

Limited Liability Partnership Registration No. OC359134 (England and Wales)

**JOG HIGHLANDS LLP**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**



# JOG HIGHLANDS LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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<b>Designated members</b>	Heritage Great Britain PLC John O'Groats Highlands Limited
<b>Limited liability partnership number</b>	OC359134
<b>Registered office</b>	1st Floor Whitecroft House 51 Water Lane Wilmslow Cheshire SK9 5BQ
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF

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# **JOG HIGHLANDS LLP**

## **MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The members present their annual report and financial statements for the year ended 31 December 2017.

#### **Principal activities**

The LLP's principal activity during the period was that of a land owner and developing holiday accommodation.

#### **Members' drawings, contributions and repayments**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members.

On a sale of the business or properties or on a resignation of a member, members shall share a return on capital in accordance with the terms of the Partnership Agreement.

#### **Designated members**

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Heritage Great Britain PLC  
John O'Groats Highlands Limited

#### **Auditor**

A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware. Additionally, each member has taken all the necessary steps that they ought to have taken as a member in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

#### **Going Concern**

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009".

The LLP's balance sheet shows net liabilities of £268,473 (2016 - £85,826). The LLP is reliant on group support to cover its working capital requirements.

The LLP has support from its ultimate parent company, Natural Assets Investments Limited. That company is considered to have adequate capabilities to provide support as required and has formally confirmed that it will support the LLP for at least the next 12 months.

The current cash funding requirements prepared by management have given the members a reasonable expectation that the LLP will have sufficient resources available to continue in operational existence for the foreseeable future, with the confirmed continued support of its parent entities as noted above. For these reasons, the members consider it appropriate to prepare the financial statements on a going concern basis.

**JOG HIGHLANDS LLP**

**MEMBERS' REPORT (CONTINUED)**

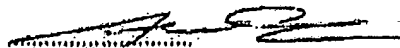
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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Approved by the members on 18/19/2018 and signed on behalf by:



Heritage Great Britain PLC  
Designated Member



John O'Groats Highlands Limited  
Designated Member

# **JOG HIGHLANDS LLP**

## **MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 regulations, the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with those regulations. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated members on behalf of the members.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOG HIGHLANDS LLP

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## Opinion

We have audited the financial statements of JOG Highlands LLP (the 'limited liability partnership') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOG HIGHLANDS LLP (CONTINUED)

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### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Ian Taylor (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

M3 3HF

21 SEPTEMBER 2018

# JOG HIGHLANDS LLP

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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	2017 £	2016 £
Turnover	530,687	472,887
Cost of sales	(320,367)	(341,350)
<b>Gross profit</b>	<u>210,320</u>	<u>131,537</u>
Administrative expenses	(281,473)	(316,409)
Other operating income	36,150	144,570
<b>Operating loss</b>	<u>(35,003)</u>	<u>(40,302)</u>
Interest payable and similar expenses	(144,956)	(138,665)
<b>Loss for the financial year before members' remuneration and profit shares available for discretionary division among members</b>	<u>(179,959)</u>	<u>(178,967)</u>
<b>Loss for the financial year available for discretionary division among members</b>	<u>(179,959)</u>	<u>(178,967)</u>



**JOG HIGHLANDS LLP****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		54,374		177,654
Investment properties	4		4,569,602		4,569,602
			<u>4,623,976</u>		<u>4,747,256</u>
<b>Current assets</b>					
Stocks		3,013		5,773	
Debtors	5	35,723		17,322	
Cash at bank and in hand		514		5,210	
			<u>39,250</u>		<u>28,305</u>
<b>Creditors: amounts falling due within one year</b>	6	(22,248)		(60,742)	
<b>Net current assets/(liabilities)</b>			<u>17,002</u>		<u>(32,437)</u>
<b>Total assets less current liabilities</b>			<u>4,640,978</u>		<u>4,714,819</u>
<b>Creditors: amounts falling due after more than one year</b>	7	(4,909,451)		(4,800,645)	
<b>Net liabilities attributable to members</b>			<u>(268,473)</u>		<u>(85,826)</u>
<b>Represented by:</b>					
<b>Members' other interests</b>	9				
Members' capital classified as equity			3,888,101		3,890,789
Other reserves classified as equity			(4,156,574)		(3,976,615)
			<u>(268,473)</u>		<u>(85,826)</u>
<b>Total members' interests</b>			<u>(268,473)</u>		<u>(85,826)</u>
Members' other interests			<u>(268,473)</u>		<u>(85,826)</u>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit)(Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

**JOG HIGHLANDS LLP**

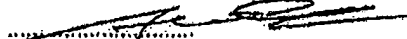
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2017**

The financial statements were approved by the members and authorised for issue on 18/12/2018 and are signed on their behalf by:



Heritage Great Britain PLC  
Designated member



John O'Groats Highlands Limited  
Designated Member

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Limited liability partnership information

JOG Highlands LLP is a limited liability partnership registered and incorporated in England and Wales. The registered office is 1st Floor Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ.

The limited liability partnership's principal activities and nature of its operations are disclosed in the Members' Report.

#### Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2017). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

#### Going concern

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009".

The LLP's balance sheet shows net liabilities of £268,473 (2016 - £85,826). The LLP is reliant on group support to cover its working capital requirements.

The LLP has support from its ultimate parent company, Natural Assets Investments Limited. That company is considered to have adequate capabilities to provide support as required and has formally confirmed that it will support the LLP for at least the next 12 months.

The current cash funding requirements prepared by management have given the members a reasonable expectation that the LLP will have sufficient resources available to continue in operational existence for the foreseeable future, with the confirmed continued support of its parent entities as noted above. For these reasons, the members consider it appropriate to prepare the financial statements on a going concern basis.

#### Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### Members participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

Conversely profits are divided only after a decision by the LLP or its representative, so the LLP has an unconditional right to refuse payment. Such profits are classed as equity rather than as liabilities. They are therefore shown as a residual amount available for discretionary division among members in arriving at the result for the year and are shown as appropriations of equity when they are allocated.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

A deed of variation dated 21 January 2015 specifies that profits should be split 86% for JOG Highlands Limited and 14 % Heritage Great Britain PLC.

Losses are carried forward in other reserves and are extinguished by future profits.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures & fittings	20% per annum
Computer equipment	20% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### **Financial instruments**

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the LLP's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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 LLP after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the limited liability partnership are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the LLP.

#### ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the LLP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies (Continued)

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to an asset are recognised in income systematically over the asset's expected useful life.

### 2 Auditor's remuneration

	2017	2016
	£	£

#### For audit services

Audit of the financial statements of the LLP	3,250	3,100
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### 3 Tangible fixed assets

	Fixtures & fittings	Computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2017	793,477	13,472	806,949
Additions	633	-	633
At 31 December 2017	794,110	13,472	807,582
<b>Depreciation and impairment</b>			
At 1 January 2017	619,073	10,222	629,295
Depreciation charged in the year	121,269	2,644	123,913
At 31 December 2017	740,342	12,866	753,208
<b>Carrying amount</b>			
At 31 December 2017	53,768	606	54,374
At 31 December 2016	174,404	3,250	177,654

### 4 Investment property

	2017
	£
<b>Fair value</b>	
At 1 January 2017 and 31 December 2017	4,569,602

The investment property which consists of land held for development was valued on an open market basis at 31 December 2017 by the directors. No depreciation is provided in respect of investment properties or land.

The historical cost of the investment property was £7,271,550 (2016: £7,271,550).

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Investment property (Continued)

### 5 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	9,962	-
Other debtors	25,761	17,322
	<u>35,723</u>	<u>17,322</u>

### 6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	8,685	7,339
Other creditors	13,563	53,403
	<u>22,248</u>	<u>60,742</u>

### 7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	<u>4,909,451</u>	<u>4,800,645</u>

Included within other creditors is a loan which is secured by a debenture over the assets of the LLP.

Included within creditors falling due after more than one year is an amount of £3,282,672 (2016 - £3,137,716) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

### 8 Government grants

During the year ended 31 March 2013 the LLP signed an agreement to receive a development grant from Highlands and Islands Enterprise of up to £1,807,500 or 30% of eligible costs of development at John O'Groats, Scotland. The grant is repayable up until 10 years from the date of the last payment of this grant. During the year £36,150 of the grant has been released to the profit and loss account (2016 - £144,570).



# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Reconciliation of Members' Interests

	Members' other interests		Total
	Members' capital (classified as equity)	Other reserves	
	£	£	£
Members' interests at 1 January 2017	3,890,789	(3,976,615)	(85,826)
Loss for the financial year available for discretionary division among members	-	(179,959)	(179,959)
Members' interests after loss for the year	3,890,789	(4,156,574)	(265,785)
Repayments of capital	(2,688)	-	(2,688)
Members' interests at 31 December 2017	<u>3,888,101</u>	<u>(4,156,574)</u>	<u>(268,473)</u>

During the year the method of allocating costs to cost of sales was revised in order to do this on a basis more appropriate for the LLP's business.

#### Ranking on winding up

If the LLP is wound up, and a surplus sum remains at the conclusion of the winding up, after payment of all money due to the creditors of the LLP and all expenses of the winding up, the liquidator shall pay that surplus sum to the Members in accordance with the respective proportions to the members capital contributions and division of profits.

# JOG HIGHLANDS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 10 Related party transactions

EJ Kearney, MD Spence and A Wild are directors of the designated member John O'Groats Highlands Limited they also have an interest in The Great Travel Company Limited. The UK Great Travel Company Limited (formerly Natural Retreats UK Limited) is a subsidiary of The Great Travel Company Limited.

The UK Great Travel Company Limited was recharged costs for services provided of £356,551 (2016 - £388,594) during the year. Also during the period the LLP received income amounting to £490,478 (2016 - £469,918) from The UK Great Travel Company Limited. At the year end there was a balance owing to The UK Great Travel Company Limited of £nil (2016 - £4,081) included in other creditors. A balance of £9,962 (2016 - £nil) due from The UK Great Travel Company Limited at the period end was included in trade debtors.

The LLP has entered into a composite unlimited multilateral guarantee dated 22 December 2014 in respect of the bank borrowings of other group companies and K2 Equity Partners LLP. At 31 December 2017 the total borrowings covered by the guarantee amounted to £4,101,728 (2016: £3,920,222).

D Gorton is a shareholder and ultimate controlling party of the ultimate parent company Natural Assets Investments Limited. D Gorton was the controller of Nexus Partners LP, which has been wound up during 2017. This LLP owed monies to that Limited Partnership which were novated to D Gorton prior to it being wound up. The balance owed to D Gorton at 31 December 2017 was £3,282,672 (2016 - £3,137,716 owed to Nexus Partners LP). The amount carries interest at 4.5% above 3 month LIBOR and is repayable in full on 11 June 2022.

The bank holds a debenture for any borrowings, which includes a fixed charge over all present freehold and leasehold property; a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertakings both present and future.

### 11 Parent company

The LLP is controlled by its members as delegated to the management team and as such there is no one controlling party.