

**Latium USA Partnership 2 Limited (formerly
known as Everest Secondary Limited)**

**Director's report and financial
statements**

Registered number 05948885

31 October 2018



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Strategic Report

The director presents his Strategic report and financial statements for the year ended 31 October 2018. This report has been prepared by the director in accordance with the requirements of Section 414 of the Companies Act 2006.

During the year the company changed its name from Everest Secondary Limited to Latium USA Partnership 2 Limited.

Business review

The Company did not trade during the current period. During the year the Company accrued interest on the loan notes issued. The profit and loss account is set out on page 7 and shows the result for the year.

Analysis of key performance indicators

As the company is a non-trading intermediate holding company, there are no key performance indicators based on the performance of the Company.

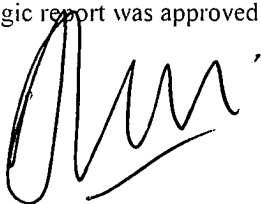
Principal risks and uncertainty

The principal risk to the business is the performance of the subsidiaries and their ability to repay their liabilities as they fall due.

Approval

This strategic report was approved by the board on 22 July 2019

A C Kirk
Director



Director's Report

The director presents his Director's report and financial statements for the year ended 31 October 2018.

During the year the company changed its name from Everest Secondary Limited to Latium USA Partnership 2 Limited.

Principal activities

The Company is an intermediate holding company. Its only activity is holding loan notes which accrue interest.

Results and dividend

The loss for the period absorbed by the Company is £894,000 (2017: £894,000). This is the accrued interest on the loan notes.

Directors

The director who held office during the period was as follows:

A C Kirk

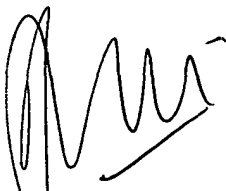
Disclosure of information to auditors

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and BDO LLP will therefore continue in office.

By order of the board



A C Kirk
Director

22 July 2019

Hamilton House
Church Street
Altrincham
WA14 4DR

Statement of director's responsibilities in respect of the Director's Report and the financial statements

The director is responsible for preparing the Strategic report, Director's 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 director has 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 he is 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 director is required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATIUM USA PARTNERSHIP 2 LIMITED (FORMERLY KNOWN AS EVEREST SECONDARY LIMITED)

Adverse opinion

We have audited the financial statements of Latium USA Partnership 2 Limited (formerly known as Everest Secondary Limited) ("the company") for the year ended 31 October 2018 which comprise the profit and loss account, the balance sheet, the statement in changes in equity 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, because of the significance of the matter described in the Basis for adverse opinion paragraph below, the financial statements:

- do not give a true and fair view of the state of the group and the company's affairs as at 31 October 2018 and of its result for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have not been prepared in accordance with the requirements of the Companies Act 2006.

Basis for adverse opinion

As more fully explained in note 1 to the financial statements the company has not prepared group financial statements, which is contrary to the provisions of the Companies Act 2006 and the requirements of FRS102.

As the financial statements of the US subsidiaries have not been audited we have been unable to obtain sufficient appropriate audit evidence regarding the capital and reserves, profit/loss for the year and the intercompany receivable and payables of these subsidiaries as set out in note 9 to the financial statements.

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 company 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 adverse opinion.

Conclusions relating to going concern

As described in the Basis for adverse opinion section above, the company has not prepared group financial statements. Accordingly, we are unable to conclude in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the company'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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATIUM USA PARTNERSHIP 2 LIMITED (FORMERLY KNOWN AS EVEREST SECONDARY LIMITED) continued...

In connection with our audit of the financial statements, our responsibility is to read the other information, including the director's report and strategic report 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. As described in the Basis for adverse opinion section above, the company has not prepared group financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have not been prepared in accordance with applicable legal requirements due to the matter set out in the Basis for adverse opinion section above.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, other than the matter set out in the Basis for disclaimer for adverse opinion section above, we have not we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

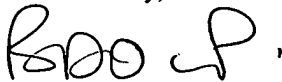
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATIUM USA PARTNERSHIP 2 LIMITED (FORMERLY KNOWN AS EVEREST SECONDARY LIMITED) continued...

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: 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 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.



Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester

Date: 24 JULY 2019

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

Profit and Loss Account
for the year ended 31 October 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover		-	-
Administrative expenses		-	-
Operating profit		-	-
Interest payable and similar charges	3	(894)	(894)
Loss before taxation		(894)	(894)
Tax on loss on ordinary activities		-	-
Loss for the financial year	8	(894)	(894)

All amounts are derived from continuing activities.

The Company has no recognised gains or losses in either the current or preceding year other than those presented above and therefore no statement of total recognised gains and losses has been presented.

The notes on pages 10 to 13 form part of these financial statements.

Balance Sheet
at 31 October 2018

	<i>Note</i>	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Investments	5	-	-	-	-
Current assets					
Cash at bank and in hand		-	-	-	-
		-	-	-	-
Creditors: amounts falling due within one year					
Net current liabilities		-	-	-	-
Total assets less current liabilities		-	-	-	-
Creditors: amounts falling due after one year	6	(17,659)	(17,659)	(16,765)	(16,765)
Net liabilities		(17,659)	(17,659)	(16,765)	(16,765)
Capital and reserves					
Called up share capital	7	-	-	-	-
Profit and loss reserve	8	(17,659)	(17,659)	(16,765)	(16,765)
Equity shareholder's deficit		(17,659)	(17,659)	(16,765)	(16,765)

These financial statements were approved by the board of directors on 22 July 2019 and were signed on its behalf by:

A C Kirk
 Director



The notes on pages 10 to 13 form part of these financial statements.

Statement of changes in equity
for the year ended 31 October 2017

	Share capital	Profit and loss account	Total
	£000	£000	£000
As at 1 November 2016	-	(15,871)	(15,871)
Loss for the year	-	(894)	(894)
Total comprehensive expense for the year	-	(894)	(894)
As at 31 October 2017	-	(16,765)	(16,765)

Statement of changes in equity
for the year ended 31 October 2018

	Share capital	Profit and loss account	Total
	£000	£000	£000
As at 1 November 2017	-	(16,765)	(16,765)
Loss for the year	-	(894)	(894)
Total comprehensive expense for the year	-	(894)	(894)
As at 31 October 2018	-	(17,659)	(17,659)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

Latium USA Partnership 2 Limited is a limited liability company incorporated in England. The Registered Office is Hamilton House, Church Street, Altrincham, England, WA14 4DR. The company's financial statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Standards, FRS 102 as it applies to the financial statements of the company for the year ended 31 October 2018.

Basis of preparation and change in accounting policy

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. As noted below though the company's parent company does not prepare consolidated financial statements. The company is also exempt from the requirement to prepare a cashflow statement, as it is a small company.

Going concern

The accounts have been prepared on a going concern basis, notwithstanding that the Company has net liabilities. The loan stock liabilities, and the related payment terms, are set out in note 6 to the accounts. The loan note holders are aware that the ability of the Company to repay these amounts on their due date is dependent on the ability of the Company to realise its investment, or income there from, in the Four Seasons Partnership. Whilst the directors and loan note holders consider this achievable the loan note holders have confirmed in writing to the Company that they will not seek repayment of the amounts owed under this agreement if and until the Company has realised its investment in the Four Seasons Partnership, or has been in receipt of funds from its investment which would enable it to meet this financial commitment.

Non-Consolidation and information in respect of subsidiaries

For the year ended 31 October 2018, none of the subsidiary undertakings have been consolidated by NE Investments Limited on the grounds that the information necessary for the preparation of consolidated financial statements for the primary trading entities in the US cannot be obtained without disproportionate expense or undue delay and as a result do not allow the company to take this exemption.

The directors believe it is not possible to complete the preparation and the audit of the accounts in the US without incurring substantial additional costs which the directors believe outweighs the benefits to the shareholders and stakeholders of the group. The directors therefore believe that consolidated financial statements exclusive of information regarding these subsidiaries would not give a true and fair view of the Groups affairs and its result for the year could be misleading, consequently, the company and its immediate parent, NE Investments Limited, has not consolidated the results, assets and liabilities of any of its subsidiary undertakings in their financial statements. The company's reasons for the non-preparation of consolidated financial statements are not in accordance with the requirements of FRS102. Accordingly these financial statements present information about the individual company and not the group.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

-provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

-where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and

-unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes (continued)

2 Directors and staff costs

The Company has no employees other than the directors. The directors received no remuneration in either the current and preceding periods from the Company in respect of their services to the Company.

3 Interest payable

	2018 £000	2017 £000
Interest on loan stock	894	894

4 Operating loss

Operating loss is stated after charging the following:

	2018 £000	2017 £000
Auditors remuneration: Audit of these financial statements	-	-

Auditors remuneration of £1,500 (2017: £1,500) was borne by the parent company.

5 Fixed asset investment

	£000
As at 31 October 2018 and 31 October 2017	-

The Company in which the Company's interest at the year end is more than 20% is as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Partnership Interest %	Net assets £000
Four Seasons Sunrooms Acquisition Partnership	USA	Retail of Sunrooms	50	31,571

6 Creditors: amounts falling due after one year

	2018 £000	2017 £000
Accrued interest	10,209	9,315
Secured loan notes	2,450	2,450
Unsecured loan notes	5,000	5,000
	17,659	16,765

Notes (continued)

6 Creditors: amounts falling due after one year continued

On 14 November 2006, the Company issued £2,450,000, 12% fixed rate, secured loan notes. The interest and capital was due on the maturity date of 31 October 2013 or immediately if the Company ceases to trade. No payments can be made under the loan notes, however, without the consent of the senior debt provider to the parent company, NE Investments Limited. The loan notes are secured on the investment in Four Seasons Partnership.

On 4 September 2007, the Company issued £5,000,000, 12% fixed rate, unsecured loan notes. The interest and capital was due on the maturity date of 31 October 2013 or immediately if the Company ceases to trade. No payments can be made under the loan notes, however, without the consent of the senior debt provider to the parent company, NE Investments Limited.

The payment of interest and capital on these secured and unsecured notes is subordinated, under the terms of an inter-creditor agreement, behind the repayment of senior debt by the Four Seasons Partnership and the Company's parent undertaking, NE Investments Limited.

7 Called up share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
Equity – 1 ordinary share of £1	1	1

8 Reserves

	Profit and loss reserve £000
At beginning of the year	(16,765)
Retained loss for the year	(894)
At end of the year	(17,659)

9 Related party transactions

There were no related party transactions in the current year or preceding year.

10 Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of NE Investments Ltd, a Company registered in England and Wales. Copies of these accounts can be obtained from Hamilton House, Church Street, Altrincham WA14 4DR.

The ultimate controlling party is Brian Kennedy as he owns a majority stake in NE Investments Ltd