

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

FOR

FORESTRE LIMITED

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for the year ended 31 DECEMBER 2013

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FORESTRE LIMITED

COMPANY INFORMATION

for the year ended 31 DECEMBER 2013

DIRECTORS:

H M L Cottle
P L Cottle

SECRETARY:

H M L Cottle

REGISTERED OFFICE:

Suite 408
150 Minories
London
EC3N 1LS

REGISTERED NUMBER:

04995829 (England and Wales)

AUDITORS:

Morris & Co
Chartered Accountants
Registered Auditors
Chester House Lloyd Drive
Cheshire Oaks Business Park
Ellesmere Port
Cheshire
CH65 9HQ

STRATEGIC REPORT

for the year ended 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The company's principal activities are as an insurance agency registered with the Financial Conduct Authority under part IV permissions, under reference 315263 and related consultancy activities. The company specialises in the insurance of forestry and related assets on a world wide basis together with associated Lloyd's syndicates and insurance brokers.

REVIEW OF BUSINESS

The results for the year and the financial position at the year end are set out in the financial statements.

The company reports a loss on ordinary activities for the year of £93,505 (2012 loss £136,936).

PRINCIPAL RISKS AND UNCERTAINTIES

Going concern

The directors have in previous years considered the fact that Forestre Limited may not be able to sustain its operations and on this basis the directors have entered into an arrangement after the balance sheet date as described in post balance sheet events notes and repeated here as follows:

Pardus Underwriting Limited has acquired the insurance brokerage business of Forestre Limited in order to expand their activities in this area and this arrangement is effective from 1 October 2014. The terms are an initial consideration and payment over the next five years of certain profit commissions earned by the expanded operations. The company will continue to operate a consultancy business and will therefore have income from this source in the future. The company retains ownership of all intellectual property . Whilst this does severely reduce its operations it does allow Forestre Limited to continue at this reduced level of operations for the foreseeable future.

In the opinion of the directors, in addition to going concern risk, the principal risks facing the company are as follows:

Credit risk

There is the risk that third parties which owe the company money will not pay the commissions due. The company seeks to minimise this risk by maintaining sound credit and collection practices, assisted by the fact that failure to pay amounts due will render any corresponding insurance policies issued invalid.

Exchange rate risk

A significant portion of the company's transactions and balances are denominated in currency other than Sterling and the company is therefore exposed to movements in exchange rates.

ON BEHALF OF THE BOARD:

H M L Cottle - Director

23 September 2014

REPORT OF THE DIRECTORS
for the year ended 31 DECEMBER 2013

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

H M L Cottle
P L Cottle

CHANGES TO SHARE CAPITAL

The share capital was increased by £60,000 during the year the director as shares of this value were allotted to H M L Cottle, a director, fully paid.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
for the year ended 31 DECEMBER 2013

AUDITORS

The auditors, Morris & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

H M L Cottle - Director

23 September 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FORESTRE LIMITED

We have audited the financial statements of Forestre Limited for the year ended 31 December 2013 on pages seven to fifteen. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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. 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 a Report of the Auditors 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.

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/apb/scope/private.cfm.

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 31 December 2013 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.

Emphasis of Matter- going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies section of the notes to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £93,505 during the year ended 31 December 2013 and, at that date, the company's liabilities exceeded its total assets by £46,690. These conditions, along with the other matters explained in the accounting policies section of the notes to the financial statements, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FORESTRE LIMITED**

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.

Janet Carr BA FCA (Senior Statutory Auditor)
for and on behalf of Morris & Co
Chartered Accountants
Registered Auditors
Chester House Lloyd Drive
Cheshire Oaks Business Park
Ellesmere Port
Cheshire
CH65 9HQ

24 September 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 DECEMBER 2013

	Notes	2013 £	2012 £
TURNOVER	2	120,085	114,603
Administrative expenses		<u>213,590</u>	<u>251,539</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(93,505)	(136,936)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(93,505)</u>	<u>(136,936)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

BALANCE SHEET
31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
FIXED ASSETS					
Tangible assets	8		1,056		-
CURRENT ASSETS					
Debtors	9	75,640		65,305	
Cash at bank		<u>8,894</u>		<u>8,350</u>	
		84,534		73,655	
CREDITORS					
Amounts falling due within one year	10	<u>132,280</u>		<u>86,840</u>	
NET CURRENT LIABILITIES			<u>(47,746)</u>		<u>(13,185)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(46,690)</u>		<u>(13,185)</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,277,500		1,217,500
Profit and loss account	12		<u>(1,324,190)</u>		<u>(1,230,685)</u>
SHAREHOLDERS' FUNDS	16		<u>(46,690)</u>		<u>(13,185)</u>

The financial statements were approved by the Board of Directors on 23 September 2014 and were signed on its behalf by:

H M L Cottle - Director

CASH FLOW STATEMENT**for the year ended 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Net cash outflow from operating activities	1	(115,074)	(160,574)
Capital expenditure	2	<u>(1,456)</u> (116,530)	<u>-</u> (160,574)
Financing	2	<u>117,074</u>	<u>158,600</u>
Increase/(decrease) in cash in the period		<u>544</u>	<u>(1,974)</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase/(decrease) in cash in the period		<u>544</u>	<u>(1,974)</u>
Change in net funds resulting from cash flows		<u>544</u>	<u>(1,974)</u>
Movement in net funds in the period		<u>544</u>	<u>(1,974)</u>
Net funds at 1 January		<u>8,350</u>	<u>10,324</u>
Net funds at 31 December		<u>8,894</u>	<u>8,350</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 DECEMBER 2013

1. **RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating loss	(93,505)	(136,936)
Depreciation charges	400	-
Increase in debtors	(10,335)	(18,196)
Decrease in creditors	(11,634)	(5,442)
Net cash outflow from operating activities	(115,074)	(160,574)

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2013	2012
	£	£
Capital expenditure		
Purchase of tangible fixed assets	(1,456)	-
Net cash outflow for capital expenditure	(1,456)	-
Financing		
Amount introduced by directors	130,376	26,910
Amount withdrawn by directors	(73,302)	(13,310)
Share issue	60,000	145,000
Net cash inflow from financing	117,074	158,600

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.13	Cash flow	At
	£	£	31.12.13
			£
Net cash:			
Cash at bank	8,350	544	8,894
	<u>8,350</u>	<u>544</u>	<u>8,894</u>
 Total	 <u>8,350</u>	 <u>544</u>	 <u>8,894</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the going concern basis.

Going concern

The directors have in previous years considered the fact that Forestre Limited may not be able to sustain its operations and on this basis the directors have entered into an arrangement after the balance sheet date as described in post balance sheet events notes and repeated here as follows: Pardus Underwriting Limited has acquired the insurance brokerage business of Forestre Limited in order to expand their activities in this area and this arrangement is effective from 1 October 2014. The terms are an initial consideration and payment over the next five years of certain profit commissions earned by the expanded operations. The company will continue to operate a consultancy business and will therefore have income from this source in the future. The company retains ownership of all intellectual property .

Whilst this does severely reduce its operations it does allow Forestre Limited to continue at this reduced level of operations for the foreseeable future.

Turnover

Turnover represents the total amount receivable for insurance broking commissions earned in the normal course of business and consultancy fees, excluding value added tax, where applicable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - Straight line over 3 years

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency translation

Revenues and costs expressed in all foreign currencies are translated into sterling at average rates of exchange which approximate to the actual rate ruling on the date on which transactions occurred. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the translation of such items are dealt with through the profit and loss account.

Commissions are earned in US dollars which are paid into the Company's UK based Sterling bank accounts.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 DECEMBER 2013**2. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2013	2012
	£	£
Commission receivable	73,274	82,745
Consultancy fees	3,000	31,858
Profit share	43,811	-
	<u>120,085</u>	<u>114,603</u>

An analysis of turnover by geographical market is given below:

	2013	2012
	£	£
Africa	4,118	12,553
Asia	13,683	21,085
Australia	5,496	5,063
Europe	51,884	10,000
South America	41,378	58,118
North America	3,526	7,784
	<u>120,085</u>	<u>114,603</u>

3. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	97,848	97,847
Social security costs	11,394	11,465
	<u>109,242</u>	<u>109,312</u>

The average monthly number of employees during the year was as follows:

	2013	2012
Management and administration	<u>2</u>	<u>2</u>

The company does not operate its own pension scheme but pays contributions to full time employees personal schemes as appropriate.

4. DIRECTORS' EMOLUMENTS

	2013	2012
	£	£
Directors' remuneration	<u>51,504</u>	<u>51,504</u>

The company does not operate a pension scheme to which directors could accrue benefits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 DECEMBER 2013**5. OPERATING LOSS**

The operating loss is stated after charging:

	2013	2012
	£	£
Other operating leases	46,590	46,185
Depreciation - owned assets	400	-
Auditors' remuneration	5,455	3,561
Other non-audit services	<u>3,100</u>	<u>3,197</u>

6. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

In 2013, the only adjusting factor affecting the tax loss assessable for tax purposes relates to the difference between depreciation and capital allowances (£10 tax effect).

A deferred tax asset of £249,951 (2012- £231,260) has not been recognised in these financial statements. Should future trading profits arise, this may be utilised against those profits.

7. DIVIDENDS

No dividends were paid during the year.

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2013	37,751
Additions	<u>1,456</u>
At 31 December 2013	<u>39,207</u>
DEPRECIATION	
At 1 January 2013	37,751
Charge for year	<u>400</u>
At 31 December 2013	<u>38,151</u>
NET BOOK VALUE	
At 31 December 2013	<u>1,056</u>
At 31 December 2012	<u>-</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	45,730	51,448
Amounts owed by group undertakings	-	6,559
Amounts owed by participating interests	19,624	-
Other debtors and prepayments	<u>10,286</u>	<u>7,298</u>
	<u>75,640</u>	<u>65,305</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 DECEMBER 2013**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Trade creditors	25,822	42,459
Social security and other taxes	3,175	3,211
Other creditors	10,209	5,170
Directors' loan accounts	93,074	36,000
	<u>132,280</u>	<u>86,840</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
1,277,500	Ordinary	£1	<u>1,277,500</u>	<u>1,217,500</u>

The share capital was increased by £60,000 during the year the director as shares of this value were allotted to H M L Cottle, a director, fully paid.

12. RESERVES

	Profit and loss account £
At 1 January 2013	(1,230,685)
Deficit for the year	(93,505)
At 31 December 2013	<u>(1,324,190)</u>

13. RELATED PARTY DISCLOSURES**H M L Cottle**

	2013	2012
	£	£
Amount due to related party at the balance sheet date	<u>93,075</u>	<u>36,000</u>

Red Kite Management Solutions Limited

A company in which M Edwards, CEO at Forestre Limited, is a shareholder

During the year Red Kite Management Solutions Limited provided consultancy services to Forestre Limited totalling £9,777.

	2013	2012
	£	£
Amount due to related party at the balance sheet date	<u>20,077</u>	<u>42,257</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 DECEMBER 2013

14. POST BALANCE SHEET EVENTS

Pardus Underwriting Limited has acquired the insurance brokerage business of Forestre Limited in order to expand their activities in this area and this arrangement is effective from 1 October 2014. The terms are an initial consideration and payment over the next five years of certain profit commissions earned by the expanded operations. The company will continue to operate a consultancy business and will therefore have income from this source in the future. The company retains ownership of all intellectual property .

15. ULTIMATE CONTROLLING PARTY

There is no controlling party.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Loss for the financial year	(93,505)	(136,936)
Share capital issued	60,000	145,000
Net (reduction)/addition to shareholders' funds	(33,505)	8,064
Opening shareholders' funds	(13,185)	(21,249)
Closing shareholders' funds	(46,690)	(13,185)

17. PENSION COMMITMENTS AND OTHER POST-RETIREMENT BENEFITS

The company does not operate a pension scheme but, instead, makes contributions to full time employees personal pension plans as appropriate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.