

Registered number: 07505002

HOLMES INVESTMENT PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



HOLMES INVESTMENT PROPERTIES PLC

COMPANY INFORMATION

Directors	A A Sardelic T J Werner (resigned 31 May 2017) M P J Helme (appointed 23 February 2017, resigned 6 July 2018) N R B Holmes (appointed 23 February 2017) M Eberhardt (appointed 1 August 2017) J R P Holmes (appointed 22 March 2018, resigned 13 August 2018)
Company secretary	Prism Cosec Limited
Registered number	07505002
Registered office	Elder House St Georges Business Park 207 Brooklands Road Weybridge Surrey KT13 0TS
Independent auditors	Ashings Limited Chartered Accountants & Statutory Auditors Northside House Mount Pleasant Cockfosters Herts. EN4 9EB

HOLMES INVESTMENT PROPERTIES PLC

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HOLMES INVESTMENT PROPERTIES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The company is a holding company.

Business review

The year to March 2018 has seen a number of strategic developments. As reported in last year's accounts, UK Adventure Parks was acquired to fund up to 12 adventure leisure parks for David Lloyd's Adventure Parks Ltd. Trading under the "Adrenaline World" brand, the company has an ambitious growth strategy to launch up to 12 centres by the end of 2020 with 4 planned to open during 2019.

During the year, the Company entered its second partnership, with Everyone Entertained Ltd. Led by Grant Wright, Everyone Entertained will develop and operate multi activity leisure venues geared to catering for families, parties and people of all ages and abilities. Activities will include adventure golf, laser quest, escape rooms, soft play areas and high ropes courses. Planning has been submitted for the first centre in the North-East and which is planned to be opened later during 2019.

On 9 February, the Company acquired 100% of Ashtour Ltd for £500,000 from Mr Grant Wright, payable as to 50% in cash and 50% in shares of Everyone Entertained, following which the Company's equity interest in Everyone Entertained was 30%. Ashtour Ltd manages a golfing centre in south-east London, with a golf range comprising 24 bays and an 18-hole adventure golf course. There is also an American Golf retail outlet on site. The Company expects to enhance returns from this business by organic and acquisitive growth.

During the year, the Company issued 405,972,851 ordinary shares, 280,000,000 in satisfaction of the purchase price of UK Adventure Parks and a further 30,625,000 in settlement of fees in connection therewith. In addition, following the AGM of 9 January approving the creation of preference shares, 240,000,000 preference shares were issued as part settlement of its acquisition of UK Adventure Parks Ltd.

As is common in businesses at this stage of development, the business is heavily reliant on a small number of personnel and the risk of controls failing are correspondingly higher.

During the year, a number of transactions were undertaken for which source documents were not retained and of which the board was not fully appraised at the time. Following an investigation, the previous Chief Executive resigned on 6 July 2018 without compensation. The management team has since been strengthened, in particular with Michael Simmonds as Chief Executive Officer, James Holmes as Managing Director, Jonathan Sutton as Property Director and Malcolm Simmonds as Chief Administrative Officer. The Company has also strengthened its relationships with professional advisers in the areas of legal, finance and property. The board oversees the executive team.

HOLMES INVESTMENT PROPERTIES PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Principal risks and uncertainties

The company's principle risks and uncertainties and their management have been assessed as follows:

Dependency on key management and personnel

As mentioned above, the business is heavily reliant on a small number of key personnel. The executive team meet fortnightly and board members are invited to attend. Payments require approval of at least two and all new contracts have to be signed off by the board.

Corporate Strategy

The value of the Company is dependent upon the Company achieving their strategic aims. Whilst the Directors are optimistic about the Company's prospects, there is no certainty that they will be able to achieve the anticipated revenues or growth. The Company believes it has the team in place to mitigate the risk of the corporate strategy not being achieved.

Future funding

The Company expects, directly or through its subsidiaries and holdings, to raise further funds in the future to develop the business model. While there can be no guarantee of raising future funds, in addition to the ongoing support of the Company's parent, the directors have spread this risk by accessing both equity and debt markets.

Property Development

There are certain risks inherent to the property development sector, which the Company minimises through appropriate research, effective contracts, contingency plans, and the experience and skills of its management teams.

Land Costs and Availability

The property market may fluctuate, prices rise or fall, and the availability of suitable sites may increase or decrease. The Company seeks to maintain a pipeline of opportunities sufficient to ensure its development plans can be executed together with the professional expertise to optimise its land costs.

The leisure sector

The leisure industry, particularly the activities, sports, and pastimes offered by the Company's leisure partners and its subsidiary, Ashtour Limited, are especially susceptible to trends and market influences, as is the provision of food and beverages. The Company, its partners, and its subsidiaries have mitigated this risk by ensuring they possess the experience and expertise to interpret consumer attitudes and preferences and plan accordingly.

Financial key performance indicators

The Company incurred a loss for the year of £1,093,542 (2017: £68,542) which included foreign exchange losses of £292,857 and interest charges of £140,000. Cash and cash equivalents were £187,914 at the year end (2017: £761). Net assets were £49,317,387 (2017: £7,218,769).

This report was approved by the board on 11 February 2019 and signed on its behalf.



M Eberhardt

...Signed on 11-02-2019 @ 15:27:38

M Eberhardt
Director

HOLMES INVESTMENT PROPERTIES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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;
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,093,542 (2017 - loss £68,542).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

A A Sardelic

T J Werner (resigned 31 May 2017)

M P J Helme (appointed 23 February 2017, resigned 6 July 2018)

N R B Holmes (appointed 23 February 2017)

M Eberhardt (appointed 1 August 2017)

J R P Holmes (appointed 22 March 2018, resigned 13 August 2018)

Future developments

The company intends to raise finance to carry out planned investment activities.

The company intends to acquire freehold land and build Leisure facilities on site, and to lease the premises to market leading Operators in the rapidly evolving Leisure industry, creating a centre of Leisure Adventures.

HOLMES INVESTMENT PROPERTIES PLC .

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end other than those detailed in note 19 to the financial statements.

Auditors

The auditors, Ashings Limited, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 11 February 2019 and signed on its behalf.



M Eberhardt

Signed on 11-02-2019 @ 15:27:20

M Eberhardt
Director

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC

Opinion

We have audited the financial statements of Holmes Investment Properties PLC (the 'Company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 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.

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 the accounting policies concerning the company's ability to continue as a going concern. The company's current liabilities exceeded its current assets by £3,385,020, however, as detailed in note 2.2 the company has received an undertaking from its parent for continued support for 12 months from 6 February 2019. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

We have further considered the adequacy of the disclosures made in note 5 regarding certain transactions undertaken during the year and the steps the board have put in place to address services received for shares issued totalling €314,981.

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

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.

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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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, 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 on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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.



Nafisa Kachwalla

Certified on 11-02-2019 @ 15:31:29

Nafisa Kachwalla FCA (Senior Statutory Auditor)

for and on behalf of
Ashings Limited

Chartered Accountants
Statutory Auditors

Northside House
Mount Pleasant
Cockfosters
Herts.
EN4 9EB

11 February 2019

HOLMES INVESTMENT PROPERTIES PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

		31 March 2018 £	15 months ended 31 March 2017 £
	Note		
Administrative expenses		(953,551)	(68,542)
Other operating income	4	9	-
Operating loss	6	(953,542)	(68,542)
Interest payable and expenses	10	(140,000)	-
Loss before tax		(1,093,542)	(68,542)
Loss for the financial year		(1,093,542)	(68,542)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC
REGISTERED NUMBER: 07505002

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	12	53,122,407	51,952,550
		<u>53,122,407</u>	<u>51,952,550</u>
Current assets			
Debtors: amounts falling due after more than one year	13	-	44,700
Debtors: amounts falling due within one year	13	2,468,242	11,975
Cash at bank and in hand	14	187,914	761
		<u>2,656,156</u>	<u>57,436</u>
Creditors: amounts falling due within one year	15	(6,041,176)	(44,791,217)
Net current liabilities		<u>(3,385,020)</u>	<u>(44,733,781)</u>
Total assets less current liabilities		<u>49,737,387</u>	<u>7,218,769</u>
Creditors: amounts falling due after more than one year	16	(420,000)	-
		<u>49,317,387</u>	<u>7,218,769</u>
Net assets		<u><u>49,317,387</u></u>	<u><u>7,218,769</u></u>
Capital and reserves			
Called up share capital	19	25,588,159	973,584
Share premium account	20	25,160,473	6,582,888
Profit and loss account	20	(1,431,245)	(337,703)
		<u>49,317,387</u>	<u>7,218,769</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 February 2019.



M Eberhardt

...Signed on 11-02-2019 @ 15:27:55

M Eberhardt
Director

The notes on pages 12 to 24 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2016	217,430	-	(269,161)	(51,731)
Comprehensive income for the period				
Loss for the period	-	-	(68,542)	(68,542)
Shares issued during the period	756,154	6,582,888	-	7,339,042
At 1 April 2017	973,584	6,582,888	(337,703)	7,218,769
Comprehensive income for the year				
Loss for the year	-	-	(1,093,542)	(1,093,542)
Shares issued during the year	24,614,575	18,577,585	-	43,192,160
At 31 March 2018	25,588,159	25,160,473	(1,431,245)	49,317,387

The notes on pages 12 to 24 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(1,093,542)	(68,542)
Adjustments for:		
Interest paid	140,000	-
(Increase) in debtors	(2,411,567)	(56,675)
(Decrease)/increase in creditors	(38,750,041)	44,739,486
Net cash generated from operating activities	<u>(42,115,150)</u>	<u>44,614,269</u>
Cash flows from investing activities		
Purchase of fixed asset investments	(1,130,157)	(51,952,550)
Purchase of share in associates	(39,700)	-
Net cash from investing activities	<u>(1,169,857)</u>	<u>(51,952,550)</u>
Cash flows from financing activities		
Issue of ordinary shares	43,192,160	7,339,042
Other new loans	420,000	-
Interest paid	(140,000)	-
Net cash used in financing activities	<u>43,472,160</u>	<u>7,339,042</u>
Net increase in cash and cash equivalents	<u>187,153</u>	<u>761</u>
Cash and cash equivalents at beginning of year	761	-
Cash and cash equivalents at the end of year	<u><u>187,914</u></u>	<u><u>761</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>187,914</u>	<u>761</u>
	<u><u>187,914</u></u>	<u><u>761</u></u>

The notes on pages 12 to 24 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

The company is incorporated in England and Wales as a public limited company with its registered office sited at Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS. The company acts as a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The company's current liabilities exceed its current assets by £24,364,367. However, the company has obtained contractual confirmation of support from its parent undertaking for 12 months from 6 February 2019 to meet its liabilities as they fall due. On this basis the Directors believe that the company is a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, significantly impacting the company's earnings and financial position.

4. Other operating income

	31 March 2018 £	15 months ended 31 March 2017 £
Other operating income	9	-
	<u>9</u>	<u>-</u>

5. Transactions during the year

As is common in businesses at this stage of development, the business is heavily reliant on a small number of personnel and the risk of controls failing are correspondingly higher.

During the year, a number of transactions were undertaken for which source documents were not retained and of which the board was not fully apprised at the time. Following an investigation, the previous Chief Executive resigned on 6 July 2018 without compensation. The management team has since been strengthened, in particular with Michael Simmonds as Chief Executive Officer, James Holmes as Managing Director, Jonathan Sutton as Property Director and Malcolm Simmonds as Chief Administrative Officer. The Company has also strengthened its relationships with professional advisers in the areas of legal, finance and property. The board oversees the executive team.

Where feasible the board has reconstructed the records of the company and are confident all material items have now been recorded.

In particular a number of shares were issued for services which were not properly documented. The board are confident that all such services have been received. Such issues had previously been filed showing cash received and the board are taking steps to re-file such documents. The value of services was equal to €314,981.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Operating loss

The operating loss is stated after charging:

	31 March 2018 £	15 months ended 31 March 2017 £
Exchange differences	292,857	(10,579)
	-	-
	-	-

7. Auditors' remuneration

	31 March 2018 £	15 months ended 31 March 2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,000	4,800
Fees payable to the Company's auditor and its associates in respect of:		
All other services	2,434	2,100
	2,434	2,100

HOLMES INVESTMENT PROPERTIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	31 March 2018 £	<i>15 months ended 31 March 2017 £</i>
Wages and salaries	160,229	-
Social security costs	20,999	-
	<u>181,228</u>	<u>-</u>

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

	31 March 2018 No.	<i>15 months ended 31 March 2017 No.</i>
Directors	<u>1</u>	<u>-</u>

9. Directors' remuneration

	31 March 2018 £	<i>15 months ended 31 March 2017 £</i>
Directors' emoluments	160,229	-
	<u>160,229</u>	<u>-</u>

10. Interest payable and similar expenses

	31 March 2018 £	<i>15 months ended 31 March 2017 £</i>
Other loan interest payable	140,000	-
	<u>140,000</u>	<u>-</u>

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Taxation

	31 March 2018 £	15 months ended 31 March 2017 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	31 March 2018 £	15 months ended 31 March 2017 £
Loss on ordinary activities before tax	(1,093,542)	(68,542)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(207,773)	(13,708)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	207,773	(2,116)
Unrelieved tax losses carried forward	-	15,824
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

HOLMES INVESTMENT PROPERTIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2017	51,952,550	-	51,952,550
Additions	1,130,157	39,700	1,169,857
At 31 March 2018	<u>53,082,707</u>	<u>39,700</u>	<u>53,122,407</u>
Net book value			
At 31 March 2018	<u>53,082,707</u>	<u>39,700</u>	<u>53,122,407</u>
At 31 March 2017	<u>51,952,550</u>	<u>-</u>	<u>51,952,550</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
UK Adventure Parks Limited	Ordinary	100 %	Dormant Residential property investments
LP Bonds PLC	Ordinary	100 %	
Ashtour Limited	Ordinary	100 %	Golf range

Name	Registered office
UK Adventure Parks Limited	106 Mount Street, London W1K 2TW
LP Bonds PLC	85 Great Portland Street, London W1W 7LT
Ashtour Limited	Beverley Park Golf Range, Beverley Way, New Malden, Surrey KT3 4PH

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date or as per the latest published accounts for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
UK Adventures Parks Limited	7,700	(4,800)

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Fixed asset investments (continued)

LP Bonds PLC	(466,752)	(476,253)
Ashtour Limited	164,922	(33,742)
	<u>(294,130)</u>	<u>(514,795)</u>

On 9 February 2018 the company acquired the entire share capital of Ashtour Limited for £500,000.

Participating interests

During the year under review the company acquired a 30% interest in Everyone Entertained Limited and a 15% interest in David Lloyd Adventure Parks Limited.

13. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	-	44,700
	<u>-</u>	<u>44,700</u>
	2018 £	2017 £
Due within one year		
Other debtors	2,468,242	11,975
	<u>2,468,242</u>	<u>11,975</u>

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	187,914	761
	<u>187,914</u>	<u>761</u>

HOLMES INVESTMENT PROPERTIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	96,665	57,415
Other taxation and social security	98,550	-
Other creditors	5,797,510	44,692,407
Accruals and deferred income	48,451	41,396
	<u>6,041,176</u>	<u>44,791,218</u>

16. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Debentures loans	390,000	-
Other loans	30,000	-
	<u>420,000</u>	<u>-</u>

The following liabilities were secured:

	2018 £	2017 £
Loan notes	390,000	-
	<u>390,000</u>	<u>-</u>

Details of security provided:

The debenture loan notes are secured by a fixed and floating charge over the assets of the company.

During the year under review debenture loan notes with a redemption value of £390,000 were issued for £250,000 carrying an interest rate of 0%.

During the year under review other loan notes were issued at par with a face value of £30,000 and carrying interest at 8%pa.

HOLMES INVESTMENT PROPERTIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due 1-2 years		
Other loans	30,000	-
Debenture loans	390,000	-
	<u>420,000</u>	<u>-</u>
	<u>420,000</u>	<u>-</u>

18. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	187,914	761
Financial assets that are debt instruments measured at amortised cost	2,468,242	56,675
Financial assets that are equity instruments measured at cost less impairment	-	-
	<u>2,656,156</u>	<u>57,436</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(6,362,626)</u>	<u>(44,791,217)</u>
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Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
518,303,070 (2017 - 112,330,219) Ordinary shares of 0.01 each	4,494,821	973,584
240,000,000 (2017 -) Preference shares of 0.01 each	21,093,338	-
	<u>25,588,159</u>	<u>973,584</u>

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Share capital (continued)

During the year, the Company issued 405,972,851 ordinary shares, 280,000,000 in satisfaction of the purchase price of UK Adventure Parks and a further 30,625,000 in settlement of fees in connection therewith. Further from 10 April 2017 to 2 March 2018 the company issued shares at prices ranging from €0.01 to €0.10. The total number of shares issued was 405,972,871, the company received cash and services totalling €30,261,972.

On 23 January 2018 240,000,000 €0.01 redeemable preference shares were issued as part settlement of the acquisition of UK Adventure Parks Limited. The shares carry a cumulative coupon of 10% payable at the option of the board and otherwise rank equally with the ordinary shares.

20. Reserves

Share premium account

The share premium reserve represents the surplus on issuing shares over the nominal value of the shares less costs of issuance.

Profit and loss account

Representing cumulative profits and losses of the company.

21. Related party transactions

The following related party transactions took place in the year:

With directors:

M Eberhardt, a director, was paid expenses of £1,782 during the year.

A Sardelic, a director, was paid fees and expenses of £36,811 during the year.

M Helme, a director, was owed £6,000 at the balance sheet date.

With a parent company and controller:

Grosvenor Square Investments Ltd held 211,625,000 ordinary shares and 240,000,000 prefs making 451,625,000 out of 758,303,070 in issue. No other transactions with Grosvenor in the period other than issue of shares to satisfy acquisition of UK Adventure Parks Limited.

Grosvenor Square Investments Ltd has also agreed to provide financial support for the year following the date of these accounts.

James Holmes, the ultimate controlling party, loaned £2,000 to the Company on 7 December 2017 and was repaid 28 March 2018.

With subsidiary and associated companies:

LP Bonds PLC loaned £3,000 to the Company which remained outstanding at the year end and the Company loaned LP bonds £6,144 which remained outstanding at the year end.

The Company assigned its debt due from Mr D Lloyd of £282,970 to UKAP to fund its acquisition of 15% in David Lloyd Adventure Parks Ltd and loaned a further £4,944 during the year. The amount remained outstanding to the company at the year end.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. Post balance sheet events

Following an investigation, the previous Chief Executive resigned on 6 July 2018 without compensation.

On 27 April 2018, 8,232,527 ordinary shares were issued at €0.01 per share.

23. Controlling party

The directors regard Auchroisk Holdings Limited as being the ultimate parent undertaking and James Holmes as being the ultimate controlling party.