in the parent company Natural Retreats Management Limited. During the period expenses amounting to £507 (2013 - £88,009) were paid on behalf of Natural

Natural Retreats UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

8 RELATED PARTY TRANSACTIONS *(continued)*

Retreats LP. At 31 March 2014 £183,212 (2013 - £183,212) 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 £5,128,777 (2013- £3,434,406) owing to D Gorton. Interest amounting to £379,533 (2013- £275,272) was charged on this loan during the year.

9 SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

10 PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At the beginning of the year	(1,910,106)	(1,317,989)
Loss for the financial year	<u>(679,067)</u>	<u>(592,117)</u>
At the end of the year	<u>(2,589,173)</u>	<u>(1,910,106)</u>

11 POST BALANCE SHEET EVENTS

On 30 June 2014 the company acquired the whole of the issued share capital of Harbour Holidays (Rock) Limited, a company registered in England & Wales, for a cash consideration of £150,000.

12 ULTIMATE PARENT COMPANY

The immediate parent company and immediate and ultimate controlling party is Natural Retreats Management Limited.u