

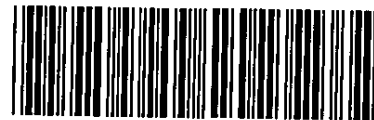
Registered number 00679117

**FERNTURN HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

SATURDAY



\*A319GV1C\*

A17

08/02/2014

#189

COMPANIES HOUSE

## **FERNTURN HOLDINGS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	R P Ovens I J Webb
<b>Company secretary</b>	I J Webb
<b>Company number</b>	00679117
<b>Registered office</b>	TLT LLP 1 Redcliff Street Bristol BS1 6TP
<b>Auditor</b>	BDO LLP Bridgewater House Finzels Reach Counterslip Bristol BS1 6BX
<b>Bankers</b>	HSBC Bank plc 46 Fore Street Trowbridge Wiltshire BA14 8EL

## **FERNTURN HOLDINGS LIMITED**

### **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Directors' responsibilities statement</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3 - 4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Statement of total recognised gains and losses</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Cash flow statement</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 23</b>

# **FERNTURN HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013**

The directors present their report and the financial statements for the year ended 30 June 2013

### **Principal activities**

The company principal activity is property investment

### **Business review and future developments**

The company completed the Scheme of Arrangement during the financial year. The company continues to rent the Trowbridge premises with the expectation that profits from the rental income will be available to contribute to the final salary pension scheme for the foreseeable future.

### **Results and dividends**

The profit for the year, after taxation, amounted to £3,241,000 (2012 - loss £4,543,000)

The directors do not propose the payment of any dividends based on the results for the year (2012 - £Nil)

### **Principal risks and uncertainties**

The principal risks that may affect the company are the financial security of the tenants in the property and their ability to meet rent as it falls due and the risk that the pension scheme may not become fully funded, resulting in the wind up of the scheme and the consequential wind up of the company.

### **Directors**

The directors who served during the year were

R P Ovens  
I J Webb

### **Provision of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### **Auditors**

PKF (UK) LLP have merged their business into BDO LLP and accordingly have signed their auditor's report in the name of the merged firm. A resolution to appoint BDO LLP as auditors of the company will be put to the Annual General Meeting.

This report was approved by the board on

4/2/14

and signed on its behalf



**I J Webb**  
Secretary

## **FERNTURN HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- 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 to 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.

## **FERNTURN HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERNTURN HOLDINGS LIMITED**

We have audited the financial statements of Fernturn Holdings Limited for the year ended 30 June 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As 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 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit 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.

#### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 12 to the financial statements concerning the company's ability to continue as a going concern. With effect from 4 July 2013, the company formally ended the Scheme of Arrangement, and as a result the company's freehold investment property has been given as security to the company's defined benefit pension scheme. The Trustees of the pension scheme may decide to place the pension scheme into wind up if there is no reasonable prospect of the pension scheme becoming fully funded, which would then in turn be likely to crystallise a wind up of the company. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**FERNTURN HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERNTURN HOLDINGS LIMITED**

**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

*BDO LLP*

Neil Dimes (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Bristol  
United Kingdom

*5 February 2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**FERNTURN HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £000	2012 £000
<b>TURNOVER</b>	1,2		
Continuing operations		200	121
Discontinued operations		-	40,009
		<u>200</u>	<u>40,130</u>
Cost of sales	3	-	(30,935)
		<u>200</u>	<u>9,195</u>
<b>GROSS PROFIT</b>			
Administrative expenses	3	(218)	(14,278)
		<u>(218)</u>	<u>(14,278)</u>
<b>OPERATING LOSS</b>	4		
Continuing operations		(18)	(11)
Discontinued operations		-	(5,072)
		<u>(18)</u>	<u>(5,083)</u>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	8	3,542	1,104
		<u>3,542</u>	<u>1,104</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>			
		3,524	(3,979)
Interest payable and similar charges	9	-	(343)
Other finance charges	10	(283)	(46)
		<u>(283)</u>	<u>(46)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
		3,241	(4,368)
Tax on profit/(loss) on ordinary activities	11	-	(175)
		<u>-</u>	<u>(175)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	19	<u>3,241</u>	<u>(4,543)</u>

The notes on pages 9 to 23 form part of these financial statements



**FERNTURN HOLDINGS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £000	2012 £000
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>3,241</b>	<b>(4,543)</b>
Loss related to pension scheme	24	<b>(2,061)</b>	<b>(1,393)</b>
Deferred tax attributable to actuarial gain/loss	24	<b>(485)</b>	<b>258</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>695</b>	<b>(5,678)</b>


The notes on pages 9 to 23 form part of these financial statements

**FERNTURN HOLDINGS LIMITED**  
**REGISTERED NUMBER 00679117**

**BALANCE SHEET**  
**AS AT 30 JUNE 2013**

	Note	£000	2013 £000	2012 £000
<b>FIXED ASSETS</b>				
Investment property	12		2,840	2,840
<b>CURRENT ASSETS</b>				
Debtors	14	190		608
Cash at bank		144		6,797
		<u>334</u>		<u>7,405</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(5,115)	(10,723)	
<b>NET CURRENT LIABILITIES</b>			<u>(4,781)</u>	<u>(3,318)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,941)</u>	<u>(478)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Other provisions	17		-	(622)
<b>NET LIABILITIES EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>(1,941)</u>	<u>(1,100)</u>
Defined benefit pension scheme liability	24		-	(1,536)
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>(1,941)</u></u>	<u><u>(2,636)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		41	41
Capital redemption reserve	19		28	28
Profit and loss account	19		<u>(2,010)</u>	<u>(2,705)</u>
<b>SHAREHOLDERS' DEFICIT</b>	20		<u><u>(1,941)</u></u>	<u><u>(2,636)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

4/2/14  
  
**I J Webb**  
 Director

The notes on pages 9 to 23 form part of these financial statements

**FERNTURN HOLDINGS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £000	2012 £000
Net cash flow from operating activities	21	(6,478)	4,699
Returns on investments and servicing of finance	22	-	(343)
Taxation		(175)	-
Capital expenditure and financial investment	22	-	15,061
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(6,653)</b>	<b>19,417</b>
Financing	22	-	(5,366)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(6,653)</b>	<b>14,051</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 £000	2012 £000
Increase/(decrease) in cash in the year	(6,653)	14,051
Cash outflow from decrease in debt and lease financing	-	5,324
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(6,653)</b>	<b>19,375</b>
Finance leases	-	(192)
Other non-cash changes	-	235
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(6,653)</b>	<b>19,418</b>
Net funds/(debt) at 1 July 2012	<b>6,797</b>	<b>(12,621)</b>
<b>NET FUNDS AT 30 JUNE 2013</b>	<b>144</b>	<b>6,797</b>

The notes on pages 9 to 23 form part of these financial statements

## **FERNTURN HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable accounting standards

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Going concern**

The directors have considered the basis of preparation of the financial statements of the company on a going concern basis.

The company ended the year with net liabilities of £1,941,000.

On 4 July 2013, the company completed its Scheme of Arrangement with all creditors relating to its previous trade. As part of the process, the company's defined benefit pension scheme were granted security over the freehold investment property owned by Fernturn Holdings Limited. At present, the majority of the freehold building is leased to third parties and the directors have agreed with the Trustees of the defined benefit pension scheme that the business will pass surplus rental income, net of expenses, to the pension scheme. The directors believe that continuing on this basis will enable the company to continue to meet its obligations to the scheme.

If the Trustees of the defined benefit pension scheme believe that there is no reasonable prospect of the scheme becoming fully funded through the company's normal trading activities, they may decide to place the scheme into wind up. This, in turn, would be likely to crystallise a significant liability and the wind up of the company. This represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, as the business has no other creditors, nor an intention to enter into any credit agreements, the directors consider that the going concern basis is appropriate.

For these reasons, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

##### **1.3 Turnover**

In the comparative period, turnover comprised revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Sales of goods and services were recognised on despatch.

During the current year, revenue is recognised in a straight line over the period of the lease.

##### **1.4 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **1.5 Investment properties**

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **1 ACCOUNTING POLICIES (continued)**

#### **1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### **1.7 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 6 April 2008

This scheme is closed to future accrual of benefit. The assets of the scheme are held separately from those of the company, being invested with insurance companies. The funds are valued every three years by a professionally qualified independent actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company. The regular cost is attributed to individual years using the projected unit method of valuation.

### **2. TURNOVER**

All turnover arose within the United Kingdom

The whole of the continuing turnover and profit before taxation is attributable to rent receivable from the investment properties

### **3. ANALYSIS OF OPERATING LOSS**

	<b>2013</b>		<b>2012</b>	
	<b>Continuing £000</b>	<b>Discontinued £000</b>	<b>Continuing £000</b>	<b>Discontinued £000</b>
Turnover	<b>200</b>	-	121	40,009
Cost of sales	-	-	-	(30,935)
Gross profit	<b>200</b>	-	121	9,074
Administrative expenses	<b>(218)</b>	-	(132)	(14,146)
	<b>(18)</b>	-	(11)	(5,072)

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **4. OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets		
- owned by the company	-	199
Operating lease rentals		
- plant and machinery	-	735
- other operating leases	-	1,083
Difference on foreign exchange	-	(13)
	<u>          </u>	<u>          </u>

### **5. AUDITORS' REMUNERATION**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	9	22
Fees payable to the company's auditor and its associates in respect of		
Taxation compliance services	1	3
	<u>          </u>	<u>          </u>
	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor and its associates in connection with the company's pension scheme in respect of		
The auditing of accounts of the scheme	7	-
	<u>          </u>	<u>          </u>

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **6 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	79	6,707
Social security costs	7	659
Other pension costs (Note 24)	-	84
	<u>86</u>	<u>7,450</u>

The average monthly number of employees, including the directors, during the year was as follows

	<b>2013</b>	<b>2012</b>
	<b>No</b>	<b>No</b>
Administration	2	31
Sales and distribution	0	175
Warehousing	0	76
	<u>2</u>	<u>282</u>

Excluded from the staff costs above is compensation for loss of office of £50,000 (2012 - £256,000)

### **7 DIRECTORS' REMUNERATION**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Emoluments	<u>79</u>	<u>666</u>
Company pension contributions to defined contribution pension schemes	<u>-</u>	<u>67</u>
Compensation for loss of office	<u>50</u>	<u>256</u>

During the year retirement benefits were accruing to no directors (2012 - 4) in respect of defined contribution pension schemes

In the comparative year, the highest paid director received remuneration of £267,000

In the comparative year, the value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £35,000

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **8 EXCEPTIONAL ITEMS**

	2013 £000	2012 £000
Impairment of investment in subsidiary undertakings	-	(6,195)
Profit on sale of trade and assets	-	7,459
Impairment on investment property	-	(160)
Gain on the completion of Scheme of Arrangement	3,542	-
	<u>3,542</u>	<u>1,104</u>

The current year gain on completion of Scheme of Arrangement relates to creditors that have written off and agreed part of the balance owed to them as part of the Scheme of Arrangement

The prior period restructuring costs related to redundancies and branch closure costs arising as part of a restructuring exercise which took place during that period

The profit on sale of trade and assets represents the amount paid in excess of the book value of assets transferred to Rexel UK under the asset purchase agreement

### **9. INTEREST PAYABLE**

	2013 £000	2012 £000
On bank loans and overdrafts	-	339
On finance leases and hire purchase contracts	-	4
	<u>-</u>	<u>343</u>

### **10 OTHER FINANCE (CHARGES)/INCOME**

	2013 £000	2012 £000
Expected return on pension scheme assets	300	591
Interest on pension scheme liabilities	(583)	(637)
	<u>(283)</u>	<u>(46)</u>

### **11. TAXATION**

	2013 £000	2012 £000
UK corporation tax charge on profit/loss for the year	-	175



**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**11. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	<b>2013 £000</b>	<b>2012 £000</b>
Profit/loss on ordinary activities before tax	<b>3,241</b>	<b>(4,368)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	<b>778</b>	<b>(1,136)</b>
<b>Effects of.</b>		
Non-tax deductible amortisation of goodwill and impairment	-	1,652
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	168
Capital allowances for year in excess of depreciation	-	(242)
Utilisation of trading tax losses	<b>(850)</b>	-
Timing differences related to the pension liability	-	(48)
Other timing differences leading to an increase (decrease) in taxation	<b>72</b>	-
Capital gains	-	1,741
Sale of goodwill	-	(1,939)
Utilisation of surplus management expenses	-	(17)
Marginal relief	-	(4)
<b>Current tax charge for the year (see note above)</b>	<b>-</b>	<b>175</b>

**Factors that may affect future tax charges**

The company has excess management expenses of £4,396,000 (2012 - £65,000) to offset against future profits of the property business No deferred tax asset has been recognised in respect of these losses as the recognition criteria set out in Financial Reporting Standard 19 have not been met

**12 INVESTMENT PROPERTY**

**Freehold  
investment  
property  
£000**

**Valuation**

At 1 July 2012 and 30 June 2013

**2,840**

The 2013 valuations were made by the directors based on the 2012 professional valuation at open market existing use value carried out by BNP Paribas, a firm of independent Chartered Surveyors The directors reviewed this professional valuation and revalued investment properties in the year ended 30 June 2013 based on prices of similar properties The Directors consider that this valuation continues to be appropriate

**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**13 FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
<b>Cost or valuation</b>			
At 1 July 2012 and 30 June 2013	8,109	1	8,110
<b>Impairment</b>			
At 1 July 2012 and 30 June 2013	8,109	1	8,110
<b>Net book value</b>			
At 30 June 2013	-	-	-
At 30 June 2012	-	-	-

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **13. FIXED ASSET INVESTMENTS (continued)**

#### **Subsidiary undertakings**

The following were subsidiary undertakings of the company

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Fernturn 1 Limited	Ordinary	100%
Fernturn 3 Limited	Ordinary	100%
Fernturn 4 Limited	Ordinary	100%
Fernturn 5 Limited	Ordinary	100%
Fernturn 6 Limited	Ordinary	100%
Fernturn 7 Limited	Ordinary	100%
Fernturn 9 Limited	Ordinary	100%
Fernturn 10 Limited	Ordinary	100%
Fernturn 11 Limited	Ordinary	100%
Fernturn 12 Limited	Ordinary	100%
Fernturn 13 Limited	Ordinary	100%
Fernturn 14 Limited	Ordinary	100%
Fernturn 15 Limited	Ordinary	100%
Fernturn 16 Limited	Ordinary	100%
Fernturn 17 Limited	Ordinary	100%
Fernturn 2 Limited**	Ordinary	100%
Fernturn 8 Limited*	Ordinary	100%

The aggregate of the share capital and reserves as at the most recent date to which accounts have been prepared (being 31 December 2012 for Fernturn 8 Limited, 30 September 2012 for Fernturn 2 Limited and Fernturn 3 Limited and 31 March 2012 for the remaining subsidiaries) and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

<b>Name</b>	<b>Aggregate of share capital and reserves £000</b>	<b>Profit/(loss) £000</b>
Fernturn 1 Limited	103	-
Fernturn 3 Limited	200	-
Fernturn 4 Limited	(15)	-
Fernturn 5 Limited	50	-
Fernturn 6 Limited	10	-
Fernturn 7 Limited	361	-
Fernturn 9 Limited	(24)	-
Fernturn 10 Limited	167	-
Fernturn 11 Limited	168	-
Fernturn 12 Limited	1,187	-
Fernturn 13 Limited	81	-
Fernturn 14 Limited	565	-
Fernturn 15 Limited	477	-
Fernturn 16 Limited	1,559	-
Fernturn 17 Limited	(41)	-

All of the above subsidiaries have been excluded from consolidation as their inclusion is not material for the purpose of giving a true and fair view

\*Shares held indirectly by Fernturn 10 Limited

\*\*Shares held indirectly by Fernturn 3 Limited

Applications are currently in place for all of the above subsidiaries to be struck off during 2014

**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**14. DEBTORS**

	2013 £000	2012 £000
Trade debtors	-	504
Other debtors	52	-
Prepayments and accrued income	138	104
	<u>190</u>	<u>608</u>

**15. CREDITORS**

**Amounts falling due within one year**

	2013 £000	2012 £000
Trade creditors	-	3,954
Amounts owed to group undertakings	5,028	5,028
Corporation tax	-	175
Social security and other taxes	-	530
Other creditors	10	487
Accruals and deferred income	77	549
	<u>5,115</u>	<u>10,723</u>

**16. DEFERRED TAXATION**

	2013 £000	2012 £000
At beginning and end of year	<u>-</u>	<u>-</u>

No debtor has been recognised in respect of the potential deferred tax asset of £1,011,051 (2012 - £3,000) on the grounds that there is insufficient certainty over when this would reverse against taxable profits

**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**17. PROVISIONS**

	Onerous lease provision £000
At 1 July 2012	622
Amounts used	(622)
At 30 June 2013	-

**Onerous lease provision**

A provision had been made in respect of future rental payments which the company was committed to for premises vacated

This has been cleared through the Scheme of Arrangement

**18. SHARE CAPITAL**

	2013 £000	2012 £000
Allotted, called up and fully paid		
40,765 Ordinary shares of £1 each	41	41

**19. RESERVES**

	Capital redempt'n reserve £000	Profit and loss account £000
At 1 July 2012	28	(2,705)
Profit for the year	-	3,241
Pension reserve movement	-	(2,546)
At 30 June 2013	28	(2,010)

The closing balance on the profit and loss account includes £NIL (2012 - £1,536,000), stated after deferred taxation of £NIL (2012 - £485,000 thousand), in respect of pension scheme liabilities of the company pension scheme

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2013 £000	2012 £000
Opening shareholders' (deficit)/funds	(2,636)	3,042
Profit/(loss) for the year	3,241	(4,543)
Other recognised gains and losses during the year	(2,546)	(1,135)
Closing shareholders' deficit	(1,941)	(2,636)

**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**21 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £000	2012 £000
Operating loss	(18)	(5,083)
Exceptional items	3,542	-
Depreciation of tangible fixed assets	-	199
Decrease in stocks	-	2,517
Decrease in debtors	418	14,660
Decrease in creditors	(5,433)	(7,657)
(Decrease)/increase in provisions	(622)	293
Contributions to defined benefit pension scheme	(4,365)	(230)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(6,478)</b>	<b>4,699</b>

**22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £000	2012 £000
<b>Returns on investments and servicing of finance</b>		
Interest paid	-	(339)
Hire purchase interest	-	(4)
<b>Net cash from returns on investments and servicing of finance</b>	<b>-</b>	<b>(343)</b>

	2013 £000	2012 £000
<b>Capital expenditure and financial investment</b>		
Sale of trade and assets	-	15,061

	2013 £000	2012 £000
<b>Financing</b>		
Repayment of long-term loan	-	(5,324)
Repayment of finance leases	-	(42)
<b>Net cash from financing</b>	<b>-</b>	<b>(5,366)</b>

**23. ANALYSIS OF CHANGES IN NET DEBT**

	1 July 2012 £000	Cash flow £000	30 June 2013 £000
Cash at bank and in hand	6,797	(6,653)	144
<b>Net funds</b>	<b>6,797</b>	<b>(6,653)</b>	<b>144</b>

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **24 PENSION COMMITMENTS**

The company's total pension charge included within operating profit was £Nil (2012 - £17,000), being £Nil (2012 - £Nil) in respect of its defined benefit pension arrangements and £Nil (2012 - £17,000) in respect of its defined contribution pension arrangements

#### **Defined contribution pension schemes**

The company operated defined contribution pension schemes. The assets of the schemes were held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £Nil (2012 - £17,000). Contributions totalling £Nil (2012 - £Nil) were payable to the funds at the balance sheet date.

#### **The company operates a defined benefit pension scheme**

The company has fully adopted FRS 17 'Retirement Benefits'. The company includes the assets and liabilities of the scheme in its balance sheet. Current service costs, curtailment and settlement gains and losses and net financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are included in the statement of total recognised gains and losses.

A full actuarial valuation was carried out as at 6 April 2011 and has been updated to 30 June 2013 by a qualified independent actuary.

The amounts recognised in the balance sheet are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Present value of funded obligations	<b>(13,883)</b>	<b>(13,073)</b>
Fair value of scheme assets	<b>16,099</b>	<b>11,052</b>
Surplus/(deficit) in scheme	<b>2,216</b>	<b>(2,021)</b>
Assets not recoverable in the future	<b>(2,216)</b>	<b>-</b>
Deficit	<b>-</b>	<b>(2,021)</b>
Related deferred tax asset	<b>-</b>	<b>485</b>
Net liability	<b>-</b>	<b>(1,536)</b>

The pension scheme surplus is considered irrecoverable as it will not be recovered by the company through either reduced future contributions or by way of refund.

The amounts recognised in profit or loss are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Interest on obligation	<b>(583)</b>	<b>(637)</b>
Expected return on scheme assets	<b>300</b>	<b>591</b>
Total	<b>(283)</b>	<b>(46)</b>
Actual return on scheme assets	<b>932</b>	<b>202</b>

# **FERNTURN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

### **24. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	<b>13,073</b>	11,725
Interest cost	<b>583</b>	637
Actuarial losses	<b>477</b>	1,004
Benefits paid	<b>(250)</b>	(293)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>13,883</b>	13,073
	<hr/>	<hr/>

The sensitivity regarding the principal assumption used to measure the scheme liabilities is as follows

Discount rate - an increase / decrease in the assumption of 1% would result in a decrease / increase in the scheme liabilities of 20%

Changes in the fair value of scheme assets were as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	<b>11,052</b>	10,913
Expected return on assets	<b>300</b>	591
Actuarial (losses)/gains	<b>632</b>	(389)
Contributions by employer	<b>4,365</b>	230
Benefits paid	<b>(250)</b>	(293)
	<hr/>	<hr/>
	<b>16,099</b>	11,052
	<hr/>	<hr/>

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on equities is the sum of inflation, the dividend yield and economic growth. The return on gilts and bonds is the current market yield on long term gilts and bonds. The expected return on property has been set equal to the expected return on equities. The expected return on other assets is the current interest rate set by the Bank of England.

The company expects to contribute £Nil to its defined benefit pension scheme in 2014.



**FERNTURN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**24 PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows

	<b>2013</b>	<b>2012</b>
Equities	<b>49.20 %</b>	<b>59.50 %</b>
Gilts and bonds	<b>30.60 %</b>	<b>40.50 %</b>
Other	<b>20.20 %</b>	<b>- %</b>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	<b>2013</b>	<b>2012</b>
Discount rate	<b>4.70 %</b>	<b>4.50 %</b>
Expected return on scheme assets	<b>6.30 %</b>	<b>6.40 %</b>
Future pension increases	<b>2.20 %</b>	<b>1.90 %</b>
Future price inflation	<b>3.50 %</b>	<b>2.80 %</b>

Future price inflation is the assumed rates of RPI inflation which are derived from the difference between yields on fixed interest and index-linked government bonds, a further 0.2% per annum was deducted for an inflation risk premium

In addition, to allow for the intention to change to CPI in your results, the CPI inflation assumption has been derived by considering the expected future difference between RPI and CPI and as result, deducting 1.0% per annum from the RPI assumption derived above.

The life expectations (in years), assuming the mortality rates used by the actuary, on retirement at age 65 were as follows

Retiring today - Males 88.4 (2012 - 87.0), females 90.9 (2012 - 89.3)  
Retiring in 20 years - Males 88.5 (2012 - 88.4), females 90.9 (2012 - 90.9)

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	<b>2013 £000</b>	<b>2012 £000</b>	<b>2011 £000</b>	<b>2010 £000</b>	<b>2009 £000</b>
Defined benefit obligation	<b>(13,883)</b>	<b>(13,073)</b>	<b>(11,725)</b>	<b>(12,160)</b>	<b>(9,057)</b>
Scheme assets	<b>16,099</b>	<b>11,052</b>	<b>10,913</b>	<b>10,009</b>	<b>7,668</b>
Surplus/(deficit)	<b>2,216</b>	<b>(2,021)</b>	<b>(812)</b>	<b>(2,151)</b>	<b>(1,389)</b>
Experience adjustments on scheme liabilities	<b>(477)</b>	<b>(1,004)</b>	<b>1,001</b>	<b>(2,763)</b>	<b>(578)</b>
Experience adjustments on scheme assets	<b>632</b>	<b>(389)</b>	<b>144</b>	<b>1,994</b>	<b>(2,076)</b>

## **FERNTURN HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **25 RELATED PARTY TRANSACTIONS**

During the year £10,465 (2012 - £182,753) was paid to WayPoint Change LLP in respect of services provided by Nick Winks and Andy Pearson, who are Partners of that firm. Nick Winks and Andy Pearson held senior management positions within Fernturn Holdings Limited. At the balance sheet date £1,000 (2012 - £Nil) was due to WayPoint Change LLP.

During the year £19,353 (2012 - £Nil) was paid to RP Ovens Limited in respect of services provided by R Ovens, who is a director of that firm. Ruth Ovens is a director of Fernturn Holdings Limited and this amount does not include fees payable in respect of her services to Fernturn Holdings Limited as a director. At the balance sheet date £10,443 (2012 - £Nil) was due to RP Ovens Limited.

During the year £11,708 (2012 - Nil) was paid to IWFD Limited in respect of services provided by Ian Webb, who is a director of that firm. Ian Webb is a director of Fernturn Holdings Limited and this amount does not include fees payable in respect of his services to Fernturn Holdings Limited as a director. At the balance sheet date £4,536 (2012 - £Nil) was due to IWFD Limited.

The company has taken advantage of the exemption available in Financial Reporting Standard 8 - Related Party Disclosures, not to disclose transactions with group companies where 100% of the voting rights are controlled within the group.

#### **26. CONTROLLING PARTY**

The company is controlled by Praxis Trustees Limited, a company registered in Guernsey.

The ultimate controlling party is D Kingsbury.